

March 5, 1962.

Honorable Perry O. Wilkinson,  
Speaker of the House of Delegates  
State House  
Annapolis, Maryland  
Dear Mr. Speaker:

In view of the concern many of the members of the General Assembly, particularly those from the Eastern Shore, have shown for the past several years with regard to the inequitable income tax situation as it existed between Maryland and our neighboring State of Delaware, we though it would be pleasing for the House of Delegates to learn that considerable has been done to remove the inequity.

You may recall that in 1957 Maryland amended its income tax laws so that Delawareans could work in Maryland and be relieved of their income tax obligation to this State. Marylanders, in turn, have been working in Delaware and while they have received a reciprocal tax credit, it has been necessary for them to file a tax return to Delaware along with a copy of their Maryland return, in order to get back the excess income tax withheld from their wages for the benefit of Delaware.

Since 1957 every effort has been made by our office to get Delaware to change their law. We have appeared before the Legislative Committees of the Delaware Assembly and before the Attorney General of that State. We have discussed the matter with former Governor Boggs and with the present Governor, Elbert Carvel. In this effort many members of our Maryland General Assembly have had a part; some of them have accompanied us to Dover and Wilmington, while others have made trips to Dover on their own.

The House Ways and Means Committee, as a whole, sponsored two resolutions at different sessions requesting the Governor of Delaware and the General Assembly of that State to remove the inequity.

All of this was to no avail until Governor Elbert N. Carvel assumed his office. Governor Carvel was well aware of the inequity, being a business man in lower Delaware, where hardships were being worked on our residents in that area. Governor Carvel sponsored during the 1961 Delaware Legislative session an amendment, which was passed and approved and became effective on January 1, 1962. This amendment to the Delaware law provides that there shall be no withholding of Delaware income tax from the wages of a Maryland resident working in that State, on wages of less than \$160.00 weekly.

While this amendment will not bring full relief to all of our Maryland residents who are employed within Delaware, it will solve the major problem and should prove beneficial to more than three thousand of our citizens.

We feel it appropriate to quote from the instructions which have been issued to Delaware employers with regard to the amendment:

"Enactment of this Bill is one of several proposals in the interest of more efficient tax administration, better public relations with the State of Maryland and improvements in the morale of Maryland employees for the benefit of our Delaware employers."

Because of the general interest our General Assembly has shown in this matter, it would be appreciated if this letter was read and then journalized.

With kindest regards and best wishes, I remain,

Most Respectfully yours,  
Louis L. Goldstein

*Read and Journalized.*