



Peter Franchot
Comptroller

Andrew M. Schaufele
*Director, Bureau of Revenue
Estimates*

January 30, 2015

Honorable Edward J. Kasemeyer
Senate Budget and Taxation
Miller Senate Building
Annapolis, Maryland 21401

Honorable Sheila E. Hixson
House Ways and Means Committee
House Office Building
Annapolis, Maryland 21401

Dear Senator Kasemeyer and Delegate Hixson,

As required by Maryland Tax General § 13-940, the Comptroller's office must report to the House Ways and Means Committee and the Senate Budget and Taxation Committee regarding the *Warrant Intercept Program*.

Chapter 451 of the 2012 Legislative Session authorized an official of federal, State, or local government charged with serving a criminal arrest warrant to request that the Comptroller withhold an individual's income tax refund until the warrant (exclusive of a body attachment) has been satisfied. Several qualifiers were put in place to identify the scope of this program, including the general confinement of the program to Anne Arundel County as well as exclusions for active duty members of the Armed Forces and joint income tax filers. Since the initial legislation, the scope of this enforcement effort has expanded to include Baltimore City and Washington County. Those counties were not operational for the 2014 cycle, but should be on-line for 2015.

In order for the Comptroller to withhold a refund, the warrant official has to certify to the Comptroller's office the existence of the warrant and certain identifying information. The Comptroller's office must then notify the individual of the certification and its implications and, if applicable, withhold the individual's refund until a notice to release is issued from the warrant official.

It should be noted that a significant portion of the outstanding warrants cannot be linked to the tax system because of discrepancies between identifying information maintained by the organizations (principally social security numbers). As of November 1, 2014, refunds where warrants have been satisfied and refunds released number 639. Refunds from outstanding warrants being held currently total 203.

Sincerely,

Andrew M. Schaufele

cc: Len Foxwell
David Roose

Warrant Refund Intercept Program 2014

2013 Warrant List

	Refunds Withheld		October 31, 2012 to November 1, 2013				October 31, 2013 to November 1, 2014				Remaining	Total
	#	\$	Released		Net Held		Released		Net Held		Held	Refunds
			#	\$	#	\$	#	\$	#	\$	#	#
Anne Arundel County	450	343,481	328	271,013	122	72,467	50	31,926	72	40,542	72	378

2014 Warrant List

	Refunds Withheld		October 31, 2013 to November 1, 2014				October 31, 2014 to November 1, 2015				Remaining	Total
	#	\$	Released		Net Held		Released		Net Held		Held	Refunds
			#	\$	#	\$	#	\$	#	\$	#	#
Anne Arundel County	392	286,809	261	206,804	131	80,005					131	261

Total

	Refunds Withheld		Cycle 1				Cycle 2				Remaining	Total
	#	\$	Released		Net Held		Released		Net Held		Held	Refunds
			#	\$	#	\$	#	\$	#	\$	#	#
Total	842	630,290	589	477,817	253	152,472	50	31,926	72	40,542	203	639