2. EXEMPTS A RESIDENT OF THIS STATE FROM TAX ON INCOME OR WITHHOLDING ON WAGES FOR EMPLOYMENT IN THE OTHER STATE OR ALLOWS A RESIDENT OF THIS STATE A CREDIT THAT IS SUBSTANTIALLY SIMILAR TO THE CREDIT UNDER § 10-703 OF THIS TITLE;

(2) FOR COUNTY INCOME TAX WITHHOLDING PURPOSES:

(I) THE NONRESIDENT DERIVES WAGES FROM EMPLOYMENT IN A COUNTY; AND

(II) THE COMPTROLLER DETERMINES THAT EACH LOCALITY IN WHICH THE NONRESIDENT RESIDES:

1. IMPOSES NO TAX ON THE INCOME OF A MARYLAND RESIDENT FROM WAGES FROM EMPLOYMENT IN THAT LOCALITY;

2. EXEMPTS THAT INCOME FROM ITS TAX ON INCOME; OR

3. ALLOWS A CREDIT FOR THAT INCOME AND EXEMPTS THAT INCOME FROM THE WITHHOLDING REQUIREMENT FOR ITS TAX ON INCOME; AND

(3) FOR TIPS, TO THE EXTENT THAT THE AMOUNT REQUIRED TO BE WITHHELD ON THE TIPS CAUSES THE TOTAL WITHHOLDINGS FOR THE PERIOD TO EXCEED THE AVAILABLE NET WAGES OTHER THAN TIPS AFTER DEDUCTIONS ARE MADE FOR:

(I) THE FEDERAL INCOME AND SOCIAL SECURITY TAXES AND INCOME TAX REQUIRED TO BE WITHHELD ON WAGES OTHER THAN TIPS; AND

(II) THE FEDERAL INCOME AND SOCIAL SECURITY TAXES REQUIRED TO BE WITHHELD ON THE TIPS.

(B) SICK PAY AND ANNUITY PAYMENTS NOT SUBJECT TO WITHHOLDING.

UNLESS THE PAYEE SPECIFICALLY ASKS THAT INCOME TAX BE WITHHELD FROM A SICK PAY OR ANNUITY PAYMENT, INCOME TAX IS NOT REQUIRED TO BE WITHHELD FROM THAT PAYMENT.

REVISOR'S NOTE: Subsection (a) of this section is new language derived without substantive change from the third sentence of former Art. 81, § 312(b-1), the second clause of § 291(b), and the third sentence of § 283(a-1).

Subsection (b) of this section is new language derived without substantive change from former Art. 81, § 312(a-1)(1), as it related to sick pay and annuity payments, and revised to clarify that, absent a request, a payor may not withhold income tax from these payments.