

10-910.

(b) (1) [An] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, AN employer shall base withholding for an employee:

[(1)] (I) on the number of exemptions stated in the exemption certificate that the employee files; or

[(2)] (II) if the employee fails to file an exemption certificate or files an invalid certificate under subsection (c) of this section, on 1 exemption.

(2) IF THE COMPTROLLER NOTIFIES AN EMPLOYER THAT AN EMPLOYEE HAS AN UNPAID TAX LIABILITY, THE EMPLOYER SHALL BASE WITHHOLDING FOR THE EMPLOYEE ON A NUMBER OF EXEMPTIONS NOT EXCEEDING THE ACTUAL NUMBER OF EXEMPTIONS ALLOWED ON THE EMPLOYEE'S PRIOR YEAR'S INCOME TAX RETURN, AS SPECIFIED BY THE COMPTROLLER

10-912.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) "NET PROCEEDS" MEANS THE TOTAL SALES PRICE PAID TO THE TRANSFEROR LESS:

(I) DEBTS OF THE TRANSFEROR SECURED BY A MORTGAGE OR OTHER LIEN ON THE PROPERTY BEING TRANSFERRED THAT ARE BEING PAID UPON THE SALE OR EXCHANGE OF THE PROPERTY; AND

(II) OTHER EXPENSES OF THE TRANSFEROR ARISING OUT OF THE SALE OR EXCHANGE OF THE PROPERTY AND DISCLOSED ON A SETTLEMENT STATEMENT PREPARED IN CONNECTION WITH THE SALE OR EXCHANGE OF THE PROPERTY.

(3) "NONRESIDENT ENTITY" MEANS AN ENTITY THAT:

(I) IS NOT FORMED UNDER THE LAWS OF THE STATE; AND

(II) IS NOT QUALIFIED BY OR REGISTERED WITH THE DEPARTMENT OF ASSESSMENTS AND TAXATION TO DO BUSINESS IN THE STATE.

(4) "RESIDENT ENTITY" MEANS AN ENTITY THAT:

(I) IS FORMED UNDER THE LAWS OF THE STATE; OR

(II) IS FORMED UNDER THE LAWS OF ANOTHER STATE AND IS QUALIFIED BY OR REGISTERED WITH THE DEPARTMENT OF ASSESSMENTS AND TAXATION TO DO BUSINESS IN THE STATE.

(5) "TOTAL PAYMENT" MEANS THE NET PROCEEDS OF A SALE ACTUALLY PAID TO A TRANSFEROR, INCLUDING THE FAIR MARKET VALUE OF ANY PROPERTY TRANSFERRED TO THE TRANSFEROR