



Peter Franchot
Comptroller

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

January 16, 2018

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

Honorable Anne R. Kaiser
House Ways and Means Committee
House Office Building
Annapolis, Maryland 21401

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, Howard County and Washington County in a fully operational capacity for the 2017 cycle. Prince George's County and Charles County are currently in the testing phase; Cecil County is expected to enter the testing phase shortly. In addition, both Allegany County and Frederick County have expressed interest.

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, 2017, refunds released (adjusted for disclosure) number 2,461. Refunds from outstanding warrants being held currently total 186. Any changes to the data reported in previous years reflect automated system updates. The attached table contains data by jurisdiction and by cycle in order to limit the number of undisclosed totals. Please let me know if you have any questions.

Sincerely,

Andrew M. Schaufele

cc: Len Foxwell
Sharonne Bonardi

**Warrant Refund Intercept Program
2017 Program Year**

By Cycle

| | Refunds Withheld | | Cycle 1 | | | | Cycle 2 | | | | Cycle 3 | | | | Cycle 4 Forward | | | |
|---------------------|------------------|------------------|--------------|------------------|------------|----------------|------------|----------------|------------|----------------|------------|---------------|-----------|---------------|-----------------|---------------|-----------|---------------|
| | | | Released | | Net Held | | Released | | Net Held | | Released | | Net Held | | Released | | Net Held | |
| | # | \$ | # | \$ | # | \$ | # | \$ | # | \$ | # | \$ | # | \$ | # | \$ | # | \$ |
| Anne Arundel County | 2,233 | 1,494,343 | 1,716 | 1,202,837 | 517 | 291,505 | 233 | 155,250 | 271 | 129,968 | 185 | 96,401 | 81 | 32,095 | 27 | 25,325 | 78 | 27,166 |
| Baltimore City | 235 | 166,541 | 133 | 99,906 | 102 | 66,635 | 22 | 15,031 | 23 | 15,390 | (D) | (D) | - | - | - | - | - | - |
| Washington County | 179 | 96,048 | 118 | 64,946 | 61 | 31,102 | 27 | 14,567 | 27 | 14,668 | (D) | (D) | (D) | (D) | - | - | - | - |
| Howard County PD | (D) | (D) | (D) | (D) | (D) | (D) | - | - | - | - | - | - | - | - | - | - | - | - |
| Howard County SO | 26 | 10,537 | (D) | (D) | (D) | (D) | - | - | - | - | - | - | - | - | - | - | - | - |
| Subtotal | 2,673 | 1,767,469 | 1,967 | 1,367,690 | 680 | 389,243 | 282 | 184,849 | 321 | 160,025 | 185 | 96,401 | 81 | 32,095 | 27 | 25,325 | 78 | 27,166 |

Total

| | Total Refunds | | | | | |
|---------------------|----------------------|------------------|--------------|------------------|------------|---------------|
| | Withheld | | Released | | Net Held | |
| | # | \$ | # | \$ | # | \$ |
| Anne Arundel County | 2,233 | 1,494,343 | 2,161 | 1,479,813 | 72 | 14,529 |
| Baltimore City | 235 | 166,541 | 155 | 114,938 | 80 | 51,604 |
| Washington County | 179 | 96,048 | 145 | 79,513 | 34 | 16,535 |
| Howard County PD | (D) | (D) | (D) | (D) | (D) | (D) |
| Howard County SO | 26 | 10,537 | (D) | (D) | (D) | (D) |
| Subtotal | 2,673 | 1,767,469 | 2,461 | 1,674,265 | 186 | 82,668 |

Notes: Disclosure adjustments (D) are not reflected in the subtotals.

Howard County is broken out into its participating Police Department and Sheriff's Office in order to limit disclosure adjustments.