



Maryland Income Tax Refunds - Warrant Intercept Program 2018 Annual Report

Chapter 387 of 2016

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Background

Chapter 451 of 2012 (Senate Bill 8), *Maryland Income Tax Refund - Anne Arundel County - Warrants*, 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.¹ In accordance with this Act, the Office of the Comptroller may withhold tax refunds from any individual, within the State, who has an outstanding arrest warrant(s). Through its program (later known as the Warrant Intercept 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.

Chapter 387 of 2016 (Senate Bill 425), *Maryland Income Tax Refunds - Warrant Intercept Program - Statewide*, requires the Governor's Office of Crime Control and Prevention (Office), in consultation with the Office of the Comptroller, to study and make findings and recommendations regarding the continued implementation of the *Maryland Income Tax Refunds - Warrant Intercept Program - Statewide* (Warrant Intercept Program) in a manner that ensures the program does not disparately impact individuals on racial grounds.² Chapter 387 of 2016 also requires the Office to study and report its findings and recommendations to the Governor and General Assembly by December 31 of each year, as it relates to:

1. Study:
 - a. The total number of tax refunds withheld by the Comptroller under Title 13, Subtitle 9, Part VII of the Tax - General Article;
 - b. The average amount of the tax refunds withheld by the Comptroller;
 - c. 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;

¹ Maryland General Assembly. (2012). [*Chapter 451 of 2012 \(Senate Bill 8\), Maryland Income Tax Refund - Anne Arundel County - Warrants*](#).

² Maryland General Assembly. (2016). [*Chapter 387 of 2016 \(Senate Bill 425\), Maryland Income Tax Refunds - Warrant Intercept Program - Statewide*](#).

- d. The types of warrants and specific charges that prompted the requests by warrant officials to the Comptroller to withhold refunds, including warrants related to criminal violations, civil matters, motor vehicle violations, and failures to appear;
 - e. The effectiveness of withholding refunds on resolving outstanding warrants in each jurisdiction of the State; and
 - f. Whether any withheld refunds were contested; and
2. Make recommendations regarding continued implementation of the program in a manner that ensures that the program does not disparately impact individuals on racial grounds.

Warrant Intercept Program

Chapter 387 of 2016 expanded Chapter 451 of 2012 to allow additional counties to participate in the Warrant Intercept Program. Currently, the Warrant Intercept Program is operational in Anne Arundel County, Baltimore City, Harford County, Howard County, Prince George’s County, and Washington County. As a result of Chapter 387 of 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, 2018, Frederick County has expressed an interest in participating in the program.

Methodology

The Office of the Comptroller provided the Office with a list of warrant numbers for all 2017 tax refunds withheld in Anne Arundel County, Baltimore City, Harford County, Howard County, Prince George’s County, and Washington County, during the 2018 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 Office 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, 1,184 tax refunds were withheld by the Office of the Comptroller in 2018, and within the six participating jurisdictions (*as illustrated in Table 1. 2018 Tax Return Withhold Statistics*). In addition, and as illustrated on the following page, the average amount of tax refunds withheld by the Office of the Comptroller was \$689.55. 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, to

include the time in which refunds are contested because the data could potentially reveal the identity of the taxpayer.

County	# of refunds withheld	Amount of refunds withheld	Average amount withheld	# of withheld refunds contested
Anne Arundel County	204	\$122,932.49	\$602.61	0
Baltimore City	77	\$45,457.99	\$590.36	0
Harford County	9	(D)*	(D)*	0
Howard County - Police	57	\$29,353.63	\$514.98	0
Howard County - Sheriff	24	\$14,543.31	\$605.97	0
Prince George's County	763	\$570,308.72	\$747.46	0
Washington County	50	\$33,833.73	\$676.67	0
Total^Ω	1,184	\$816,429.87	\$689.55	0

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

Ω Total includes Harford County for total number of refunds withheld but not for total amount or total average.

Law enforcement information could be matched to a total of 1,180 warrants under this program. As illustrated below, **Table 2. 2018 Tax Returns Withheld by Race** 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 (76.9% and 21.6%, respectively).

Race	County						Total
	Anne Arundel County	Baltimore City	Harford County	Howard County*	Prince George's County	Washington County	
Asian	0 0.0%	0 0.0%	0 0.0%	1 1.2%	0 0.0%	0 0.0%	1 0.1%
Black	101 49.5%	62 86.1%	6 66.7%	49 59.8%	666 87.3%	24 48.0%	908 76.9%
Other	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 0.1%	0 0.0%	1 0.1%
White	97 47.6%	9 12.5%	3 33.3%	31 37.8%	90 11.8%	25 50.0%	255 21.6%
Unknown	6 2.9%	1 1.4%	0 0.0%	1 1.2%	6 0.8%	1 2.0%	15 1.3%
Total	204 100.0%	72 100.0%	9 100.0%	82 100.0%	763 100.0%	50 100.0%	1,180 100.0%

*Howard County includes the county police department and the sheriff's office.

In addition, and as depicted in **Table 3. 2018 Tax Returns Withheld by Charge**, the most common charges associated with warrants that prompted a request to withhold tax refunds consisted of the following: traffic offenses (30.5%), failure to appear to court for other cases (21.9%), assault (10.4%), other offenses (8.3%), and theft/malicious destruction of property

(6.6%). These five offenses represented 78% of all warrants that were submitted to the Comptroller to withhold tax refunds.³

Table 3. 2018 Tax Returns Withheld by Charge							
Charge	County						Total
	Anne Arundel County	Baltimore City	Harford County	Howard County*	Prince George's County	Washington County	
Assault	13 6.4%	19 26.4%	0 0.0%	0 0.0%	90 11.8%	1 2.0%	123 10.4%
CDS	0 0.0%	15 20.8%	0 0.0%	1 1.2%	40 5.2%	0 0.0%	56 4.7%
Firearms Offenses	0 0.0%	3 4.2%	0 0.0%	0 0.0%	12 1.6%	0 0.0%	15 1.3%
FTA - Criminal	0 0.0%	0 0.0%	2 22.2%	11 13.4%	0 0.0%	13 26.0%	26 2.2%
FTA - Other	133 65.2%	4 5.6%	4 44.4%	41 50.0%	57 7.5%	19 38.0%	258 21.9%
Other Offenses	9 4.4%	7 9.7%	0 0.0%	2 2.4%	71 9.3%	9 18.0%	98 8.3%
Other Violent	3 1.5%	7 9.7%	0 0.0%	0 0.0%	21 2.8%	2 4.0%	33 2.8%
Property Crime Offenses	2 1.0%	2 2.8%	0 0.0%	1 1.2%	23 3.0%	0 0.0%	28 2.4%
Quality of Life Offenses	2 1.0%	5 6.9%	0 0.0%	1 1.2%	24 3.1%	0 0.0%	32 2.7%
Theft/ Malicious Destruction of Property	6 2.9%	7 9.7%	0 0.0%	2 2.4%	63 8.3%	0 0.0%	78 6.6%
Traffic	1 0.5%	3 4.2%	0 0.0%	0 0.0%	356 46.7%	0 0.0%	360 30.5%
Unknown	5 2.5%	0 0.0%	0 0.0%	2 2.4%	5 0.7%	0 0.0%	12 1.0%
Violation of Parole/Probation	30 14.7%	0 0.0%	3 33.3%	21 25.6%	1 0.1%	6 12.0%	61 5.2%
Total	204 100.0%	72 100.0%	9 100.0%	82 100.0%	763 100.0%	50 100.0%	1180 100.0%

*Howard County includes the county police department and the sheriff's office.

³ 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.

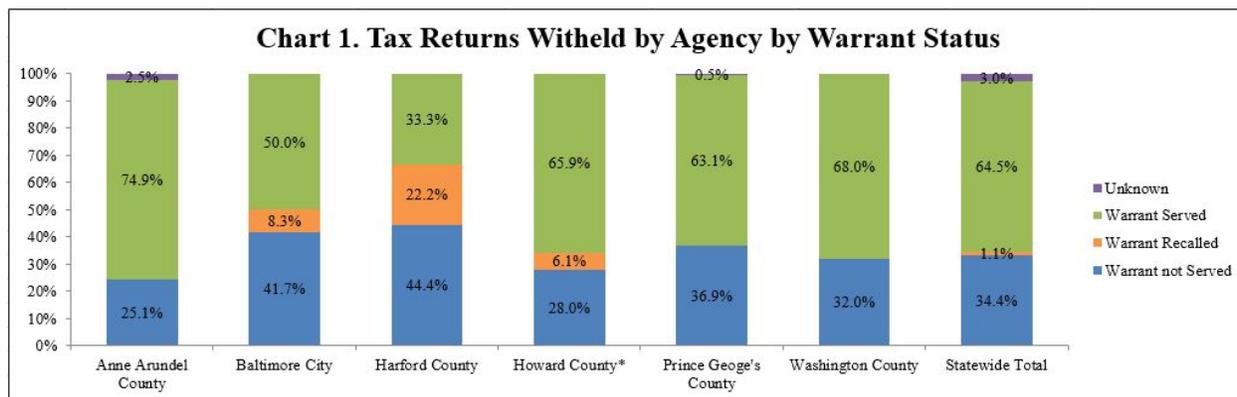
Other Violent includes attempted murder, arson, robbery, and child abuse.

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.

Overall, 64.5% of the warrants that prompted a request to withhold a tax refund in Maryland were served in 2018 (*see Chart 1. Tax Returns Withheld by Agency by Warrant Status*). It is important to note that the data provided in this report cannot distinguish between 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 (68.6% for whites and 63.4% for blacks, *as illustrated in Table 4. Percent of Warrants Cleared on 2018 Tax Returns Withheld by Race*).

Race	County						
	Anne Arundel County	Baltimore City	Harford County	Howard County*	Prince George's County	Washington County	Total
Asian	0 0.0%	0 0.0%	0 0.0%	1 100.0%	0 0.0%	0 0.0%	1 100.0%
Black	70 69.3%	30 48.4%	2 33.3%	36 58.2%	419 62.9%	19 79.2%	576 63.4%
Other	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 100.0%	0 0.0%	1 100.0%
White	78 80.4%	6 66.7%	1 33.3%	17 54.8%	58 64.4%	15 60.0%	175 68.6%
Unknown	1 16.7%	0 0.0%	0 0.0%	0 0.0%	1 16.7%	0 0.0%	2 13.3%
Total	149 73.0%	36 50.0%	3 33.3%	54 65.9%	479 62.8%	34 68.0%	755 64.0%

*Howard County includes the county police department and the sheriff's office.

On the following page, *Table 5. Percent of Warrants Cleared on 2018 Tax Returns Withheld by Charge* displays the percentage of warrants cleared by crime categories. The serving of warrants was the most common for quality of life cases (78.1%), violation of probation (75.4%), and other offenses (71.4%).

Table 5. Percent of Warrants Cleared on 2018 Tax Returns Withheld by Charge							
County							
Charge	Anne Arundel County	Baltimore City	Harford County	Howard County*	Prince George's County	Washington County	Total
Assault	11 84.6%	11 57.9%	0 0.0%	0 0.0%	62 68.9%	1 100.0%	85 69.1%
CDS	0 0.0%	6 40.0%	0 0.0%	1 100.0%	26 65.0%	0 0.0%	33 58.9%
Firearms Offenses	0 0.0%	1 33.3%	0 0.0%	0 0.0%	8 66.7%	0 0.0%	9 60.0%
FTA - Criminal	0 0.0%	0 0.0%	1 50.0%	3 27.3%	0 0.0%	8 61.5%	12 46.2%
FTA - Other	96 72.2%	2 50.0%	1 25.0%	29 70.7%	28 49.1%	14 73.6%	170 65.9%
Other Offenses	8 88.8%	3 42.9%	0 0.0%	2 100.0%	52 73.2%	5 55.6%	70 71.4%
Other Violent	3 100.0%	4 57.1%	0 0.0%	0 0.0%	16 76.2%	1 50.0%	24 72.7%
Property Crime Offenses	2 100.0%	0 0.0%	0 0.0%	1 100.0%	14 60.9%	0 0.0%	17 60.7%
Quality of Life Offenses	2 100.0%	4 80.0%	0 0.0%	1 100.0%	18 75.0%	0 0.0%	25 78.1%
Theft/Malicious Destruction of Property	3 50.0%	4 42.9%	0 0.0%	1 50.0%	43 68.3%	0 0.0%	51 65.4%
Traffic Offenses	1 100.0%	1 33.3%	0 0.0%	0 0.0%	210 59.0%	0 0.0%	212 58.9%
Unknown	0 0.0%	0 0.0%	0 0.0%	0 0.0%	1 20.0%	0 0.0%	1 8.3%
Violation of Parole/Probation	23 76.7%	0 0.0%	1 33.3%	16 76.2%	1 100.0%	5 83.3%	46 75.4%
Total	149 73.0%	36 50.0%	3 33.3%	54 65.9%	479 62.8%	34 68.0%	755 64.0%

*Howard County includes the county police department and the sheriff's office.

Recommendations

Based on the results of the data provided, and in response to Chapter 387 of 2016, the Office, 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.