



# **Maryland Income Tax Refunds - Warrant Intercept Program 2017 Annual Report**

Chapter 387 of 2016

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## INTRODUCTION

Preface: Tax-General Art., § 13-941 Chapter 387 of 2016 (SB 425), *Maryland Income Tax Refunds – Warrant Intercept Program – Statewide*, requires the Governor’s Office of Crime Control & Prevention, in consultation with the Office of the Comptroller, to study and make findings and recommendations regarding the continued implementation of the Warrant Intercept Program in a manner that ensures the program does not disparately impact individuals on racial grounds and to report its findings and recommendations to the Governor and General Assembly by December 31st each year.

While this study was enacted into law in 2016, the *Maryland Income Tax Refunds - Warrant Intercept Program - Statewide* (Warrant Intercept Program) began several years ago, in 2013. In fact, Chapter 451 (2012) “authorized an official of federal, State, or local government charged with serving a criminal arrest warrant to request that the Comptroller withhold an individual’s tax refund until the warrant (exclusive of a body attachment) has been satisfied.” Under the provisions of the Warrant Intercept Program and chapter 451, the Office of the Comptroller may withhold tax refunds from any individual, within the State, who has an outstanding arrest warrant(s). Under the program, the Comptroller mails a letter to those with outstanding warrants, informing them of an opportunity to turn themselves in to law enforcement. Those named in a warrant can come in under safe and controlled conditions, affording them the opportunity to arrange for bail, find an attorney, and avoid public embarrassment. In order for the Office of the Comptroller to withhold a refund, the warrant official (i.e., law enforcement agency) must certify to the Comptroller the existence of the warrant and certain identifying information. The Office of the Comptroller must then notify the individual of the certification and its implications and, if applicable, withhold the individual’s refund until a “notice to release” is issued from the warrant official.

Currently, the Warrant Intercept Program is operational in Anne Arundel County, Baltimore City, Howard County, and Washington County. As a result of Senate Bill 425 (2016), additional counties may participate in the Warrant Intercept Program if notification is provided to the Office of the Comptroller by December 31 of the first taxable year for which the jurisdiction intends to participate. As of December 31, 2017, Cecil, Charles, and Prince George’s County are ready to start the program for the 2018 tax year. Allegany and Frederick County have also expressed an interest in participating in the program.

Under the provisions of Chapter 387 (2016), the Governor’s Office of Crime Control & Prevention is required, in consultation with the Office of the Comptroller, to study and report its findings and recommendations to the Governor and General Assembly on the following:

- The total number of tax refunds withheld by the Comptroller;
- The average amount of the tax refunds withheld by the Comptroller;

- The potential differences in the service of warrants or requests by warrant officials to the Comptroller to withhold tax refunds under the program based on race;
- The types of warrants and specific charges that prompted the requests by warrant officials to the Comptroller to withhold refunds, including warrants relating to criminal violations, civil matters, motor vehicle violations, and failures to appear;
- The effectiveness of withholding refunds on resolving outstanding warrants in each jurisdiction of the State; and
- Whether any withheld refunds were contested.

## **METHODOLOGY**

The Office of the Comptroller provided the Governor's Office of Crime Control & Prevention with a list of warrant numbers for all 2016 tax refunds withheld in Anne Arundel County, Baltimore City, Howard County, and Washington County during the 2017 tax year. This list was then disseminated to each participating law enforcement agency who is responsible for providing the race of each individual, the specific charge associated with the warrant number, as well as whether the warrant was served.

The Office of the Comptroller also provided the Governor's Office of Crime Control & Prevention with information pertaining to the average amount of refunds withheld for each participating jurisdiction and whether any withheld refunds were contested.

## **RESULTS**

Under the provisions of the Warrant Intercept Program, and as a result of the data collected, 524 tax refunds were withheld by the Office of the Comptroller in 2017, within the four participating jurisdictions (as illustrated in Table 1). In addition, and as illustrated below, the average amount of tax refunds withheld by the Office of the Comptroller was \$611.25. None of the refunds withheld in these counties were contested. Federal and State laws regarding the sharing of taxpayer information prevent the Comptroller from sharing taxpayer data, including when refunds are contested if it's possible that the data could reveal the identity of the taxpayer.

<b>Table 1. 2017 Tax Return Withhold Statistics</b>				
<b>County</b>	<b># of refunds withheld</b>	<b>Amount of refunds withheld</b>	<b>Average amount withheld</b>	<b># of withheld refunds contested</b>
Anne Arundel County	330	\$238,161.78	\$721.70	0
Baltimore City	126	\$87,209.71	\$692.14	0
Howard County - Police	15	(D)	(D)	0
Howard County - Sheriff	26	\$10,537.13	\$405.27	0
Washington County	27	\$9,009.60	\$333.69	0
<b>Total**</b>	<b>524</b>	<b>\$344,918.22</b>	<b>\$677.64</b>	<b>0</b>

\*(D) : Indicates a disclosure adjustment - number falls below allowed threshold for taxpayer data disclosure agreements

\*\*Total includes Howard County Police for total number of refunds withheld but not for total amount or total average

Law enforcement information could be matched to a total of 514 warrants under this program. As illustrated below, Table 2 provides a breakdown of the number of withheld tax refunds by race. Based on this illustration, over 96% of all tax refunds withheld occurred for black or white individuals (61.7% and 34.4%, respectively).

<b>Table 2. 2017 Tax Returns Withheld by Race</b>						
	<b>County</b>					
<b>Race</b>	<b>Anne Arundel County</b>	<b>Baltimore City</b>	<b>Howard County (Police)</b>	<b>Howard County (Sheriff)</b>	<b>Washington County</b>	<b>Total</b>
Asian	5 1.5%	0 0.0%	0 0.0%	1 3.8%	0 0.0%	6 1.2%
Black	188 57.5%	100 84.0%	11 73.3%	13 50.0%	5 18.5%	317 61.7%
Hispanic	0 0.0%	0 0.0%	1 6.7%	0 0.0%	0 0.0%	1 0.2%
Other	1 0.3%	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 0.2%
White	123 37.6%	17 14.3%	3 20.0%	12 46.2%	22 81.5%	177 34.4%
Unknown	10 3.1%	2 1.7%	0 0.0%	0 0.0%	0 0.0%	12 2.3%
<b>Total</b>	<b>327 100.0%</b>	<b>119 100.0%</b>	<b>15 100.0%</b>	<b>26 100.0%</b>	<b>27 100.0%</b>	<b>514 100.0%</b>

In addition, as depicted in Table 3, the most common charges associated with warrants that prompted a request to withhold tax refunds consisted of the following: failure to appear to court for traffic and other cases (34.4%), failure to appear for a criminal case (19.8%), violation of

parole or probation (9.3%), CDS violation (8.4%), and theft (8.2%). These five offenses represented 80% of all warrants that were submitted to the Comptroller to withhold tax refunds. <sup>1</sup>

<b>Table 3. 2017 Tax Returns Withheld by Charge</b>						
<b>Charge</b>	<b>County</b>					<b>Total</b>
	<b>Anne Arundel County</b>	<b>Baltimore City</b>	<b>Howard County (Police)</b>	<b>Howard County (Sheriff)</b>	<b>Washington County</b>	
Assault	15 4.6%	23 19.3%	0 0.0%	0 0.0%	0 0.0%	<b>38</b> <b>7.4%</b>
CDS	4 1.2%	37 31.1%	0 0.0%	0 0.0%	2 7.4%	<b>43</b> <b>8.4%</b>
FTA - Criminal	92 28.1%	1 0.8%	1 6.7%	0 0.0%	8 29.6%	<b>102</b> <b>19.8%</b>
FTA - Other	128 39.1%	13 10.9%	10 66.7%	19 73.1%	7 25.9%	<b>177</b> <b>34.4%</b>
Other Offenses	18 5.5%	13 10.9%	1 6.7%	2 7.7%	3 11.1%	<b>37</b> <b>7.2%</b>
Other Violent	3 0.9%	4 3.3%	0 0.0%	0 0.0%	0 0.0%	<b>7</b> <b>1.4%</b>
Property Crime Offenses	4 1.2%	4 3.3%	0 0.0%	0 0.0%	0 0.0%	<b>8</b> <b>1.6%</b>
Quality of Life Offenses	2 0.6%	9 7.6%	1 6.7%	0 0.0%	0 0.0%	<b>12</b> <b>2.3%</b>
Theft/ Malicious Destruction of Property	25 7.6%	15 12.6%	1 6.7%	1 3.8%	0 0.0%	<b>42</b> <b>8.2%</b>
Violation of Parole/Probation	36 11.1%	0 0.0%	1 6.7%	4 15.3%	7 25.9%	<b>48</b> <b>9.3%</b>
<b>Total</b>	<b>327</b> <b>100.0%</b>	<b>119</b> <b>100.0%</b>	<b>15</b> <b>100.0%</b>	<b>26</b> <b>100.0%</b>	<b>27</b> <b>100.0%</b>	<b>514</b> <b>100.0%</b>

Overall, 63.8% of the warrants that prompted a request to withhold a tax refund in Maryland were served in 2017 (see Chart 1). The data provided in this report cannot distinguish between

<sup>1</sup>Assault includes first and second degree assault.

CDS includes possession and distribution.

Failure to Appear – Other includes failure to appear for traffic and civil cases.

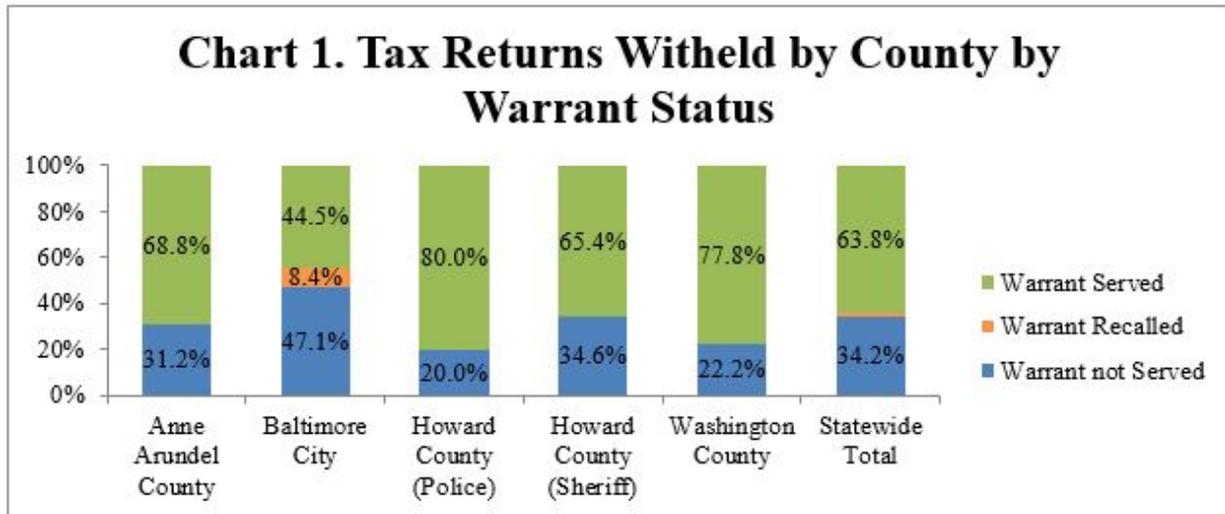
Other Violent includes attempted murder, arson, robbery, and child abuse.

Other Offenses includes all other various offenses.

Property Crime Offenses includes burglary and fraud.

Quality of Life Offenses include disorderly conduct, trespassing, public drunkenness, indecent exposure and prostitution.

warrants that were actively served by law enforcement or warrants that were served because the individual surrendered to authorities.



The percentage of warrants cleared by race were very similar (68.9% for whites and 61.2% for blacks, as illustrated in Table 4).

Race	County					Total
	Anne Arundel County	Baltimore City	Howard County (Police)	Howard County (Sheriff)	Washington County	
Asian	2 40.0%	N/A	N/A	1 100.0%	N/A	3 50.0%
Black	129 68.6%	47 47.0%	9 81.8%	7 53.8%	2 40.0%	194 61.2%
Hispanic	N/A	N/A	0 0.0%	N/A	N/A	0 0.0%
Other	1 100.0%	N/A	N/A	N/A	N/A	1 100.0%
White	86 69.9%	5 29.4%	3 100.0%	9 75.0%	19 86.4%	122 68.9%
Unknown	7 70.0%	1 50.0%	N/A	N/A	N/A	8 66.7%
<b>Total</b>	<b>225 68.8%</b>	<b>53 44.5%</b>	<b>12 80.0%</b>	<b>17 65.4%</b>	<b>21 77.8%</b>	<b>328 63.8%</b>

Table 5 displays the percentage of warrants cleared by crime categories. The serving of warrants was the most common for violation of parole or probation cases (79.2%), theft/malicious destruction of property (73.8%), and assault (73.7%).

<b>Table 5. Percent of Warrants Cleared on 2017 Tax Returns Withheld by Charge</b>						
	<b>County</b>					
<b>Charge</b>	<b>Anne Arundel County</b>	<b>Baltimore City</b>	<b>Howard County (Police)</b>	<b>Howard County (Sheriff)</b>	<b>Washington County</b>	<b>Total</b>
Assault	15 100.0%	13 56.5%	N/A	N/A	N/A	<b>28</b> 73.7%
CDS	3 75.0%	14 37.8%	N/A	N/A	2 100.0%	<b>19</b> 44.1%
FTA - Criminal	48 52.2%	0 0.0%	0 0.0%	N/A	6 75.0%	<b>54</b> 52.9%
FTA - Other	87 68.0%	3 23.1%	8 80.0%	13 68.4%	4 57.1%	<b>115</b> 65.0%
Other Offenses	16 88.9%	6 46.2%	1 100.0%	1 50.0%	3 100.0%	<b>27</b> 73.0%
Other Violent	2 66.7%	3 75.0%	N/A	N/A	N/A	<b>5</b> 71.4%
Property Crime Offenses	4 100.0%	1 25.0%	N/A	N/A	N/A	<b>5</b> 62.5%
Quality of Life Offenses	1 50.0%	4 44.4%	1 100.0%	N/A	N/A	<b>6</b> 50.0%
Theft/ Malicious Destruction of Property	20 80.0%	9 60.0%	1 100.0%	1 100.0%	N/A	<b>31</b> 73.8%
Violation of Parole/Probation	29 80.6%	N/A	1 100.0%	2 50.0%	6 85.7%	<b>38</b> 79.2%
<b>Total</b>	<b>225</b> 68.8%	<b>53</b> 44.5%	<b>12</b> 80.0%	<b>17</b> 65.4%	<b>21</b> 77.8%	<b>328</b> 63.8%

## RECOMMENDATIONS

Based on the results of the data provided, and in response to Chapter 387 (2016), the Governor's Office of Crime Control & Prevention, in consultation with the Office of the Comptroller, recommend the continuation and expansion of the Warrant Intercept Program. Tax refunds withheld under this program will continue to be monitored, and data from new jurisdictions will be collected once fully implemented.

## **CONCLUSION**

The purpose of this report and all subsequent reports is to provide statistics on the number of tax refunds withheld by the Comptroller in the previous calendar year under the Warrant Intercept Program. This report includes data from the four jurisdictions that are currently participating in the Warrant Intercept Program (Anne Arundel County, Baltimore City, Howard County, and Washington County).