

LEGISLATIVE SESSION 2023
UPDATES
DELAWARE FED/STATE
DECEMBER 5, 2023

Office of the Comptroller
State of Maryland

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Agenda

- Administrative Updates
- Forms Changes
- Pass-Through Entity Developments
- Cannabis
- Additions
- Subtractions
- Credits
- Sales and Use Tax
- Estate Tax
- Data Sharing and Security

Administrative

Private Letter Rulings

- Publication in Maryland Register: **Friday, November 3**
- Last day for public comments: **Monday, December 4**
- Begin accepting petitions: **Tuesday, January 2**

- Procedures to be published in **December**

Administrative

Private Letter Rulings – Who may petition?

- A person who is a party to the subject transaction
 - “Person” – an individual, receiver, trustee, guardian, personal representative, fiduciary, or representative; a partnership, firm association, corporation, other entity; a governmental entity or a unit or instrumentality of a governmental entity
- An authorized representative of a person (must submit Power of Attorney, Maryland Form 548)

Administrative

Private Letter Rulings – General Requirements for a Petition

- Related to a specific and actual party and transaction; neither the party nor transaction may be hypothetical.
- Prospective
- Parties must be named.
- All material facts must be included.
- All legal authority must be included, including adverse authority.
- Exhibits are permitted.
- There is no charge to submit a petition.

Administrative

Private Letter Rulings – Denial of PLR

- Comptroller may deny a petition if the additional information requested is not submitted by the due date
- Comptroller may deny a petition for cause:
 - Existing guidance or adequately addressed by statute, regulation, or Court decision
 - Issue is under extensive review or study
 - Issue is being considered in a rulemaking procedure, contested case, or other proceeding
 - Issue is subject of examination or audit
 - Designed to avoid taxation
 - Constitutional question
 - Law not yet enacted

Administrative

Private Letter Rulings – Withdrawal, Issuance, Publication

- Petitioner may withdraw their petition anytime prior to issuance.
- PLR is binding on the Comptroller on the date of issuance.
- The Comptroller will determine which PLRs will be published.
- Comptroller will provide a redacted or anonymized draft for publication prior to publishing; petitioner will have opportunity to review for confidentiality.
- PLRs are only binding as to the petitioner. Published PLRs are informal guidance.

Administrative

- Modernization – Maryland Tax Connect and R2 Rollout
 - Business Taxes may be filed through Maryland Tax Connect Portal
 - More to come, stay tuned.



Self Service Portal

The screenshot shows the My MD Taxes Self Service Portal. At the top, there is a navigation bar with links: RELIEF Act, Contact Us, 1-800 MDTAXES, Email Us, Governor's Office, Translate, and a language selection dropdown. The header features the Comptroller of Maryland logo and the My MD Taxes logo. Below the header is a main navigation menu: Home, File-, Pay-, Forms-, News-, Security-, About the Agency-, and Locations.

A central banner contains a notice: "For businesses struggling to make business-related tax payments due to COVID-19 closures and restrictions they should email taxpayerrelief@marylandtaxes.gov. The IRS began accepting all Business tax returns on 01/07/22. Maryland started accepting all Business tax returns on 01/07/22."

The main content area is divided into two primary sections:

- My MD Taxes Login:** Includes a warning box: "Maximum of 3 sign-in Attempts are allowed. After 3 failed sign-in attempts, the account will be locked. Please use the Forgot UserID and/or Forgot Password links or wait 15 minutes to retry." Below this are input fields for "User ID" (containing "mddemo") and "Password" (masked with asterisks), a "Log In" button, and links for "Forgot User ID?" and "Forgot password?".
- My MD Taxes Registration:** Includes the heading "Choose an option below:" and four registration options: "Administrator for my Business Accounts", "Authorized Preparer", "Register as a Government User", and "Register a New Business".

Below these sections are three yellow buttons: "Individual Taxpayers", "Business Taxpayers", and "Tax Professionals".

At the bottom, there are two columns of links:

- Helpful Links and Tutorials:**
 - My MD Taxes Registration Instructions
 - How to pay a bill
 - Provide feedback on My MD Taxes
 - Pay Online-IR 3
 - Tax Facts-MD Income Tax Rates and Brackets
 - MD Withholding 2022 Tax Rates
 - MD Employer Reporting of W2s & 1099s Instructions and Specifications Current Tax Year-Electronic Filing
- Frequently Asked Questions:**
 - Who can register for My MD Taxes?
 - What information do I need to access my Business Tax accounts as an Administrator?
 - Who can be an Authorized Preparer and what information do I need to register?
 - What My MD Taxes services are available?

The footer contains copyright information: "© 2022 Comptroller of Maryland. All Rights Reserved." and links for "Contact Us", "Your Rights as a Taxpayer", "Accessibility", and "Translate Disclaimer". Social media icons for Facebook, Twitter, Instagram, Email, YouTube, and LinkedIn are also present.

Administrative

- Office of the Taxpayer Advocate:
- Senate Bill 660
 - Establishes an Office of Taxpayer Advocate
 - Requires head of Division to have background in customer service and experience representing individual taxpayers.
 - Minimum of 6 employees
 - Customer service

Administrative

- Various “good government” bills passed this session:
 - Energy Conserving Standards
 - Prompt Payment of Grants
 - Board of Public Works Public Comment Act
 - Natural Resources Greenspace Equity Program
 - Minority Business Participation Goal Scorecard
 - Modernization of State Financial Systems

Administrative

- Public Guidance – Format Transition
 - Tax Alerts will remain Tax Alerts
 - Administrative Releases will become Technical Bulletins
 - Retain number when possible.
 - Remain searchable using “Administrative Release”

Technical Bulletin No. 26

Revised [Date Month Day, Year]



Procedures for Computer-Printed Substitute Forms

Failure to follow the guidelines in this document can cause forms approvals to be delayed or forms to not be approved.

Pass Through Entity (PTE) Processing Challenges

- Enabling resident members of PTEs to pay tax State and Local income taxes through the business has had a huge impact on the Comptroller's Office and is creating massive complications for taxpayers and tax professionals
- The challenge began with tax year 2020 – but the impact is pyramiding
 - We have made some improvements, but issues from prior years continue to create further challenges

Pass Through Entity (PTE) Processing Solutions

- 10 new FTEs to support PTE processing – TACORPORATE@marylandtaxes.gov
- Report that validates proper filings, payment, and documents included, reduces review time from 20 mins to 1 min – only works when all returns filed electronically
 - Worked on less than 20% of returns for TY2021
- 55k of new interactions are related to payments in wrong account type – new form for TY23 should resolve most of those
- Send letter to preparers with checklist, key check items:
 - File all payments and returns electronically;
 - Ensure addback
 - Ensure PTE has filed prior to Individual
 - Include digital K-1 with Individual Filing (readable by system)
- Stop sending underpayment and credit-denial notices until system accuracy is improved – exploring how we would do this
- Long Term – Design properly in new tax system

Big Change for Staff Interventions – PTE Credits

Tax Year 2019			
Entity Type	Transaction Type		Number of Interventions
PTE	Payment	74,948	8,190
PTE	Return	194,302	39,968
Individual	Return	NA	NA
Total		269,250	48,158

Tax Year 2021			
Entity Type	Transaction Type		Number of Interventions
PTE	Payment	117,944	64,579
PTE	Return	203,987	88,625
Individual	Return	32,040	67,401
Total		353,971	220,605

Notes: (1) 172,447 additional manual interventions – about 10 FTEs

Pass-Through Entity Developments

- Irrevocable Election
 - Made on the first filing of the year
 - 510/511D
 - 510/511E
 - 510 or 511
 - Cannot be changed on amended return
 - Election or nonelection made yearly

Pass-Through Entity Developments

- *Comptroller of Maryland v. FC-GEN Operations Investments, LLC.*
 - Determined that the PTE itself was a proper claimant of a refund of estimated payments made on behalf of nonresident members.
 - Overpayment of estimated taxes must be refunded to the PTE.

Adult-Use Cannabis

- Sales Tax – 9%

Line 12 Sales of cannabis products subject to 9% rate under Senate Bill 516 of 2023.

"Cannabis" includes cannabis, cannabis concentrate, cannabis-infused products, and cannabis products.

In box 12a Enter the amount of sales of cannabis products that are subject to the 9% rate.

In box 12 Enter the actual amount of tax you collected or should have collected on the sales of cannabis products, less any tax you properly refunded to your customers for cancelled sales.

- New licensing round November 13 – December 12. Lottery takes place on or before January 1, 2024.
- Revenue for the first quarter will be reported soon.

Maryland Tax Forms – General Changes

- TY 2023 Fill-in forms and the CY 2024 Withholding Guide will be available mid December at **marylandtaxes.gov**
- We have made a limited number of resident tax booklets available to libraries and branch offices.
- Personal Income tax filing deadline for tax year 2023: **April 15th, 2024**

Maryland Tax Forms – Minimum Filing Levels

MINIMUM FILING LEVELS TABLES

TABLE 1 MINIMUM FILING LEVELS FOR TAXPAYERS UNDER 65

Single person (including dependent taxpayers)	\$ 13,850
Joint Return	\$ 27,700
Married persons filing separately	\$ 13,850
Head of Household	\$ 20,800
Qualifying surviving spouse	\$ 27,700

TABLE 2 MINIMUM FILING LEVELS FOR TAXPAYERS 65 OR OVER

Single, age 65 or over	\$ 15,700
Joint Return, one spouse, age 65 or over	\$ 29,200
Joint Return, both spouses, age 65 or over	\$ 30,700
Married filing separately, age 65 or over	\$ 13,850
Head of Household, age 65 or over	\$ 22,650
Qualifying surviving spouse, age 65 or over	\$ 29,200

Maryland Tax Forms – Resident Income Tax Return

- Investment income updated from \$10,300 to \$11,000 on line 1e.

INCOME See Instruction 11.	1. Adjusted gross income from your federal return ▶ 1. _____ 00
	1a. Wages, salaries and/or tips ▶ 1a. _____ 00
	1b. Earned income ▶ 1b. _____ 00
	1c. Capital Gain or (loss) ▶ 1c. _____ 00
	1d. Taxable Pensions, IRAs, Annuities (Attach Form 502R.) ▶ 1d. _____ 00
	1e. Place a "Y" in this box if the amount of your investment income is more than \$11,000 . . ▶ <input type="checkbox"/>



**Adjusted for Inflation per
Internal Revenue Service's
Rev. Proc. 2022-38.**

Maryland Tax Forms – 2023 Standard Deduction

For each taxable year beginning after December 31, 2018, each minimum and maximum standard deduction shall be increased by an amount equal to the product of multiplying the minimum and maximum standard deduction limitation amount by the cost-of-living adjustment.

STANDARD DEDUCTION WORKSHEET (16A)

If your filing status is:	
Single, Married filing separately or Dependent taxpayer	Married filing Jointly, Head of Household or Qualifying Surviving Spouse
Worksheet 1	Worksheet 2
<p>Enter your income from line 16 of Form 502 \$ _____</p> <p>If your income is: Your standard deduction is:</p> <p>\$11,333 or less \$ <u>1,700</u></p> <p style="text-align: center;">or</p> <p>If your income is between \$11,333 - \$17,000</p> <p>Enter your income from above: \$ _____</p> <p>Multiply by 15 percent (.15) X <u>.15</u></p> <p>This is your standard deduction \$ _____</p> <p style="text-align: center;">or</p> <p>If your income is: Your standard deduction is:</p> <p>\$17,000 or over \$ <u>2,550</u></p> <p style="text-align: center;">Enter your standard deduction on line 17 of Form 502.</p>	<p>Enter your income from line 16 of Form 502 \$ _____</p> <p>If your income is: Your standard deduction is:</p> <p>\$23,000 or less \$ <u>3,450</u></p> <p style="text-align: center;">or</p> <p>If your income is between \$23,000 - \$34,333</p> <p>Enter your income from above: \$ _____</p> <p>Multiply by 15 percent (.15) X <u>.15</u></p> <p>This is your standard deduction \$ _____</p> <p style="text-align: center;">or</p> <p>If your income is: Your standard deduction is:</p> <p>\$34,333 or over \$ <u>5,150</u></p> <p style="text-align: center;">Enter your standard deduction on line 17 of Form 502.</p>

Maryland Tax Forms – Interest Rate 2024

- The 2024 annual interest rate is 10.0075% annually and 0.8339% per month

§ 13-604. Interest rates.

(a) The rate of interest for each month or fraction of a month is the percent equal to one-twelfth of the annual interest rate that the Comptroller sets for the calendar year under subsection (b) of this section.

(b) On or before October 1 of each year, the Comptroller shall set the annual interest rate for the next calendar year on refunds and money owed to the State as the percent that equals the greater of:

(1)

(i) 13% for 2016;

(ii) 12% for 2017;

(iii) 11.5% for 2018;

(iv) 11% for 2019;

(v) 10.5% for 2020;

(vi) 10% for 2021;

(vii) 9.5% for 2022; and

(viii) 9% for 2023 and each year thereafter; or

(2) 3 percentage points above the average prime rate of interest quoted by commercial banks to large businesses during the State's previous fiscal year, based on determination by the Board of Governors of the Federal Reserve Bank.

Maryland Tax Forms – Bracketed Local Income Tax Rates

- Anne Arundel County and Frederick County have implemented bracketed local income tax rates.

* **Anne Arundel Co.** The local tax rates for taxable year 2023 are as follows:


- (1) .0270 of an individual's Maryland taxable income of \$1 through \$50,000; and
- (2) .0281 of an individual's Maryland taxable income in excess of \$50,000.

Find the income range in the Anne Arundel County tax table (beginning on p. 33) that applies to the amount on line 20 of Form 502. If your taxable income is \$100,000 or more, use the Anne Arundel County Tax Computation Worksheet Schedule (19D) at the end of the tax table.

** **Frederick Co.** The local tax rates for taxable year 2023 are as follows:

- (1) .0275 for taxpayers with Maryland taxable income of \$100,000 or less and a filing status of married filing joint, head of household, or qualifying surviving spouse with dependent child;
- (2) .0275 for taxpayers with Maryland taxable income of \$50,000 or less and a filing status of single, married filing separately, or dependent; and
- (3) .0296 for all other taxpayers.

Additions

- SB 240 – Addback of Out-of-State PTE Tax
 - t.  Members of pass-through entities that are taxed on net income at the entity level in another state. For this addition to apply, the resident taxpayer must be a member of a **pass-through entity** that (1) pays tax at the entity level in another state and (2) deducts the tax paid to the other state in determining its (the pass-through entity's) income under the Internal Revenue Code. A member of such a **pass-through entity** who claims a credit for taxes paid to another state on form 502CR, Part A, must include in the addition modification the portion of the credit for taxes paid to another state that represents tax the out-of-state **pass-through entity** paid on the member's pro rata share of income in that state and passed through to the member. For more information, see Administrative Release 42.
- SB 968 – Real Estate Investment Trusts – Alteration - Dividend Addback

Subtractions

- Resident Income Tax Return Instructions – Instruction 13
 - Pension Exclusion - Max \$36,200

PENSION EXCLUSION COMPUTATION WORKSHEET (13A)


Review carefully the age and disability requirements in the instructions before completing this worksheet. Use the separate **RETIRED FOREST/PARK/WILDLIFE RANGER PENSION EXCLUSION COMPUTATION WORKSHEET (13E)** if applicable.

	You	Spouse
1. Qualifying pension and retirement annuity included in your federal adjusted gross income (Do not include Social Security or Railroad Retirement).		
2. Maximum allowable exclusion.	\$36,200	\$36,200
3. Total benefits you received from Social Security and/or Railroad Retirement (Tier I and Tier II).		
4. Tentative exclusion (Subtract line 3 from line 2.) (If less than 0, enter 0.).		
5. Pension Exclusion (Enter the smaller of line 1 or 4 here and on line 10a, Form 502.) If you and your spouse both qualify for the pension exclusion, combine your allowable exclusions and enter the total amount on line 10a, Form 502		

Subtractions

- House Bill 2 – Union Dues

yc. Allows a subtraction modification against the Maryland income tax for union dues paid by an individual during the taxable year.yc. _____ 00

yc.  Union Dues. Enter the amount of dues you paid for union membership that is included in your federal adjusted gross income and that you would have been able to deduct on your federal return as an unreimbursed employee expense prior to tax year 2018. Do not include (1) the portion of any contributions that provide funds for the payment of sick, accident, or death benefits, (2) contributions to a pension fund even if the union requires you to make contributions, or (3) any amounts of the contribution that are related to certain lobbying and political activities. This includes any amounts the union uses to influence legislators or executive branch officials or to participate in any political campaign or other political activities. If your union engages in any of these activities, it should provide you with the percentage of your union dues that it uses to conduct these activities.

Do not claim this subtraction if you are self-employed and you claimed your union dues as a business expense on your federal return.

Retain all records of your payment of union dues, and make them available upon request by the Comptroller's office.

Subtractions

- House Bill 180 – Adoption Expenses

- j. The amount added to taxable income for the use of an official vehicle by a member of a state, county or local police or fire department. The amount is listed separately on your W-2 j. _____
- k. Adoption of a child: \$12,000 if the child adopted has a special need under the SSA; \$10,000 for adoption of a child without a special need k. _____
- l. Purchase and installation costs of certain enhanced agricultural management equipment. **Attach a copy of the certification.** l. _____

Subtractions

- House Bill 1178 – Calvert County Length of Service Award Program
- House Bill 554/ Senate Bill 553 – Military Retirement Subtraction

u. Military Retirement Income. Individuals at least 55 years of age on the last day of the taxable year may claim up to \$20,000 of military retirement income, including **death benefits**, received in the taxable year.
Individuals under the age of 55 on the last day of the taxable year may claim up to \$12,500 of military retirement income received in the taxable year. u. _____ 00

Subtractions

- Cannabis Subtraction

yb. Amount of ordinary and necessary expenses, including a reasonable allowance for salaries or compensation, paid or incurred during the taxable year in carrying on a trade or business as a State licensed medical cannabis grower, processor, dispensary, or any other cannabis establishment licensed by the State, if the deduction for ordinary and necessary expenses is disallowed under Section 280E of the Internal Revenue Code. Include your Cannabis Business License Number on the line provided.

Credits/Checkoff

- House Bill 316/Senate Bill 354 – Income Tax Checkoff – Maryland Veterans Trust (begins tax year 2025)
- House Bill 471/Senate Bill 333 – RISE Zone Program – Alterations
- House Bill 547/Senate Bill 552 – Family Prosperity Act of 2023
 - Permanently extends the 2021 expansion of refundable Maryland EITC for individuals without qualifying children - 100% of federal EITC.
 - Permanently allows individuals with ITINs to claim EITC.

Credits/Checkoff

- House Bill 680 - Student Loan Debt Relief Tax Credits Alterations
 - 3 years to use credit or recaptured
 - Added recapture line on 502CR:

Part DD- Recapture of Previously Claimed Credits	
1. Recapture of Student Loan Debt Relief Tax Credit for 2020 (See Instructions). Enter this amount on line 21a of Form 502, line 32d of Form 505, or line 33a of Form 515	1. 00

Credits/Checkoff

- House Bill 680 - Student Loan Debt Relief Tax Credits Alterations

**MARYLAND
FORM
502**

**RESIDENT INCOME
TAX RETURN**



235020299

2023
Page 3

Name _____

SSN _____

**MARYLAND
TAX
COMPUTATION**

21. Maryland tax (from Tax Table or Computation Worksheet Schedules I or II)	21.	_____	00
21a. Recaptured credit from Part DD, line 1 of Form 502CR. (Attach Form 502CR)	21a.	_____	00
22. Earned income credit (EIC) (See Instruction 18.)	▶ 22.	_____	00

- Check this box if you are claiming the Maryland Earned Income Credit, but do not qualify for the federal Earned Income Credit.
- Check this box if you are claiming the Maryland Earned Income Credit with a qualifying child.

1. STUDENT LOAN DEBT RELIEF TAX CREDIT. If you have incurred at least \$20,000 in undergraduate or graduate student loan debt or both, you may qualify for this credit. See Form 502CR Instructions.

Credits/Checkoff

- Senate Bill 243 – Child and Dependent Care Tax Credit
 - Restricts to resident



MARYLAND
FORM
502CR

**INCOME TAX CREDITS
FOR INDIVIDUALS**
Attach to your tax return.



23502C199

2023
Page 2

NAME _____ SSN _____

PART B - CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES

1.	Enter your federal adjusted gross income from line 1 of Form 502.	1.	_____	00
2.	Enter your federal Child and Dependent Care Credit from federal Form 2441	2.	_____	00
3.	Enter the decimal amount from the chart in the instructions that applies to the amount on line 1	3.	• _____	
4.	Multiply line 2 by line 3. Enter here and on Part AA, line 2	4.	_____	00

b. CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES. ****This credit is available to residents only.** If you were eligible for a Child and Dependent Care Credit on your federal income tax return and your income is below certain thresholds, you are entitled to a tax credit equal to a percentage of the federal credit. **You may also be entitled to a refundable credit.** See Form 502CR Instructions.

Credits/Checkoff

- Senate Bill 243 – Child and Dependent Care Tax Credit
 - Restricts to residents
- Senate Bill 452 – Film Production Activity Credit
 - Expands eligible activities
 - Expands and increases eligible costs, increases total credits available
- Senate Bill 721 – Credit for Federal Security Clearance Costs
 - Gap in years where credit allowed – not allowed in 2023
- House Bill 584 – Food Donation by Qualified Farms – sunset repealed

Credits/Checkoff

- Senate Bill 783 – Preservation and Reuse of Historic Complexes – Study and Alterations to Credit for Catalytic Revitalization Projects
- House Bill 1074/Senate Bill 624 – Automated External Defibrillator Tax Credit (Joe Sheva Act)


Sales and Use Tax

- Senate Bill 691 – Home Amenity Rentals – SUT Imposed and Local Tax Authorized
 - Effective July 2024
- House Bill 237/Senate Bill 174 – SUT Exemption for Redevelopment Areas in Baltimore County – extended through 2036

Sales and Use Tax – Form 202

- New Amended Checkbox.
- New physical location section added for revenue distribution by localities.
- Added line 12 to accommodate the new cannabis sales tax subject to a 9% tax rate, per Senate Bill 516.
- Line 23 has been updated to include cannabis tax to accommodate the use tax subject to a 9% tax rate, per Senate Bill 516.

Sales and Use Tax – Form 202

MARYLAND FORM 202 SALES AND USE TAX RETURN


232020199

13. a. Add Lines 4, 5, 6, 7, 10, 11, and 12 and enter the total on this line. ▶ 13a. _____

b. Enter line 10 from Form 202F (see instructions). . . ▶ 13b. _____

Add lines 13a and 13b and enter the total 13. _____

14. If timely – enter discount (see instructions). Maximum \$500.00 14. _____

15. Tax Credit - Qualified Job Training. Enter amount (see instructions). ▶ 15. _____

16. Subtract Line 14 or 15 from Line 13 and enter the difference on this line 16. _____

Tax on Purchases

17. Taxable purchase subject to the 6% rate 17a. _____ ▶ 17. _____

18. Taxable purchases of truck rentals and peer-to-peer car sharing subject to the 8% rate. 18a. _____ ▶ 18. _____

19. Taxable purchase of alcoholic beverages subject to the 9% rate. 19a. _____ ▶ 19. _____

20. Taxable purchases of car and motorcycle rentals and peer-to-peer car sharing subject to the 11.5% rate . . . 20a. _____ ▶ 20. _____

21. Taxable purchases of ESDs and tobacco pipes subject to the 12% rate 21a. _____ ▶ 21. _____

22. Taxable purchases of vaping liquid subject to the 60% rate 22a. _____ ▶ 22. _____

23. Taxable purchases subject to the 9% rate under Senate Bill 516 of 2023. 23a. _____ ▶ 23. _____

24. Total tax on purchases. Add the totals from lines 17, 18, 19, 20, 21, 22, and 23 and enter the total on this line. 24. _____

Total Sales and Use Taxes

25. Total taxes due (add Lines 16 and 24). **If the total is zero, see instructions.** 25. _____

26. Refund due (see instructions) ▶ 26. _____



Sales and Use Tax – Form 202F

- Reference on line 10 updated

**MARYLAND
FORM
202F**

**SALES AND USE TAX
RETURN FOR MARKETPLACE
FACILITATORS**



23202F099

July 2023 - June 2024

CHECK HERE IF:

NAME OR ADDRESS HAS CHANGED (attach completed Change of Name or Address Form)

FINAL RETURN (attach completed Form 202FR)

- | | | | | | | |
|--|---|-----|---|----|--|--|
| 1. Gross sales facilitated into Maryland (Whole dollars only, taxable and non-taxable) | ▶ | | ▶ | | | |
| 2. Facilitated sales subject to 6% rate (Excluding digital products) | ▶ | 2a. | ▶ | 2. | | |
| 3. Sales subject to 6% rate (Digital products) | ▶ | 3a. | ▶ | 3. | | |
| 4. Sales subject to 12% rate (ESDs, Tobacco Pipes). | ▶ | 4a. | ▶ | 4. | | |
| 5. Sales subject to 60% rate (Vaping Liquid). | ▶ | 5a. | ▶ | 5. | | |
| 6. Car and motorcycle rentals and peer-to-peer car sharing subject to 11.5% rate | ▶ | 6a. | ▶ | 6. | | |
| 7. Truck rentals and peer-to-peer car sharing subject to 8% rate | ▶ | 7a. | ▶ | 7. | | |
| 8. Add Lines 6 and 7 and enter the total tax due on short-term rentals | ▶ | 8. | | | | |
| 9. Sales of alcoholic beverages subject to 9% rate. | ▶ | 9a. | ▶ | 9. | | |
| 10. Add Lines 2, 3, 4, 5, 8 and 9 and enter the total on this line and on line 13b of Form 202 | ▶ | 10. | | | | |



Estate Tax

- **Senate Bill 792 – Registered Domestic Partnerships**
 - Established domestic partnerships
 - Repeals references to legitimacy/illegitimacy of children
 - Property passing from decedent to domestic partner is excluded from inheritance tax
- **House Bill 179/Senate Bill 55 – Portability**
 - Aligns time within which person must file estate tax return for electing portability of Deceased Spousal Unused Exclusion to IRS policy.
 - Currently 5 years
 - Applies retroactively

Data Sharing and Data Security

- House Bill 86/Senate Bill 189 – Disclosure of Tax Information to Maryland Small Business Retirement Savings Board
- House Bill 192/Senate Bill 269 – Disclosures by Financial Institutions
 - Allows Comptroller to request information from crypto financial institutions when enforcing liens.
- House Bill 236 – Homeowner Protection Program
 - Comptroller must provide the Treasury Ombudsman with telephone number of a homeowner for the purpose of administering the program
- House Bill 333/Senate Bill 404 – Medical Bill Reimbursement
 - Comptroller must share taxpayer data to support reimbursement program

Thank You

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Deputy Director, Legal Division

Comptroller of Maryland

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