

# Tax Alert



COMPTROLLER  
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Comptroller of Maryland Revenue Administration Division 110 Carroll Street, Annapolis, Maryland 21411  
410-260-7980 from Central Maryland or 1-800-MDTAXES (1-800-638-2937) from elsewhere in Maryland  
World Wide Web: [www.marylandtaxes.com](http://www.marylandtaxes.com)

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## Important Information Regarding Spouses of U.S. Military Servicemembers

On November 11, 2009, President Obama signed into law the Military Spouses Residency Relief Act (hereinafter the "Act") (S. 475, Public Law No. 111-97). The Act is effective for taxable year 2009 and thereafter. It does not affect taxes imposed or paid for 2008 and earlier.

The Act amends the Servicemember Civil Relief Act to provide that a spouse of a servicemember shall neither lose nor acquire residence or domicile in a state when the spouse is present in another state solely to be with the servicemember in compliance with the servicemember's military orders if the residence or domicile is the same for both the servicemember and spouse.

Currently, Maryland and a number of other states are collaborating to establish common guidelines for implementing the Act. Please stay tuned to the Comptroller's Web site at [www.marylandtaxes.com](http://www.marylandtaxes.com) where additional information and guidance will be posted as it becomes available.

### Income Tax

Under the Act, a spouse of a servicemember may be exempt from Maryland income tax on income from services performed in Maryland if (i) the servicemember is present in Maryland in compliance with military orders; (ii) the spouse is in Maryland solely to be with the servicemember; and (iii) the spouse maintains domicile in another state. Any refunds for taxable year 2009 may be claimed on a properly filed nonresident Form 505 with Forms W-2 attached.

### Withholding Tax

A spouse whose wages are exempt from Maryland income tax under the Act may claim an exemption from Maryland withholding tax. Form MW507, Employee's Maryland Withholding Exemption Certificate, has been revised to reflect this exemption and can be found on our Web site at [www.marylandtaxes.com](http://www.marylandtaxes.com).

Spouses wishing to claim this exemption from income tax may file a revised Form MW507 with their employer. Spouses claiming exemption from Maryland income tax should consider the impact on their income tax (and estimated income tax) liability in their domicile state.

If you have any questions, please see our Frequently Asked Questions on our Web site or download our revised Administrative Release No. 1, which will be available on our Web site by January 1, 2010.

For the deaf and hard of hearing : TTY users can call via Maryland Relay at 711 in Maryland or 1-800-735-2258 from elsewhere. If you need reasonable accommodation for a disability, please contact us before you visit. If you need the information in this publication in an alternate format, contact the Comptroller's Office.