The introductory clause of subsection (a) of this section, "[e]xcept as provided in § 10-907 of this subtitle", is added for clarity.

In the introductory language of subsection (a) of this section, the defined term "payor" is substituted for the former, specific references to an "'S' corporation" and "fiduciary", for brevity.

In subsection (a)(1) of this section, the defined term "income tax" is substituted for the former references to "the tax imposed under this section", "a tax as provided in this section", "a tax for each nonresident shareholder", and "the tax imposed under § 288 of this subtitle", for clarity. In light of this addition, former Art. 81, § 283(c)(1)(ii), which related to the applicability of withholding and estimated tax provisions to the county income tax, is deleted.

Similarly, the second and third sentences of former Art. 81, § 312(m), which provided for the treatment of deductions in withholdings for nonresidents, is deleted since computation of income tax for nonresidents includes deductions.

In subsections (b) and (c) of this section, the reference to the "person who withholds the tax" is substituted for the former, limited references to the "employer", to extend these subsections to payors.

Defined terms: "Comptroller" § 1-101
"Employer" § 10-905 "Income tax" § 1-101
"Payor" § 10-905 "Person" § 1-101
"Property" § 1-101 "Withhold" § 10-905

10-907. EXCEPTIONS.

(A) WAGES.

INCOME TAX IS NOT REQUIRED TO BE WITHHELD AT THE TIME WAGES ARE PAID TO A NONRESIDENT IF:

(1) FOR STATE INCOME TAX WITHHOLDING PURPOSES:

(I) THE MARYLAND TAXABLE INCOME OF THE NONRESIDENT IN A CALENDAR YEAR IS DERIVED ONLY FROM WAGES FOR EMPLOYMENT IN THIS STATE; AND

(II) THE STATE IN WHICH THE NONRESIDENT RESIDES:

1. IMPOSES A TAX ON NET INCOME FOR THOSE WAGES UNDER A LAW THAT IS SUBSTANTIALLY SIMILAR TO THE INCOME TAX LAWS OF THIS STATE; AND