

~~(D) (1) THE COUNTY INCOME TAX ON A NONRESIDENT IS MEASURED BY THE STATE INCOME TAX ATTRIBUTABLE TO THE EARNED INCOME OF THE NONRESIDENT THAT IS DERIVED FROM EMPLOYMENT IN THAT COUNTY.~~

~~(2) THE COUNTY INCOME TAX DOES NOT APPLY TO A NONRESIDENT WHO RESIDES IN A STATE THAT HAS ENTERED INTO A RECIPROCAL AGREEMENT WITH THE COMPTROLLER UNDER § 10-907(A) OF THIS TITLE.~~

10-806.

(e) For county income tax purposes, a nonresident who derives EARNED income, AS DEFINED IN § 32(C)(2) OF THE INTERNAL REVENUE CODE, from [salary, wages, or other compensation for personal services for] employment in a county shall file an income tax return, unless [the Comptroller determines that each locality in which the nonresident resides:

(1) imposes no tax on the income of a Maryland resident derived from wages for 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 requirements for its tax on income.] THE NONRESIDENT RESIDES IN A STATE THAT HAS ENTERED INTO A RECIPROCAL AGREEMENT WITH THE COMPTROLLER UNDER § 10-907(A) OF THIS TITLE.

10-907.

(a) Income tax is not required to be withheld at the time wages are paid to a nonresident if:

(1) for State income tax AND COUNTY INCOME TAX withholding purposes the Comptroller and the state in which the nonresident resides have agreed in writing to allow a reciprocal exemption from tax and withholding for the wages of residents of each state that are earned in the other state;

~~{(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)}(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:~~