

(Senate Joint Resolution 12)

Senate Joint Resolution urging the Governor of the State of Delaware and the General Assembly of that State, to amend its State income tax law to provide an exemption to residents of Maryland employed within Delaware, similar to the exemption now provided in the Maryland income tax law to residents of Delaware who are employed within the State of Maryland.

WHEREAS, both the States of Delaware and Maryland impose income taxes on both residents and nonresidents and many of the residents of these two states commute back and forth across state lines in pursuit of employment; and

WHEREAS, both states having general withholding income tax provisions require employers to withhold income tax for both states, when required by the law, from the wages of employees who work in one state and live in the other; and

WHEREAS, both states have reciprocal provisions under which tax credits are allowed by the nonresident state for the income tax paid to the state of residence, thus making refundable part if not all of the tax withheld; and

WHEREAS, the State of Maryland in 1957 recognizing the impracticability of this dual withholding, the filing of nonresident returns, and the refunding back to the employee the tax withheld, amended its income tax law to provide exemption for wages paid to a nonresident for employment in Maryland when such nonresident resides within a state imposing an income tax and under which imposition a Maryland resident will receive a reciprocal tax credit; and

WHEREAS, by reason of this amendment residents of Delaware employed within Maryland, no longer have Maryland income tax withheld from their wages and are required to file no income tax returns to Maryland, but at the same time residents of Maryland working in Delaware have Delaware income tax withheld from their wages and must file nonresident returns to that state to recover any overpayment that may have been made; and

WHEREAS, in view of this disparity a conference was held at Dover, Delaware, on February 9, 1959, there being present the Honorable Sherman W. Tribbett, Speaker of the Delaware House; Alexander Abrahams, Delaware Tax Commissioner, the Honorable Louis L. Goldstein, State Comptroller of Maryland; the Honorable Harry R. Hughes, State Senator from Caroline County; and Benjamin F. Marsh, Chief of the Maryland Income Tax Division; and

WHEREAS, Speaker Tribbett recognizing the unfairness and in-

EXPLANATION: *Italics indicate new matter added to existing law.*

[Brackets] indicate matter stricken from existing law.

CAPITALS indicate amendments to bill.

~~Strike out~~ indicates matter stricken out of bill.