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Comptroller of Maryland (COM) State Tax Wage Lien. A Lien is a claim used as security for a tax debt. The COM Compliance Program Unit conducts numerous audits to ensure that tax returns filed with the State of Maryland are in compliance with all Maryland income tax laws. Employees that receive a State Tax Lien on their wages are encouraged to contact COM as soon as possible to discuss available solutions / options.



When will my MD state tax lien payroll deduction begin?

Employee payroll deductions will **immediately** begin within the payroll that information is served on CPB. It is important that the employee read their document to ensure that they understand the impact to their takehome pay.

*** Amount owed**

If the balance is not paid in full, COM will send an income tax notice to the employee. If they do not respond to the **first notice**, an assessment notice will be issued. It will indicate the assessment plus substantial penalties and interest charged on the tax owed. If an employee refuses to make payment arrangements or fail to honor payment arrangements, COM may enforce stricter collection measures (wage lien).

Wage liens are continuous

COM allows for continuous liens against wages and salaries. This means that a lien continuously attaches until the balance is paid in full.

Statute of Limitations

Generally COM has three (3) years to audit a tax return from the due date of the return or the date the return was filed [whichever is later]. However, there is no statute of limitations when there has been a change made to the federal return by the IRS and the taxpayer fails to notify COM within ninety (90) days of the final determination by the IRS. If COM is notified within the ninety (90) days, they have one (1) year to assess the deficiency.

(Payroll) Notice to Income Tax Wage Lien

Pursuant to Section 13-811 of the Tax-General Article **and** Section 15-601-1 of the Commercial Law Article, Annotated Code of Maryland allows CPB to enforce wage and salary liens against an employee's pay. It also states the employee's rights in terms of exempt portions of their wages and salaries. Employees are encouraged to read their assessment notices in its entirety to understand their rights. It will explain how the lien is calculated. Pursuant to Section 10-910 of the Tax-General Article, COM may also enforce tax protectors which indicate the number of exemptions that an employee **cannot** exceed. If an employee requests a higher exemption, it cannot be increased without written authorization from COM.

(Payroll) Notice to Income Tax Wage Lien ~ Fixed Agreement

Employees may contact COM to modify the terms of their wage lien. COM will indicate the withholding amount to be taken per week or the biweekly amount to be deducted until the debt has been satisfied. **CPB does not negotiate any terms on behalf of the employee.** It is solely the responsibility of the employee to follow up with the COM Compliance Program unit.

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