

3. ~~allows a credit for that income and exempts that income from the withholding requirement for its tax on income;~~ and

~~[(3)](2) 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.~~

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Comptroller shall, upon enactment of this Act, conduct a study of potential measures to be taken by the State of Maryland to address the continued lack of willingness from the State of Delaware to enter into a reciprocal taxing agreement with the State of Maryland.

The report shall include, but not be limited to:

(1) current provisions of Maryland law or regulations which are intended to protect or guard Delaware residents from double taxation of any sort, and the method by which these provisions could be altered or suspended pending an interstate agreement;

(2) practices of the Office of the Comptroller or any other administrative unit of the State of Maryland which are intended to lessen administrative, procedural, or tax burdens on residents of the State of Delaware, and the methods by which these provisions could be altered or suspended pending an interstate agreement; and

(3) other administrative or legislative actions which the State of Maryland could take to encourage the establishment of a reciprocal taxing agreement between the State of Delaware and the State of Maryland.

The Comptroller may request information or assistance from other executive agencies as necessary for the preparation of this report. The report shall be completed and presented to the Senate Budget and Taxation Committee and the House of Delegates Committee on Ways and Means by December 1, 1993.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1993 and shall be applicable to all taxable years beginning on or after December 31, 1993; provided, however, that if the State of Delaware and the State of Maryland enter into a reciprocal taxing agreement under § 10-907 of the Tax - General Article, the provisions of this Act shall be void and of no further force and effect.

Approved May 11, 1993.