



Peter Franchot
Comptroller

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

January 7, 2019

Honorable Thomas V. "Mike" Miller, Jr.
President, Maryland Senate
State House
Annapolis, Maryland 21401

Honorable Michael E. Busch
Speaker, Maryland House of Delegates
State House
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. The program has now expanded to five other jurisdictions: Baltimore City and the Harford, Howard, Prince George's, and Washington Counties. Since our last report, the scope of this enforcement effort has expanded to include Prince George's County and Harford County in fully operational capacities for the 2018 cycle. Frederick County is expected to enter the testing phase shortly; Cecil County had expressed interest but ultimately decided against participating in light of the costs of implementation.

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, 2018, refunds released (adjusted for disclosure) number 3,192. Refunds from outstanding warrants being held currently total 554. 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: Honorable Nancy J. King, Chair, Senate Budget and Taxation Committee
Honorable Anne R. Kaiser, Chair, House Ways and Means Committee
Len Foxwell
Sharonne Bonardi

**Warrant Refund Intercept Program
2018 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	2,437	1,615,810	1,937	1,324,149	500	291,660	312	181,951	132	72,098	42	25,439	83	45,000	25	15,950	55	27,804
Baltimore City	316	212,717	179	126,386	137	86,332	37	24,810	67	41,615	(D)	(D)	(D)	(D)	-	-	-	-
Washington County	230	129,895	145	85,598	85	44,297	44	25,782	23	9,318	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)
Howard County PD	72	37,405	49	25,049	23	12,355	(D)	(D)	(D)	(D)	-	-	-	-	-	-	-	-
Howard County SO	50	25,080	(D)	(D)	(D)	(D)	(D)	(D)	(D)	(D)	-	-	-	-	-	-	-	-
Harford County	(D)	(D)	(D)	(D)	(D)	(D)	-	-	-	-	-	-	-	-	-	-	-	-
Prince George's County	763	570,309	471	395,665	292	174,644	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal	3,868	2,591,216	2,781	1,956,847	1,037	609,288	393	232,543	222	123,031	42	25,439	83	45,000	25	15,950	55	27,804

Total

	Withheld		Total Refunds			
			Released		Net Held	
	#	\$	#	\$	#	\$
Anne Arundel County	2,437	1,615,810	2,316	1,547,490	121	68,319
Baltimore City	316	212,717	216	151,196	100	61,522
Washington County	230	129,895	189	111,380	41	18,515
Howard County PD	72	37,405	(D)	(D)	(D)	(D)
Howard County SO	50	25,080	(D)	(D)	(D)	(D)
Harford County	(D)	(D)	(D)	(D)	(D)	(D)
Prince George's County	763	570,309	471	395,665	292	174,644
Subtotal	3,868	2,591,216	3,192	2,205,731	554	323,001

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