

**Letter of Information – House Bill 326 – Driver’s Licenses – Suspension for Child Support
Arrearages - Exception***Judiciary Committee**February 9, 2023*

This bill adds a provision to the family law article permitting the Motor Vehicle Administration to suspend the driver’s license of an individual who is more than 60 days (for a noncommercial license) or 120 days (for a commercial license) out of compliance with a child support order. However, the above provision does not apply to an obligor whose income is equal to or less than 300% of the federal poverty level, unless the obligor is voluntarily impoverished. The language of the bill suggests that the obligor’s income would be disclosed to the Motor Vehicle Administration by the Comptroller’s Office.

The Comptroller’s Office closely scrutinizes any non-tax-related disclosures of confidential tax information – particularly, income data.

- Each additional disclosure of confidential tax information raises the risk of a breach of data-security. The Comptroller’s Office recommends against data-sharing for non-tax purposes.

The transfer of confidential tax information is not necessary to effectuate the purpose of this bill.

- The bill permits the Administration to rely on the obligor’s self-reported income, as well as income information provided by the obligor’s employer.
- Any income information that the Comptroller’s Office possesses for an obligor is not current, as tax returns report income for the prior year.
- The Comptroller’s Office does not have income information for taxpayers who earn less than the minimum filing requirement (for tax year 2022, \$12,950 for single filers, \$25,900 for married filing joint filers).
- Other state agencies which provide benefits with income-based eligibility (Medicaid, SNAP, TANF, etc.) are better suited to providing accurate and timely data on current-year income.

Notwithstanding the general concerns about disclosure of confidential tax-information for a non-tax purpose, Comptroller participation in such a program requires additional resources:

- The Comptroller’s Office would require an executed Memorandum of Understanding delineating acceptable use, security controls, and apportionment of program costs.
- Data retrieval and analysis generates significant costs due to the involvement of technical and management staff. Even if materials and labor costs are reimbursed, providing data analysis pulls resources away from tax-collection objectives. If the Comptroller’s Office is tasked with multiple projects of this nature, as it is in the 2023 legislative session, additional PINs would be needed.



- The above objections notwithstanding, the Comptroller requests that any additional exceptions to the prohibition against disclosure of confidential tax information be added to Tax-General Article § 13-203(c).

In absence of the above-suggested improvements to make these provisions administrable, the Comptroller's Office would ask to be stricken from this bill to allow other sources of income verification to be the primary determinant of eligibility.

As always, the Comptroller's Office is willing and available to discuss these concerns or any questions you may have at your convenience. Please contact Justin Hayes, Director of State Affairs at jhayes@marylandtaxes.gov or 410-260-7696.