

# MARYLAND 2018

**Instructions for filing corporation income tax returns  
for calendar year or any other tax year or period beginning in 2018.**



**Peter Franchot, Comptroller**

## Maryland Corporation Taxpayers

This booklet contains the necessary instructions for a corporation to file a Maryland corporation income tax return for tax year 2018. Read the instructions carefully.

Use blue or black ink when completing your forms and checks.

To avoid delays in the processing of your return:

- Do not use pencil or ink of any other color.
- Do not print returns on colored paper.
- Do not write on, staple or punch holes in the barcode.

S corporation instructions are not included in this booklet. S corporations, partnerships, limited liability companies and business trusts must use the Pass-Through Entity tax return, Form 510.

Manufacturing corporations are subject to a special single factor formula of receipts. The rules for calculating this single factor can be found in Maryland Tax Regulation 03.04.03.10.

Direct Deposit of refunds is available for all corporations.

### What's New for 2018

- **Single Sales Factor Apportionment.** For apportioning income to the state for corporate income tax purposes, a single sales factor apportionment formula will be phased in over a five year period beginning in tax year 2018.
- The eligibility requirements have been expanded for the One Maryland Economic Development Tax Credit. The number of new jobs required has been lowered to 10 qualifying positions for eligibility for a maximum credit of \$1,000,000. Tax credit may be claimed against the entire income of the business, rather than only the income from the One Maryland project.
- **Small Business Relief Tax Credit** allows that small businesses which employ a qualified employee may claim a credit against state income tax for certain benefits provided to that employee. A qualified employee is one who earns wages equal to or less than 250% of the annual federal poverty guidelines for a single-person household.
- **Energy Storage Systems Tax Credit** is for certain costs to install an energy storage system paid or incurred during the taxable year. You must obtain a tax credit certificate from Maryland Energy Administration before claiming this credit.
- **More Jobs for Marylanders Tax Credit** allows that a manufacturing business which is located within Maryland may be entitled to a 10-year income tax credit based on the total amount of wages paid for each qualified position at an eligible facility.
- **Cybersecurity Incentive Tax Credits.** A credit is available for an investment in a qualified Maryland cybersecurity company (QMCC). A qualified investor is an individual or entity that invests at least \$25,000 in a QMCC that is required to file an income tax return in any jurisdiction.

### Form 500CR

**Electronic Format** In accordance with SB 36 of the Acts of 2017 of the Maryland General Assembly, the Comptroller of Maryland may grant a taxpayer a waiver of the requirement to file for certain tax credit(s) by electronic means. **Form 500CRW, Request for a Waiver, must be submitted with the Form 500CR** that establishes a reasonable cause for not filing by electronic means or that there is no feasible means of filing electronically creating an undue hardship.

**Tax-exempt organizations** Organizations that are tax exempt under Internal Revenue Code 501(c)3 may be eligible to claim certain business tax credits against their withholding taxes. These qualified organizations **no longer use Form 500CR**, but will use Form MW508CR as an attachment to Form MW508 (Annual Employer Withholding Reconciliation Return). See Administrative Release 34.

Maryland Form 500CR is used to claim the following business tax credits against corporation and individual income tax. See the instructions for more information about these tax credits.

NON- REFUNDABLE TAX CREDITS	PART
Enterprise Zone Tax Credit**	A
Maryland Disability Employment Tax Credit**	C
Job Creation Tax Credit**	D
Community Investment Tax Credit**	E
Businesses That Create New Jobs Tax Credit	F
Qualified Vehicle Tax Credit**	G
Cybersecurity Incentive Tax Credit for Buyers of Cybersecurity Technology or Cybersecurity Services**	H-II
Employer-Provided Long-Term Care Insurance Tax Credit	I
Maryland Employer Security Clearance Costs Tax Credit**	J-I
First-Year Leasing Costs Tax Credit for Qualified Small Businesses**	J-II
Research and Development Tax Credits for Businesses Not Certified as a "Small Business"***	K-I
Commuter Tax Credit	M
Maryland-Mined Coal Tax Credit**	O
Non-Refundable One Maryland Economic Development Tax Credit**	P
Oyster Shell Recycling Tax Credit**	Q
Energy Storage Systems Tax Credit**	R
Wineries and Vineyards Tax Credit**	T
Endow Maryland Tax Credit**	V
Preservation and Conservation Easements Tax Credit**	X
Apprentice Employee Tax Credit**	Y
Qualified Farms Tax Credit**	Z
Qualified Veteran Employees Tax Credit**	AA
REFUNDABLE TAX CREDITS	PART
Small Business Relief Tax Credit**	B
Cybersecurity Incentive Tax Credit for Investors in Cybersecurity**	H-I
Research and Development Tax Credits for Businesses Certified as a "Small Business"***	K-II
Biotechnology Investment Incentive Tax Credit**	L
Clean Energy Incentive Tax Credit**	N
Refundable One Maryland Economic Development Tax Credit**	P
More Jobs for Marylanders Tax Credit **	S
Film Production Activity Tax Credit**	U
Aerospace, Electronics, or Defense Contract Tax Credit **	W
Heritage Structure Rehabilitation Tax Credit from Form 502S	DDD
<b>**Required Certification must be included with Form 500CR or 502S.</b>	

Tax exempt organizations which qualify for business tax credits against their withholding tax should use **Form MW508CR** to claim the tax credit on Form MW508.

**Credits that have expired:**

- Bio-Heating and Oil Tax Credit
- Cellulosic Ethanol Technology Research and Development Tax Credit
- Health Enterprise Zone Hiring Tax Credit

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**Filing electronically**

You may file your Maryland Corporation or Pass-Through Entity returns electronically using the Modernized e-File method of Federal/State 1120/1065 filing. For more information, contact our e-File Help Desk at 410-260-7753 or visit **www.marylandtaxes.gov**.

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**Forms and help**

For online business registration, tax forms, instructions, publications, and Maryland Tax Regulations, visit **www.marylandtaxes.gov**.

E-mail your tax questions to: **taxhelp@comp.state.md.us**

For assistance, call: 410-260-7980 in Central Maryland, or 1-800-MDTAXES (1-800-638-2937) from elsewhere.

**GENERAL INSTRUCTIONS**

**FILING FORM 500**

Form 500 must be filed electronically if the corporation plans to claim a business income tax credit from Form 500CR or the Heritage Structure Rehabilitation Tax Credit from Form 502S.

**PURPOSE OF FORM** Form 500 is used by a corporation and certain other organizations to file an income tax return for a specific tax year or period.

**NOTE:** S corporations must use Form 510 — Maryland Pass-Through Entity Income Tax Return.

**1 WHO MUST FILE?**

**TAXPAYERS REQUIRED TO FILE** Every Maryland corporation must file an income tax return on Form 500, even if it has no taxable income or if the corporation is inactive. Every other corporation that is subject to Maryland income tax law and has income or losses attributable to sources within Maryland also must file Form 500.

Corporations operating in Maryland and in one or more other states are subject to Maryland income tax if their Maryland activity exceeds the provisions for federal protection from state taxation. U.S.C.A. Title 15, Section 381 of the Interstate Commerce Tax Act (P.L. 86-272) prescribes the extent of business activity required before states may impose income taxes.

A multistate corporation that operates in Maryland but is not subject to the Maryland income tax law is not required to file, although a return reflecting an apportionment factor of zero may be filed for record purposes. Letters in lieu of filing will not be accepted.

All financial institutions are subject to corporation income tax and have special apportionment rules. See Maryland Tax Regulation 03.04.08.

**ORGANIZATIONS EXEMPT FROM FILING** The following organizations are not subject to the Maryland corporation income tax and are exempt from filing an income tax return on Form 500, except as specified:

- **Pass-through entities** defined as partnerships in IRC Section 761, S corporations in IRC Sections 1361 and 1362, Limited Liability Companies (LLC) in Maryland Corporations and Associations Article Section 4A-101 and business trusts in Maryland Corporation and Associations Article Section 12-101.

LLCs and Business Trusts are treated as partnerships for Maryland income tax purposes, unless they are treated as corporations for federal income tax purposes.

Pass-through entities must file an income tax return on Form 510. Additionally, each member must file an income tax return.

An S corporation that is subject to federal income tax at the corporate level, also is subject to Maryland corporation income tax and Form 500 must be filed.

Maryland will follow the IRS rules for a single member LLC that is disregarded as a separate entity ("check-the-box") and certain partnerships that do not actively conduct a business and have elected not to be treated as a partnership.

For additional information regarding the taxation and filing requirements of pass-through entities, see the instructions provided with Form 510.

- **Nonprofit organizations** that are exempt from taxation under IRC Section 501, except those with taxable income for federal purposes, such as unrelated business taxable income or exempt function income under IRC Section 527.

Under Section 501, a variety of organizations, generally nonprofit groups organized for charitable or mutual benefit purposes, are exempt from income taxation. However, it may be subject to

income tax if it has income from the operation of a business not related to the purpose for which they received their exemption.

The same tax treatment afforded for federal income tax purposes is afforded for Maryland income tax purposes. Income that is taxable for federal purposes also is taxable for Maryland purposes. Exempt corporations with federal taxable income must file Form 500 to report the income and pay the tax.

Whether or not required to file Form 500, nonprofit organizations operating in Maryland that are subject to federal exempt-status notification requirements must register with the Maryland Revenue Administration Division. To register, an authorized official must submit a letter of request accompanied by a copy of the Internal Revenue Service (IRS) determination of tax-exempt status.

Other agencies such as the State Executive Department - Secretary of State, State Department of Assessments and Taxation and Attorney General's Office each has its own specific requirements for nonprofit organizations.

- **Investment conduits** such as a Regulated Investment Company (RIC), and a Real Estate Mortgage Investment Conduit (REMIC), except those with taxable income for federal purposes. Investment conduits with such taxable income must file Form 500 reporting the taxable income. Real Estate Investment Trust should see Special Requirements For Certain Organizations.
- **Individual retirement account (IRA)** trusts that are exempt from taxation under IRC Section 408 (e)(1), except those with taxable income for federal purposes. IRA trusts with such taxable income must file Form 504 reporting the taxable income.
- **Insurance companies** within the meaning of the Insurance Article, Annotated Code of Maryland, Managed Care Organizations and Health Maintenance Organizations are subject to the insurance company premium tax. Insurance companies must contact the Maryland Insurance Administration regarding filing requirements and taxation.
- **Common trust funds** as defined in the Maryland Financial Institutions Article Section 3-501(b).
- **Fiduciary** taxpayers must file an income tax return on Form 504. Fiduciaries who are an Electing Small Business Trust (ESBT) are taxable by Maryland. See Form 504 Instructions for more information.

**SPECIAL REQUIREMENTS FOR CERTAIN ORGANIZATIONS**

- **Affiliated corporations** that file consolidated federal returns must file separate Maryland returns for each member corporation. Each member corporation must file and report the taxable income or loss on a separate basis, without regard to the consolidation for federal income tax purposes. Consolidation adjustments reported for federal purposes are not allowed for Maryland purposes.
- **Qualified Sub-S Subsidiaries** are treated as divisions by the IRC and are not considered as separate entities for Maryland purposes. These divisions will be included on the parent company's annual Maryland return.
- **A Real Estate Investment Trust (REIT)** is subject to the Maryland income tax when the REIT has taxable income at the federal level, as computed on Federal Form 1120-REIT, that is taxed on the REIT's federal return. In addition, a Captive REIT may have a Maryland income tax liability even if that entity does not have a federal income tax liability on its federal return.

A Captive REIT is a corporation, trust, or association that is:

- Considered an REIT for the taxable year under IRC Section 856;
- Not regularly traded on an established securities market; and
- More than 50% of the voting power or value of the beneficial interests or shares of which, at any time during the last half of the taxable year, are owned or controlled (directly or indirectly)

by a single entity that is a C corporation.

Refer to Maryland Tax-General Article Section 10-306.1(a) (2) for certain exceptions. A Captive REIT is required to report a Maryland addition modification for the amount of its federal dividends paid deduction.

- Manufacturing Corporations are subject to a special single factor formula of receipts. The rules for calculating the single factor can be found in Maryland Regulation 03.04.03.10.

## **2 WHEN AND WHERE TO FILE**

File Form 500 by the 15th day of the 4th month following the close of the tax year or period, or by the original due date required for filing the federal return. The return must be filed with the

**Comptroller of Maryland  
Revenue Administration Division  
110 Carroll Street  
Annapolis, MD 21411-0001.**

Corporations and organizations that are afforded a later due date for federal returns under the Internal Revenue Code (IRC) are afforded the same due date for Maryland income tax returns.

## **3 SIGNATURES REQUIRED**

Form 500 must be signed by a duly authorized corporate officer. Preparers, other than corporate employees, also must sign the return.

If a return is filed by a fiduciary, the fiduciary must sign the return and attach verification of the authority to do so. See Instruction 9 - Signatures and Verification

## **4 GENERAL INFORMATION FOR FORM 500**

**Accounting Periods** The tax year or period used for the federal return must be used for the Maryland return. Accordingly, calendar tax years, fiscal tax years, 52-53 week tax years, and short tax periods may be necessary for Maryland filing purposes.

A Maryland return must be filed for each reporting period for which a federal return is filed or required. The form used for filing must reflect the preprinted tax year in which the corporation's tax year begins.

In a 52-53 week tax year, Maryland follows federal treatment as to effective dates or the applicability of any provision expressed in terms of tax years beginning, including or ending with reference to a specified date.

**Use of Federal Figures** In preparing Form 500, all items reported for federal purposes must be reported on the Maryland return in the same manner. The character of an item cannot be changed from that required or elected for federal purposes.

**Copy of Federal Return Required** A copy of the actual federal income tax return through Schedule M2 as filed with the IRS for the corresponding tax period must be attached to Form 500. The Maryland filing will not be complete unless the required federal copy is attached.

Corporations included in a consolidated filing for federal income tax purposes must file separate returns for Maryland purposes and attach a copy of the actual consolidated federal return through Schedule M2 to each Maryland filing. Each Maryland filing also must include a copy of the columnar schedules of income and expense and of balance sheet items (which are required for the federal filing), reconciling the separate items of each member corporation to the consolidated totals.

**Taxable Income** The starting point for Form 500 is taxable income as developed for the federal income tax return after special deductions for dividends. (See "Specific Instructions" for line 1a and 1b.) No modification of the federal net operating loss or special deductions is allowed under Maryland income tax law except in the case of a Foreign Dividend Subtraction Carryforward (FDSC), decoupling modifications, and Section 10-306.1 related party transactions.

The federal net operating loss deduction effectively is allowed for the Maryland filing by using federal taxable income. The federal provisions for carryback and carryforward also apply for purposes of the Maryland return **unless** you are following certain provisions of the Job Creation and Worker Assistance Act of 2002 and the American Recovery and Reinvestment Act of 2009. If an election to forgo a carryback is made, a copy of the federal election must have been included with the Maryland return for the loss year.

For the tax year in which a net operating loss occurs, that current operating loss is used to offset Maryland modifications. If the total of addition modifications exceeds the total subtraction modifications in the tax year of the net operating loss, a modification to recapture the excess of additions over subtractions is required when claiming the corresponding net operating loss deduction. For more information, see Section 10-205 of the Maryland Tax-General Article.

The federal **special deduction for dividends** is treated as a current year deduction. It is deducted from federal taxable income before application of the net operating loss deduction. The deduction reduces taxable income and may create a net operating loss.

If an **affiliated group of corporations** files a consolidated return for federal purposes, each member corporation must calculate any net operating loss and special deductions based on its separate federal taxable income and loss. The deductions must be calculated in strict accordance with federal income tax provisions, as if the member corporation is not involved in a consolidated filing and files a separate return with the IRS.

**Maryland modified income** is federal taxable income after statutory addition and subtraction adjustments and/or modifications. For a list of the statutory addition and subtraction adjustments and modifications, see Specific Instructions.

**Maryland apportioned income** is applicable only for multistate corporations and is developed by applying the apportionment factor to Maryland modified income. For an explanation of apportionment provisions, see Instructions for Schedule A - Computation of Apportionment Factor.

**Maryland taxable income** is federal taxable income after statutory adjustments, modifications and applicable apportionment.

**Maryland Business Income Tax Credits** For information about credits against the tax, see Specific Instructions for lines 15c and 15d or the instructions provided for Form 500CR - Maryland Business Income Tax Credits. Form 500CR Instructions are available online at [www.marylandtaxes.gov](http://www.marylandtaxes.gov). You must file Form 500CR electronically to claim a business income tax credit.

**Tax, Interest and Penalty** The corporation tax rate is 7% of Maryland taxable income for tax years and periods beginning in 1967 through 2007. For tax years beginning after 12/31/07, the tax rate is 8.25%. The annual rate of interest charged for taxes owed to the State is 12% from 01/01/17 through 12/31/17. The annual rate of interest charged for taxes owed to the State is 11.5% from 01/01/18 through 12/31/18. The annual interest rate changes after 12/31/18. Please see [www.marylandtaxes.gov](http://www.marylandtaxes.gov) for additional information.

A penalty is applicable for late filing of tax returns and/or late payment of any taxes due. Additional penalties are applicable for the filing of false, fraudulent or frivolous returns and civil and/or criminal fines and imprisonment may apply.

In the case of delinquent taxes, the State will record a lien and judgment and proceed with legal action as necessary to effect collection of the balance due.

## **5 OTHER MATTERS**

**Extension of Time to File** If unable to file Form 500 by the due date, a corporation must submit Form 500E - Maryland Application for Extension to File Corporation Income Tax Return. Maryland law provides for an extension of time to file, but in no case can an extension be granted for more than **seven** months beyond the original due date.

The request for extension of time to file will be granted for seven months, provided that:

- 1) The application is properly filed and submitted by the 15th day of the 4th month following the close of the tax year or period, or by the original due date required for filing of the federal return; and
- 2) Full payment of any balance due is submitted with the application.

The application extends only the time allowed to file the annual income tax return and not the time allowed to pay the tax.

For additional information regarding extensions of time to file, see the instructions provided with Form 500E.

**Estimated Income Tax** Every corporation that reasonably expects its Maryland taxable income to develop a tax in excess of \$1,000 for the tax year or period must make estimated income tax payments with Form 500D - Maryland Declaration of Estimated Corporation Income Tax. If the corporation is required to make multiple payments it will use a Form 500D for each of the additional payments. This form is available at our Web site [www.marylandtaxes.gov](http://www.marylandtaxes.gov).

Declaration of estimated income tax payments are due by the 15th day of the 4th, 6th, 9th and 12th months following the beginning of the tax year or period. The total estimated tax payments for the year must be at least 90% of the tax developed for the current tax year or 110% of the tax that was developed for the prior tax year. At least 25% of the total estimated tax must be remitted by each of the four installment due dates.

In the case of a short tax period, the total estimated tax required is the same as for a regular tax year: 90% of the tax developed for the current (short) tax year or 110% of the tax that was developed for the prior tax year. The minimum estimated tax for each of the installment due dates is the total estimated tax required divided by the number of installment due dates occurring during the short tax year.

For additional information regarding estimated income tax, see the instructions provided with Form 500D.

**Audits and Appeals** All items reported on Form 500 are subject to audit, verification and revision, including items reported for federal purposes. Returns and amendments are subject to audit and adjustment for a period of 3 years from the date the return was due (including extensions) or the date the return was filed, whichever is later.

In the event of revision and assessment or reduced refund, the Comptroller will notify the corporation. If in disagreement with the assessment or denial of the refund, the corporation may file with the Compliance Division a written request for revision of the assessment or reconsideration of the refund denial. The request, in either case, must be done by submitting an application for an informal hearing with the Compliance Division within 30 days of the assessment or denial of the refund.

Failure to file a written request or attend the informal hearing will result in the assessment or denial of refund becoming final and non-appealable.

You may file an appeal with the Maryland Tax Court within 30 days of a final determination by the Compliance Division hearing officer.

**Amended Returns** To correct an error in a previously filed return, complete and submit Form 500X - Maryland Amended Corporation Income Tax Return. Attach copies of the documents required and filed with the IRS. If the corrections affect only the Maryland return and not items of federal taxable income, include a thorough explanation of the changes.

Each affected member of a consolidated federal filing also must include a schedule reconciling the amendments of each member corporation to the consolidated totals.

Federal income tax law provides for certain capital loss carryback and carryforward. Any carryforward effectively is allowed when reporting federal taxable income on the Maryland return.

Do not attach amended returns to an original corporation income tax filing.

Form 500X must be filed electronically if the change is related to a business income tax credit from Form 500CR.

**NOTE:** Changes made as part of an amended return are subject to audit for up to three years from the date that the amended return is filed.

**Federal Adjustments** If the items of federal taxable income reported for any tax year or period are adjusted by the IRS and will increase Maryland taxable income, an amended return together with a copy of the final IRS adjustment report must be submitted within 90 days.

Each affected member of a consolidated federal filing also must include a schedule reconciling the separate adjustments of each member corporation to the consolidated totals.

**Refund Claims** Generally, a claim for a refund (amended return) must be filed within 3 years from the date the original return was filed or within 2 years from the date the tax was paid, whichever is later. A return filed early is considered filed on the date it was due.

If the claim for refund resulted from an IRS adjustment or final decision of a federal court which is more than 3 years from the date of filing the return or more than 2 years from the time the tax was paid, a claim for refund must be filed within 1 year from the date of the adjustment or final decision.

A claim for refund based on a federal net operating loss carryback must be filed within 3 years after the due date of the return for the tax year of the net operating loss.

**Taxpayer Identification Required for Returns and Other Documents** All returns, correspondence, payments or other documents must indicate the corporation name, Federal Employer Identification Number (FEIN), type of tax and tax year(s) to which the document relates.

All corporations are required to secure a FEIN from the IRS. The FEIN is the number used by the IRS for processing purposes and also is the primary number used by the Maryland Revenue Administration Division.

The type of tax and tax year(s) are necessary to identify the subject of the document and the intention of payments. This information ensures that documents and payments are applied to the correct account.

**Use of Paid Preparers** The Corporation is responsible for the timely filing of returns, payment of tax, responding to requests and all other requirements, even if a paid preparer is used.

**Substitute Forms** You may file your Maryland income tax return on a computer-prepared or computer-generated substitute form provided the form is approved in advance by the Revenue Administration Division. The fact that a software package is

available for retail purchase does not guarantee that it has been approved for use.

For additional information or to see a list of Approved Software Vendors for Maryland Substitute Tax Forms, visit our Web site at [www.marylandtaxes.gov](http://www.marylandtaxes.gov).

**Employer Withholding of Income Tax** Employers that make payments to individuals of salaries, wages, or compensation for personal services must withhold income tax as prescribed in published tables and remit the withholding to the Maryland Revenue Administration Division with Form MW506 or MW506M - Employer's Return of Income Tax Withheld.

An annual reconciliation is required to be filed on Form MW508 - Annual Employer Withholding Reconciliation Return and submitted with the state copy of the wage and tax statements issued to the employees as required by law.

For additional information regarding employer withholding tax, contact the Maryland Revenue Administration Division. (See the last page of these instructions for address and other contact information.)

**Privacy Notice** The Maryland Revenue Administration Division requests tax return information to administer the income tax laws of Maryland, including the determination and collection of the correct taxes and other amounts. Failure to provide all or part of the requested information may result in the disallowance of claimed amounts and an increased tax liability. In addition, the law makes provision for securing information from taxpayers that fail to supply required information, and a penalty may apply.

Taxpayers have a right to access their tax records maintained by the Revenue Administration Division, and may inspect, amend or otherwise correct them. To obtain a copy, submit a written request containing the corporation name, address and identification number and specify the information needed. The request must be signed by an authorized corporation officer.

As authorized by law, information furnished to the Revenue Administration Division may be given to the IRS, a proper official of any state that exchanges tax information with Maryland, and to an officer of this State having a right to the information in that officer's official capacity. Also, the information may be obtained in accordance with a proper judicial or legislative order.

## **6 TAX YEAR OR PERIOD**

ENTER THE BEGINNING AND ENDING DATES IN THE SPACE PROVIDED AT THE TOP OF FORM 500. The form used in filing must reflect the preprinted tax year in which the corporation's tax year begins.

The same tax year or period used for the federal return must be used for Form 500.

## **7 ASSEMBLING AND COMPLETING YOUR RETURN**

Complete the federal income tax return first and use it in preparation of the Maryland return. After completing the Maryland return, assemble your return in the following order: Maryland Corporation Form 500, any required Maryland forms and their related attachments, any Maryland Schedule K-1 (510) or other statements showing credits claimed on corporation return, and the federal income tax return through Schedule M2.

### **NAME, ADDRESS AND OTHER INFORMATION**

Type or print the correct name and address in the designated area. Enter the corporation name exactly as specified in the Articles of Incorporation, or as amended, and continue with any "Trading As" (T/A) name if applicable.

Enter the FEIN. If a FEIN has not been secured, enter "APPLIED FOR" followed by the date of application. If a FEIN has not been applied for, do so immediately.

Enter the date of incorporation and the federal business code number. The date of incorporation must be expressed numerically, using two digits each for the month, the day and the year. The Business Code is a six-digit number available from the federal return which identifies the principal business activity.

Check the applicable box if:

- (1) The name or address has changed;
- (2) This is an inactive corporation (in Maryland and elsewhere - Do not check the box for inactive if the corporation is inactive in Maryland but active elsewhere.);
- (3) This is the first filing of the corporation;
- (4) This is the final return of a corporation that has dissolved, liquidated or withdrawn from Maryland; or,
- (5) This tax year's beginning and ending dates are different from last year's due to an acquisition or consolidation.

## **8 SPECIFIC INSTRUCTIONS**

### **LINE 1a - TAXABLE INCOME PER FEDERAL RETURN**

Enter the taxable income before net operating loss and special deductions from the federal return. This amount can be found on line 28 of federal Form 1120, or line 25c of federal Form 1120-C. Use a minus sign (-) in front of the number to indicate a loss.

Federal taxable income should include any add-back for any charitable contribution from Line 19 of the federal Form 1120 that is over the federal charitable contribution limitation.

A corporation included in a consolidated filing for federal income tax purposes must enter its separate federal taxable income, calculated using federal law as if the corporation had filed separately for federal purposes. Attach a copy of the actual consolidated federal income tax return through Schedule M2 and a schedule reconciling the income and expenses of each member of the consolidated filing.

### **LINE 1b - SPECIAL DEDUCTION PER FEDERAL RETURN**

Enter the Special Deductions from federal Form 1120, line 29b or Form 1120-C, line 26b. A corporation included in a consolidated federal filing and claiming the special deductions must attach a schedule detailing the deduction(s) on a separate return basis.

### **LINE 1c - FEDERAL TAXABLE INCOME BEFORE NET OPERATING LOSS DEDUCTION**

Subtract line 1b from line 1a. Enter the result.

### **ADDITION ADJUSTMENTS**

All entries must be entered as positive amounts.

### **LINE 2a - SECTION 10-306.1 RELATED PARTY TRANSACTIONS**

Enter the amount of any disallowed deductions for related party transactions in accordance with Section 10-306.1 of the Maryland Tax-General Article.

Attach a schedule listing the type of transaction, the name and FEIN of the related party receiving the income, and the amount of the transaction.

### **LINE 2b - DECOUPLING MODIFICATION ADDITION ADJUSTMENT**

If one or more of these apply, enter the total amount on line 2b and identify each item using the code letter.

**▼ CODE LETTER**

- E. Net addition modification to Maryland taxable income when claiming the federal depreciation allowances from which the State of Maryland has decoupled. Complete and attach Form 500DM. See Administrative Release 38.
- F. Net addition modification to Maryland taxable income when the federal special 2-year carryback (farming loss only) period was used for a net operating loss under federal law compared to Maryland taxable income without regard to the federal provisions. Complete and attach Form 500DM.
- CD. Net addition modification to Maryland taxable income resulting from the federal deferral of income arising from business indebtedness discharged by reacquisition of a debt instrument. See Form 500DM.
- DM. Net addition modification from multiple decoupling provisions. See the table at the bottom of Form 500DM for the line numbers and code letters to use.
- DP. Net addition decoupling modification from a Pass-Through Entity. See Form 500DM.

**LINE 2c – TOTAL MARYLAND ADDITION ADJUSTMENTS TO FEDERAL TAXABLE INCOME**

Add lines 2a and 2b. Enter the result.

**SUBTRACTION ADJUSTMENTS**

All entries on lines 3a through 3e must be entered as positive amounts.

**LINE 3a - SECTION 10-306.1 RELATED PARTY TRANSACTIONS**

Enter the amount of income reported on this return to the extent included in the addition for disallowed related party transactions on the Maryland tax return of the related party (line 2a), or, if a similar addition modification is made on the related party's return filed in another state.

Attach a schedule listing the type of transaction, the name and FEIN of the related party adding back the income on their Maryland tax return, and the amount of the transaction.

**LINE 3b – DIVIDENDS FOR DOMESTIC CORPORATION CLAIMING FOREIGN TAX CREDIT**

Enter the amount included in the income of a domestic corporation claiming a foreign tax credit as dividends under IRC Section 78 (foreign dividend gross-up).

**LINE 3c – DIVIDENDS FROM RELATED FOREIGN CORPORATION**

Enter dividends received from a corporation if the receiving corporation owns, directly or indirectly, 50% or more of the paying corporation's outstanding shares of capital stock and the paying corporation is organized under the laws of a foreign government.

This subtraction is limited to the amount of dividends included in federal taxable income.

**LINE 3d – DECOUPLING MODIFICATION SUBTRACTION ADJUSTMENT**

If one or more of these apply, enter the total amount on line 3d and identify each item using the code letter.

**▼ CODE LETTER**

- J. Net subtraction modification to Maryland taxable income when claiming the federal depreciation allowances from which the State of Maryland has decoupled. Complete and attach Form 500DM. See Administrative Release 38.
- K. Net subtraction modification to Maryland taxable income when

the federal special 2-year carryback (farming loss only) period was used for a net operating loss under federal law compared to Maryland taxable income without regard to the federal provisions. Complete and attach Form 500DM.

- CD. Net subtraction modification to Maryland taxable income resulting from the federal ratable inclusion of deferred income arising from business indebtedness discharged by reacquisition of a debt instrument. See Form 500DM.
- DM. Net subtraction modification from multiple decoupling provisions. See the table at the bottom of Form 500DM for the line numbers and code letters to use.
- DP. Net subtraction decoupling modification from a Pass-Through Entity. See Form 500DM.

**LINE 3e – TOTAL MARYLAND SUBTRACTION ADJUSTMENTS TO FEDERAL TAXABLE INCOME**

Add lines 3a through 3d; enter the result.

**LINE 4 – MARYLAND ADJUSTED FEDERAL TAXABLE INCOME BEFORE NOL DEDUCTION IS APPLIED**

Subtract line 3e from the sum of lines 1c and 2c; enter the result.

**LINE 5 – ADJUSTED FEDERAL NOL CARRYFORWARD AVAILABLE FROM PREVIOUS YEARS**

The **impact** of the decoupling on the NOL Deduction is no longer calculated on Form 500DM with the other decoupling modifications. Instead, a pro forma or adjusted federal taxable income is first computed to include the effect of the other decoupling modifications, and then the pro forma or adjusted federal NOL is applied to reduce the pro forma or adjusted federal taxable income, to no less than zero. In a carryforward year, enter the pro forma or adjusted amount on line 5 (as a positive figure), entitled Adjusted Federal NOL Carryforward available from previous tax years (including FDSC). See Administrative Release 18.

**LINE 6 – MARYLAND ADJUSTED FEDERAL TAXABLE INCOME**

- If line 4 is less than or equal to zero, enter the amount from line 4 on line 6.
- If line 4 is both greater than zero **and** the amount on line 5, subtract line 5 from line 4. Enter result on line 6.
- If line 4 is less than **or** equal to the amount on line 5, enter zero on line 6.

**MARYLAND ADDITION ADJUSTMENTS**

All entries must be entered as positive amounts.

**LINE 7a - STATE AND LOCAL INCOME TAX**

Enter the total of all net income taxes and all other taxes based on income that is imposed by any state or by a political subdivision of any state and deducted on the federal return.

Attach a schedule listing the type and amount of all taxes deducted on the federal return. The schedule of taxes must reconcile to the amount of tax expense reported on the federal return.

**LINE 7b - DIVIDENDS AND INTEREST FROM ANOTHER STATE, LOCAL OR FEDERAL TAX-EXEMPT OBLIGATION**

Enter dividends and interest (less related expenses) attributable to any obligation or security of another state, a political subdivision or authority of another state. Also include interest and dividends that are exempted by federal law or treaty from federal but not state income tax, and attributable to the United States or a foreign government or an authority, commission, instrumentality or territory.

Attach a schedule listing the source and amount of all dividends and interest reported on line 7b and any related expenses. Also include in the schedule any interest and dividends exempt by federal law or



treaty from federal but not state income tax.

**LINE 7c - NET OPERATING LOSS MODIFICATION  
RECAPTURE**

If claiming a net operating loss deduction (line 5) for this tax year, and if, in the tax year of the corresponding net operating loss, total addition modifications exceed total subtraction modifications, enter the smaller of:

Net operating loss deduction attributable to the loss year (tax year in which the net operating loss occurred)

OR

Cumulative net operating loss deductions attributable to the loss year that are allowed for this tax year and all prior tax years

+ net addition modification (amount that addition modifications exceed subtraction modifications) for the loss year

– total net operating loss for the loss year.

These items are each considered to be a positive amount for purposes of this calculation. If the result of combining amounts is negative, use zero.

If the total net operating loss deduction for this tax year consists of net operating losses from more than one tax year, calculate the modification separately for each loss and enter the total.

Attach a schedule of the calculation if, in the tax year of the net operating loss, total addition modifications exceed total subtraction modifications.

**NOTE:** This entry is a modification and not the net operating loss. For more information, see Section 10-205(e) of the Maryland Tax-General Article and Administrative Release 18.

**LINE 7d - DOMESTIC PRODUCTION ACTIVITIES DEDUCTION**

Enter the amount of any deduction allowable under IRC Section 199 for income from domestic production activities claimed on the corporation's federal income tax return.

**LINE 7e - CAPTIVE REIT**

The amount of the total deduction for dividends paid that is claimed by a Captive REIT on federal Form 1120-REIT. For more information, see Section 10-306.2 of the Maryland Tax-General Article.

**LINE 7f - OTHER ADDITIONS**

If one or more of these apply, enter the total amount on line 7f and identify each item using the code letter.

**▼ CODE LETTER**

- A. The oil percentage depletion allowance as deducted on the federal return, under IRC Sections 613 or 613A. Other depletion allowances that are provided for in Sections 613 or 613A are not required as an addition modification.
- B. Total amount of credit(s) claimed in the current tax year to the extent allowed on Form 500CR for the following Business Tax Credits: Enterprise Zone Tax Credit, Maryland Disability Employment Tax Credit, Research and Development Tax Credit, Small Businesses Research & Development Tax Credit and Maryland Employer Security Clearance Costs Tax Credit (do not include Small Business First-Year Leasing Costs Tax Credit). In addition, include any amount deducted as a donation to the extent that the amount of the donation is included in an application for the Endow Maryland Tax Credit on Form 500CR.
- C. The amount allowed in a prior tax year for reforestation or timber stand improvement if the commercial forest land was decertified in the previous year. See the corresponding subtraction modification listed under line 8b for more information.

- D. The amount of federal income tax expenses attributable to a child care center or family day care home, if the center or home is not licensed or registered as required by Maryland law.

- G. Amount as required to nullify the impact of federal tax changes as determined by the Comptroller.

Attach a schedule of all items and amounts reported on line 7f in the same categories as specified above.

**LINE 7g - TOTAL ADDITION MODIFICATION**

Add the amounts on lines 7a through 7f; enter the result.

**SUBTRACTION MODIFICATIONS**

All entries on lines 8a through 8c must be entered as positive amounts.

**LINE 8a - INCOME FROM UNITED STATES OBLIGATIONS**

Income attributable to an obligation of the United States or an instrumentality of the United States. (This includes dividends from mutual funds that invest in U.S. Government obligations. Only that portion of dividends attributable to interest from U.S. obligations can be subtracted. Income from Government National Mortgage Association securities may not be subtracted.)

**LINE 8b - OTHER SUBTRACTIONS**

If one or more of these apply, enter the total amount on line 8b and identify each item using the code letter.

**▼ CODE LETTER**

- A. The percentage of the dividends received from an affiliated domestic international sales corporation equal to the percentage that would be excluded if the corporation did not qualify under IRC Section 992(a).
- B. Profit (without regard to losses) realized from the sale or exchange of bonds issued by Maryland or a political subdivision of Maryland.
- C. The amount of payment for relocation and assistance under the Maryland Real Property Article, Title 12, Subtitle 2.
- D. Refunds of income tax received from a state or a political subdivision of a state.
- E. Purchase and installation costs of certain enhanced agricultural management equipment as certified by the Maryland Department of Agriculture. Attach a copy of the certification.
- F. The amount of expenses for reforestation or timber stand improvement activity on 3 to 1,000 acres of commercial forest land, exclusive of federal funds. For information regarding qualification and a computation of expenses, contact the Maryland Department of Natural Resources.
- G. For a Regulated Investment Company, the amount of the addition for interest and dividends from state or local obligations of another state.
- I. Expenses incurred to buy and install handrails in an existing elevator in a healthcare facility (as defined in Section 19-114 of the Health-General Article) or other building in which at least 50% of the space is used for medical purposes.
- L. The amount of wages for which a deduction is not allowed under IRC Section 280C(a), not exceeding the credit allowed for targeted jobs (Work Opportunity Tax Credit) under IRC Section 51.
- M. Amount as required to nullify the impact of federal tax changes as determined by the Comptroller.
- N. The difference between the adjusted basis of certain disposed or transferred assets as recorded in the books of the public service company and the adjusted basis of the assets for

federal purposes calculated as of January 1, 2000. Add to this the amount of any carryover from a previous year.

- P. Interest on Build America Bonds that is included in your federal taxable income. See Administrative Release 13.

Attach a schedule identifying all items and amounts claimed on line 8b in the same categories as specified above. Additionally, (1) list by source and amount the interest attributable to U.S. obligations and profit from the sale or exchange of bonds issued by Maryland or its political subdivisions, and (2) reconcile the income tax refunds to the federal return.

**LINE 8c - TOTAL SUBTRACTION MODIFICATION**

Add the amounts on lines 8a and 8b. Enter the result.

**LINE 9 - TOTAL MARYLAND MODIFICATIONS**

Subtract line 8c from 7g. Enter the result. If negative, enter as a negative number.

**LINE 10 - MARYLAND MODIFIED INCOME**

Add lines 6 and 9. Enter the result. THIS LINE MUST BE COMPLETED.

**APPORTIONMENT OF INCOME**

**NOTE: To be completed by multistate corporations - unistate corporations skip to line 13. For unistate corporations, all income is allocable to Maryland.**

**LINE 11 - MARYLAND APPORTIONMENT FACTOR**

Enter the apportionment factor as calculated on Page 4 of Form 500. (The factor must be rounded to six decimal places.)

For detailed instructions, see instructions for Schedule A - Computation of Apportionment Factor.

**LINE 12 - MARYLAND APPORTIONED INCOME**

Multiply the amount on line 10 by the factor shown on line 11. Enter the result.

**LINE 13 - MARYLAND TAXABLE INCOME**

Enter the amount from line 10 or line 12, whichever is applicable.

**LINE 14 - TAX**

Multiply the amount on line 13 by 8.25%. Enter the result.

**LINE 15 - PAYMENTS AND CREDITS**

**15a.** Enter the total of amounts paid during the tax year with Form 500D - Maryland Corporation Declaration of Estimated Income Tax. Include any overpayment carried forward from the prior year Form 500. Also include amounts paid by the corporation using Form MW506NRS - Return of Income Tax Withheld for Nonresident Sale of Real Property.

**15b.** Enter any amount paid with Form 500E - Maryland Application for Extension to File Corporation Income Tax Return.

**15c.** Enter the total of the nonrefundable business tax credits from Form 500CR. You must file Form 500 electronically to claim the following nonrefundable business tax credits from Form 500CR.


- **ENTERPRISE ZONE TAX CREDIT.** Businesses located in an enterprise zone may be eligible for tax credits based upon wages paid to qualifying employees.
- **MARYLAND DISABILITY EMPLOYMENT TAX CREDIT.** Businesses that employ persons with disabilities may be eligible for tax credits based upon wages paid to the qualified employees and the child care expenses and transportation expenses paid on behalf of the qualified employees.
- **MARYLAND RESEARCH AND DEVELOPMENT TAX CREDIT.** Businesses may claim a credit for certain qualified research and

development expenses.

- **SECURITY CLEARANCE COSTS TAX CREDIT.** Businesses which incur costs certified by the Maryland Department of Commerce to construct or renovate Sensitive Compartmented Information Facilities (SCIF) or for certain Security Clearance Administrative Costs may be eligible to claim a credit for security costs.

- **ENDOW MARYLAND TAX CREDIT.** Businesses that make a donation to a qualified permanent endowment fund may be eligible for a tax credit of 25% of the approved donation amount.

**NOTE: If you claim a business tax credit for any of the above items, an addition to income (any new credit that requires addition to income) must be included on line 7f.**

- **CYBERSECURITY INCENTIVE TAX CREDITS.** A  nonrefundable credit may be claimed by a buyer of cybersecurity technology and/or cybersecurity services subject to certain maximum amounts.

- **APPRENTICE EMPLOYEE TAX CREDIT.** This credit is not refundable and is applied against only the Maryland State income tax. Excess credit may be carried forward until the excess amount is fully used. The excess credit amount is applied against the Maryland State income tax after the application of all other business income tax credits on the Form 500CR.

- **QUALIFIED FARMS TAX CREDIT.** Qualified farms that make an eligible food donation may be eligible for an income tax credit. A qualified farm that makes an eligible food donation is eligible for a tax credit amount equal to 50% of the value of the eligible food donation. A qualified farm that makes a donation of certified organic produce is eligible for tax credit amount equal to 75% of the value of the donated certified organic produce. Certification of the tax credit is issued by an individual or organization authorized by the State Department of Agriculture to receive eligible food donations from a qualified farm and issue the qualified farm a tax credit certificate.

- **QUALIFIED VETERAN EMPLOYEES TAX CREDIT.** A credit may be claimed by a small business for each qualified veteran employee hired. A copy of the Maryland Department of Commerce certification must be included with the tax return of the small business to claim this tax credit.

- **JOB CREATION TAX CREDIT.** Certain businesses that create new qualified positions in Maryland may be eligible for tax credits based on the number of qualified positions created or wages paid for these positions.

- **COMMUNITY INVESTMENT TAX CREDIT.** Businesses that contribute \$500 or more to approved neighborhood and community assistance programs may be eligible for a tax credit of 50% of approved contributions with a maximum credit of \$250,000.

- **BUSINESSES THAT CREATE NEW JOBS TAX CREDIT.** Certain businesses located in Maryland that create new positions or establish or expand business facilities in the state may be entitled to an income tax credit if a property tax credit is granted by Baltimore City or any county or municipal corporation of Maryland.

- **EMPLOYER-PROVIDED LONG-TERM CARE INSURANCE TAX CREDIT.** A credit may be claimed for costs incurred by an employer that provides long-term care insurance as part of an employee benefit package.

- **MARYLAND-MINED COAL TAX CREDIT.** A credit is allowed for a qualified electricity supplier, small power producer or cogenerator, as defined under the Public Utility Regulatory Policies Act of 1978, for the purchase of Maryland-mined coal.

- **ONE MARYLAND ECONOMIC DEVELOPMENT TAX CREDIT.** Businesses may claim credits for project costs to establish,

relocate or expand a business in a Tier I county in Maryland. A portion of this credit may be refundable.

• **COMMUTER TAX CREDIT.** Businesses may claim a credit for the cost of providing qualifying commuter benefits to the business entities' employees.

• **ENERGY STORAGE SYSTEMS TAX CREDIT.** Businesses and individuals may claim a credit for certain costs to install an energy storage system paid or incurred during the taxable year.



• **FIRST YEAR LEASING COSTS TAX CREDIT FOR QUALIFIED SMALL BUSINESSES.** Certain small businesses performing security-based contracting which incur expenses for rental payments owed during the first year of a rental agreement for spaces leased in Maryland costs may be eligible to claim a credit for security costs certified by the Maryland Department of Commerce.

• **OYSTER SHELL RECYCLING TAX CREDIT.** An individual or business may claim a credit in an amount of \$5 for each bushel of oyster shells recycled during the taxable year with a maximum credit of \$1,500.

• **QUALIFIED VEHICLE TAX CREDIT (Tractor-Trailer Vehicle Registration Tax Credit).** A credit may be claimed for the expense of registering a qualified Class F (Tractor) vehicle that is titled and registered in Maryland as certified by the Maryland Motor Vehicle Administration

• **WINERIES AND VINEYARDS TAX CREDIT.** Businesses and individuals may claim a credit of 25% of qualified capital expenses, approved by the Maryland Department of Commerce, made in connection with the establishment of new wineries or vineyards or capital improvements to existing wineries or vineyards.

• **PRESERVATION AND CONSERVATION EASEMENTS TAX CREDIT.** Certain businesses donating an easement to the Maryland Environmental Trust, the Maryland Agricultural Land Preservation Foundation, or the Maryland Department of Natural Resources to preserve open space, natural resources, agriculture, forest land, watersheds, significant ecosystems, view sheds or historic properties, may be eligible for a credit.

**15d.** Enter the total of the refundable business tax credits from Form 500CR. You must file Form 500 electronically to claim the following refundable business tax credits from Form 500CR.

• **BIOTECHNOLOGY INVESTMENT INCENTIVE TAX CREDIT.** A credit may be claimed based on the amount contributed during the tax year to a qualified Maryland biotechnology company, subject to certain maximum amounts.

• **SMALL BUSINESS RELIEF TAX CREDIT.** An individual or small business that pays earned sick and safe leave to a qualified employee may be entitled to claim a state income tax credit. The amount of credit is granted and certified by the Maryland Department of Commerce.



• **MORE JOBS FOR MARYLANDERS TAX CREDIT.** A manufacturing business that is located within Maryland may be entitled to a 10-year income tax credit on the total amount of wages paid for each qualified position at an eligible facility.



• **ONE MARYLAND ECONOMIC DEVELOPMENT TAX CREDIT.** Businesses may claim credits for project costs to establish, relocate or expand a business in a Tier I county in Maryland. A portion of this credit may be refundable.

• **MARYLAND CLEAN ENERGY INCENTIVE TAX CREDIT.** Businesses may claim a credit for the cost to produce electricity using certain alternative energy sources.

• **FILM PRODUCTION ACTIVITY TAX CREDIT.** Businesses may

claim a tax credit for film production activities that meet certain qualifications and estimated total direct costs incurred in Maryland.

• **SMALL BUSINESS RESEARCH AND DEVELOPMENT TAX CREDIT.** A business which is eligible to claim the Maryland Research and Development Tax Credit, may be eligible for a refund of the amount that exceeds the state tax if it is a qualified "small business."

**NOTE: If you claim a business tax credit for the Small Business Research and Development Tax Credit, an addition to income must be included on line 7f.**

• **CYBERSECURITY INCENTIVE TAX CREDITS.** A refundable credit may be claimed based on the amount invested in a qualified Maryland cybersecurity company, subject to certain maximum amounts.

• **AEROSPACE, ELECTRONICS, OR DEFENSE CONTRACT TAX CREDIT** Businesses who operate an Aerospace, Electronics, or Defense Contract Tax Credit Project may be eligible for an income tax credit. The income tax credit is based on the number of qualified positions created or retained for an Aerospace, Electronics, or Defense Contract Tax Credit Project.

**For additional information regarding any of the Business income tax credits, see the Business Tax Credits Form 500CR Instructions available at [www.marylandtaxes.gov](http://www.marylandtaxes.gov).**

• **HERITAGE STRUCTURE REHABILITATION TAX CREDIT.** A credit is allowed for 20% or 25% of certain rehabilitation expenditures as certified by the Maryland Historical Trust.

**15e.** Enter the total tax credits from Form 502S to line 1 of Part EE of Form 500CR. Check the box on line 15e if you are a non-profit corporation. Complete and submit Form 502S with Form 500CR.

**15f.** If the corporation was a member of a Pass-Through Entity (PTE) doing business in Maryland and the PTE paid nonresident tax on the corporation's behalf, enter the amount on Line 15f. Attach a Maryland Schedule K-1 (510) or other statement from the PTE showing the amount of tax paid on behalf of the corporation. If the corporation participated in a nonresident real estate transaction as a member of a PTE that paid taxes on the corporation's behalf using Form MW506NRS, report this payment here.

**15g.** Add the amounts on lines 15a through 15f. Enter the result.

**LINE 16 - BALANCE OF TAX DUE**

If the amount on line 14 is greater than the amount on line 15g, subtract line 15g from line 14. Enter the result.

**LINE 17 - OVERPAYMENT**

If the amount on line 15g is greater than the amount on line 14, subtract line 14 from line 15g. Enter the result.

**LINE 18 - INTEREST AND/OR PENALTY**

Interest and/or penalty may be due as a result of the underpayment of estimated tax and as a result of late filing of Form 500 and payment of the tax. If applicable, enter each amount in the space provided and enter total.

If the estimated tax was underpaid, use Form 500UP - Underpayment of Estimated Maryland Income Tax by Corporations and Pass-Through Entities to calculate any interest and/or penalty due.

**NOTE:** If Form 500UP is not submitted with the return, the Maryland Revenue Administration Division will calculate the interest and penalty for failure to pay the required amount of estimated income tax and notify the corporation of any balance due.

Interest is due at the rate of 11% annually or 0.9167% per month for any month or part of a month that a tax is paid after the original due date of the 2018 return but before January 1, 2020. For

assistance in calculating interest for tax paid on or after January 1, 2020, see the Comptroller's website.

A penalty may be imposed if any tax is not paid when due. Any penalty due will be calculated and assessed after filing of Form 500.

**LINE 19 - TOTAL BALANCE DUE**

Add the amounts on lines 16 and 18; enter the result. If the amount on line 18 exceeds line 17, enter the difference. The total amount due must be paid with the filing of Form 500.

**LINE 20 - AMOUNT OF OVERPAYMENT TO BE APPLIED TO ESTIMATED TAX FOR 2019**

Enter the portion of overpayment to be applied to the estimated tax for the next tax year. For information regarding estimated income tax requirements, see the General Instructions.

**LINE 21 - AMOUNT OF OVERPAYMENT TO BE REFUNDED**

Add the amounts on lines 18 and 20 and subtract the total from line 17. This is the amount requested to be refunded to the corporation.

**LINE 22 - DIRECT DEPOSIT OF REFUND**

To comply with banking rules, we ask you to indicate on your return if the state refund is going to an account outside the United States. If you indicate this is the case, do not enter your routing and account number, as the direct deposit option is not available to you. We will send you a paper check. Complete lines 22a, b, and c of Form 500 if you want us to deposit the refund directly into the corporation's account at a bank or other financial institution in the United States.

**22a. TYPE OF ACCOUNT.** Check the appropriate box to identify the type of account that will be used (checking or savings). You must check one box only or a refund check will be mailed.

**22b. ROUTING NUMBER.** The routing number must be nine digits. If the first two digits are not 01 through 12 or 21 through 32, the direct deposit will be rejected and a check sent instead. If you are not sure of the correct routing number, contact your financial institution.

**22c. ACCOUNT NUMBER.** The account number can be up to 17 characters (both numbers and letters). Omit spaces, hyphens and special symbols. Enter the number from left to right.

If we are notified by the financial institution that the direct deposit is not successful, a refund check will be mailed.



Check with the financial institution to make sure the direct deposit will be accepted and to get the correct routing and account numbers. **If you enter the wrong account information, the State of Maryland will not be responsible for recovering that refund.**

**DISCLOSURE**

Entering the bank account routing number, account number and account type in the area provided on the Maryland income tax return to effect a direct deposit of the income tax refund authorizes the Comptroller's Office to disclose this information and the refund amount to the Maryland State Treasurer's Office which performs banking services for the Comptroller's Office.

**LINE ENTRIES FOR INFORMATIONAL PURPOSES ONLY**

**LINE 23 – NOL GENERATED IN CURRENT YEAR**

If line 6 is less than zero, enter on line 23. Otherwise, enter zero.

**LINE 24 – NAM GENERATED IN CURRENT YEAR**

If line 6 is less than zero AND line 9 is greater than zero, enter the amount from line 9 on line 24. Otherwise, enter zero.

**ADDITIONAL INFORMATION AND STATEMENTS REQUIRED**

Enter all information requested on Schedule B of Form 500.

**9 SIGNATURE AND VERIFICATION**

An authorized officer must sign and date Form 500 and enter his or her corporate title. If a preparer is used, the preparer also must sign the return and enter the firm name, address and their Preparer's Tax Identification Number (PTIN). Penalties may be imposed for tax preparers who fail to sign the tax return and provide their PTIN.

**10 PAYMENT AND MAILING INSTRUCTIONS**

Include a check or money order made payable to the Comptroller of Maryland for the full amount of any balance due. All payments must indicate the FEIN, type of tax and tax year beginning and ending dates. **DO NOT SEND CASH.** Taxpayers making payments of \$10,000 or more must pay by electronic funds transfer. Others may elect this method. Taxpayers must register prior to making electronic payments. To obtain a registration form visit **www.marylandtaxes.gov** or email TAXFORMS@comp.state.md.us. You may also call 1-800-638-2937 or from Central Maryland 410- 260-7951.

Mail the completed return and all attachments to:

**Comptroller of Maryland  
Revenue Administration Division  
110 Carroll Street  
Annapolis, MD 21411-0001**

For more information, visit our Web site at **www.marylandtaxes.gov** or email your question to: TAXHELP@comp.state.md.us. You may also call 1-800-638-2937 or from Central Maryland 410-260-7980.

## **1 GENERAL INFORMATION FOR MARYLAND FORM 500 SCHEDULE A**

**Multistate corporations** are those that are operating in more than one state and beyond the protection of U.S.C.A. Title 15, Section 381 of the Interstate Commerce Tax Act (P.L. 86-272). Multistate corporations operating in Maryland as a unitary business must allocate income using an apportionment formula.

**Unistate corporations** are those that are operating in only one state, or are operating in more than one state but the extent of the activity in the other states is within the protection of P.L. 86-272. Unistate corporations subject to the Maryland income tax law may not apportion income.

**Allocation** means the assignment of income to a particular state. **Apportionment** means the allocation of income among states by the use of a formula containing apportionment factors.

All factors of the apportionment formula are developed as fractions, the numerator of which is the total of Maryland items and the denominator is the total of items everywhere during the tax year. Each factor is calculated to six decimal places and the number of factors used is averaged to arrive at the final apportionment factor. The items of both numerator and denominator should reconcile to the items as categorized and reported on the federal income tax return.

If a return is filed by a multistate corporation which reflects a loss and there is no income to be apportioned, an apportionment factor must be calculated for the filing to be complete.

## **2 THREE-FACTOR FORMULA**

Multistate corporations generally are required to use a three-factor formula of property, payroll and triple-weighted receipts. The sum of the property factor, payroll factor and three times the receipts factor is divided by five to arrive at the final apportionment factor. To review these rules, see Maryland Regulation 03.04.03.08. Specific requirements regarding each factor are set forth below:

- **RECEIPTS FACTOR**

The receipts factor includes the amounts of income reported during the tax year as gross receipts or sales less returns and allowances, dividends, interest, gross rents, royalties, capital gains and other income on the federal return.

Gross receipts from sales of **tangible personal property** are included in the numerator if the property is delivered or shipped to a purchaser that takes possession in Maryland, regardless of f.o.b. point or other conditions of sale. Sales of tangible personal property to an out-of-state purchaser also are included in the numerator if the purchaser takes possession in Maryland. Sales of property in transit that are destined for Maryland are included in the numerator.

Gross receipts from **service-related activities** are included in the numerator if the receipts are derived from customers within this State. There are specific rules to determine "Customers Within this State." To review these rules, see Maryland Regulation 03.04.03.08D.

Gross income from **intangible items** such as dividends, interest, royalties and capital gains from the sale of intangible property are included in the numerator based upon the average of the property and payroll factors.

Gross receipts from the **rental, leasing or licensing of real or tangible personal property** are included in the numerator if the property is located in Maryland. If tangible personal property is located in this State for a portion of the tax year, only the income received for that portion is

included in the numerator.

Capital gains from the **sale of real and tangible personal property** are included in the numerator if the property is located in Maryland. Ordinary net gain or loss derived from the sale of depreciable assets is excluded from the factor.

**Other income items** are included in accordance with the provisions previously stated depending on the nature and type of each item.

- **PROPERTY FACTOR**

The property factor includes owned as well as rented tangible personal property used in the trade or business during the tax year. Such properties are inventory, machinery and equipment, buildings and land, and other tangible assets. Property is included in the numerator if it has a situs within Maryland.

**Property owned** by the corporation is valued at its original cost at the average of the tax year beginning and ending amounts. If there are material changes during the tax year and the yearly average is not a fair representation, the average must be calculated on a monthly or daily basis.

**Property in transit** is considered to be at its destination for purposes of the factor. Property under construction during the tax year is excluded from the factor until actually placed in service.

**Property leased or rented** by the corporation is included in the factor at a capitalized value. To arrive at the capitalized value, expenses are associated with the privilege of occupying or using the property, including such items as fixed rent, percentage rent, real estate taxes, insurance and maintenance, are multiplied by eight. Expenses for gas, electricity, oil, water or other items normally consumed are excluded.

**Lease or rental expense below the market rate** must be adjusted to reflect a reasonable market rate and then capitalized. Sublease income cannot be used to arrive at the capitalized value of leased or rented property, but must be included in the receipts factor.

**Improvements to the leased or rented property** that revert to the owner at expiration of the lease or rental term are amortized and not capitalized. The actual cost of the improvements is divided by the number of years remaining for the lease or rental term and the result is included in the factor for each tax year.

**Property that has remained idle** and has not produced any revenue for a period of five or more years is not included in the factor.

- **PAYROLL FACTOR**

All compensation is to be included in the numerator, both when the individual's service is performed entirely within Maryland, and when the individual's service is performed both within and without Maryland but the service performed outside Maryland is incidental to the individual's service within.

Compensation also is included in the numerator if some part of the service is performed within Maryland and the base of operations or place from which the service is controlled is in Maryland. If the base of operations or place from which the service is controlled is not in any state where the service is performed but the individual's residence is in Maryland, the compensation is also included in the numerator.

### **3 OTHER APPORTIONMENT FORMULAS**

**NOTE:** Triple-weighted receipts factor provisions are not applicable for corporations subject to the following apportionment formulas:

**Corporations engaged primarily in leasing or rental operations** must use an equally weighted two-factor formula of receipts and property. The receipts and property factors are calculated in accordance with the provisions for those factors of the three-factor formula, except that receipts from intangible items are excluded.

**Corporations engaged primarily in certain types of transportation operations** must use a one-factor formula as follows:

- **Trucking operations** (motor freight carriers) must use total road mileage traveled in Maryland divided by total road mileage traveled everywhere.
- **Railroad operations** must use total track mileage traveled in Maryland divided by total track mileage traveled everywhere.
- **Shipping operations** must use total voyage days in Maryland divided by total voyage days everywhere. Voyage days are the number of days that ships spend in ports and on waterways.

**Banks and similar institutions** are subject to special apportionment rules. To review these rules, see Maryland Regulation 03.04.08.

**Airline operations** should see Administrative Release 22 for instructions.

**Manufacturing corporations** are subject to a special single factor formula based on receipts. The rules for calculating the single factor can be found in Maryland Regulation 03.04.03.10.

**Worldwide Headquartered Companies** may elect to calculate Maryland taxable income using a special three factor apportionment formula. A worldwide headquartered company means a corporation included in a group of corporations including a parent company that: 1) filed a form 10-Q with the Securities and Exchange Commission for the quarterly period ending June 30, 2017; 2) has its principle executive office in the State; 3) Employs at all times between July 1, 2017 and June 30, 2020, at least 500 full-time employees at the parent corporation's principle executive office that is located within the State.

The sum of the property factor, payroll factor and twice the sales factor is divided by four to arrive at the special three factor apportionment formula.

**Note:** Gross income from intangible investments including dividends, interest, royalties, and capital gains from the sale of intangible property, shall be included in the calculation of the numerator based on the average of the property and payroll factors.

### **4 SPECIAL RULES**

If the apportionment formula does not fairly represent the extent of the corporation's activity within Maryland, the Maryland Revenue Administration Division may alter the formula or components accordingly.

The corporation's share of receipts, property and payroll of a partnership or joint venture is included in the corporation's factors as if they were the direct receipts, property and payroll of the corporation. The partnership share is included only to the extent of the factors required for the corporation.

Income may be allocated by separate accounting when the activity of the corporation within Maryland is nonunitary. A

corporation may not use the separate accounting method without prior approval of the Revenue Administration Division.

An election to treat certain stock purchases under IRC Section 338(h)(10) is also recognized by the State of Maryland.

## COMPTROLLER OF MARYLAND REGISTRATION & TAXES

**Registration and Licensing** All new businesses (corporations, S corporations, partnerships, limited liability companies, business trusts, and sole proprietorships) can file a single application with the Central Registration Unit of the Revenue Administration Division of the Comptroller's Office to establish accounts for employer income tax withholding, sales and use tax, admissions and amusement tax, tire recycling fee, motor fuel tax, alcohol and tobacco tax and unemployment insurance. The Revenue Administration Division offers assistance for filing applications and establishing accounts.

The Central Registration Unit assigns a single state identification number for the taxes listed above. Register online at [www.marylandtaxes.gov](http://www.marylandtaxes.gov).

To obtain a direct wine shipper's permit and a common carrier permit, businesses may apply with the Licensing and Registration Unit of the Revenue Administration Division.

**Corporation Income Tax** The corporation income tax applies to every Maryland corporation and every other corporation which has a nexus with Maryland. Nexus is the term used to indicate a taxable connection between a corporation and a taxing authority. If a corporation conducts business activity within Maryland and exceeds the provisions of U.S.C.A. Title 15, Section 381 of the Interstate Commerce Act (P.L. 86-272) it has a nexus and must file an income tax return.

The tax is based on federal taxable income after state modifications. Corporations engaged in multistate operations must allocate income using an apportionment formula, generally consisting of receipts, property and payroll factors. The tax is imposed at a flat rate of 8.25% of Maryland taxable income.

**Employer Withholding of Income Tax** Employers making payments to individuals of salaries, wages or compensation for personal services must withhold income tax and remit the withholding to the Maryland Revenue Administration Division. The amount of tax to be withheld is prescribed in published tables which are based on the individual income tax rates.

**Sales and Use Tax** This tax applies to businesses selling in Maryland or purchasing out of state for Maryland use.

The general Maryland sales and use tax rate is 6%. A special 8% rate is imposed on rental trucks and peer-to-peer car sharing, and a special rate of 11½% is charged on rentals of passenger cars and recreational vehicles. A special 9% tax rate is also imposed on alcoholic beverages. Most sales of food by substantial grocery or market businesses are not subject to tax. Specific prepared foods purchased in grocery stores are subject to tax. Other exemptions include all sales solely for resale, medicine, energy for residential use, manufacturing machinery and equipment, and certain agricultural equipment and supplies.

### 911 Fee Surcharge

Sellers of prepaid wireless telecommunications services are required to report and remit to the Comptroller all Prepaid Wireless E-9-1-1 Fees collected by the seller for retail transactions of prepaid wireless telecommunications. The Prepaid Wireless E-9-1-1 Fee is 60 cents per retail transaction. The seller must report the fees collected on a Maryland Sales and Use Tax return, although the Prepaid Wireless E-9-1-1 Fee itself is not subject to Maryland sales and use tax.

**Motor Fuel Tax** Generally, this tax applies to businesses selling or using motor fuel in Maryland.

The Maryland motor fuel tax rate is currently 35.3¢ per gallon of gasoline and 36.05¢ per gallon of diesel fuel. There are other requirements for motor carriers, dealers, special fuel users, sellers and service station operators.

Maryland implemented the International Fuel Tax Agreement (IFTA) for motor carriers on 1/1/96.

**Alcohol and Tobacco Tax** These taxes apply to businesses manufacturing, selling, distributing or storing alcoholic beverages or selling and/or distributing cigarettes and other

tobacco products in Maryland.

The Maryland excise tax rates on alcoholic beverages are \$1.50 per gallon of distilled spirits, 40¢ per gallon of wine, and 9¢ per gallon of beer. The tobacco tax rate is \$2.00 per pack of 20 cigarettes, the rate is 30% of the wholesale price for other tobacco products.

**Admissions and Amusement Tax** This tax is imposed on a variety of activities, such as admission to any place, including motion pictures, athletic events, races, shows or exhibits. Also subject to this tax are receipts from athletic equipment rentals, bingo, coin-operated amusement devices, boat rides and excursions, amusement rides, golf green fees, golf cart rentals, skating, bowling shoe rentals, lift tickets, riding academies, horse rentals, and merchandise, refreshments, or a service sold or served in connection with entertainment.

The admissions and amusement tax is a local tax collected by the Comptroller's Office on behalf of Maryland's counties, Baltimore City, other incorporated cities and towns. The tax is set by the localities at rates varying from one-half of 1% to 10% of the admissions and amusement receipts. When the gross receipts are also subject to the sales and use tax, the combined tax rate may not exceed 11%.

A separate State admissions and amusement tax is imposed on the net proceeds from electronic bingo or electronic tip jars. When the net proceeds are also subject to a local tax, the combined tax rate may not exceed 35%.

**Tire Recycling Fee** This fee applies to tire wholesalers or a tire retailer who buys tires from out-of-state sources. Registration and payment of the fee is handled by the Revenue Administration Division.

**Utility Surcharges** These surcharges are collected by electric companies that deliver electricity in Maryland and by telephone companies doing business in Maryland. The electricity surcharges are then paid to the Comptroller for deposit in the Environmental Trust and Universal Service Program Funds. The telecommunications surcharges are paid to the Comptroller for deposit in the 911 Emergency Telephone System and Communications Access of Maryland Funds.

The utility surcharges are collected by the Revenue Administration Division.

**Direct Wine Shipper's Permit** This permit is required for all in-state and out-of-state wine manufacturers that ship wine, including pomace brandy, directly to a Maryland consumer through a common carrier, such as Federal Express or UPS.

**Common Carrier Permit** This permit is required for a common carrier to deliver wine to a Maryland consumer.

## OTHER REGISTRATIONS & TAXES

**New Corporations** In addition to registering with the Central Registration Unit of the Comptroller's Office, all corporations doing business in Maryland must register with the Department of Assessments and Taxation. This is also the office to contact to form a new corporation.

**Bay Restoration Fee** This fee is collected by all non-exempt local governmental entities, billing authorities, drinking water and sewage water treatment plant owners, who provide water or sewage services to residential, multi-residential, and non-residential users. County governments are responsible for collecting a septic fee from owners of private wells and septic systems. The fees are remitted by these entities quarterly to the Comptroller for deposit to the Bay Restoration Fund.

**Public Service Company Franchise Tax** In addition to corporation income tax, public service companies are subject to the franchise tax on gross receipts. This tax is administered by the Department of Assessments and Taxation.

**Insurance Company Premium Tax** Insurance companies are exempt from the corporation income tax but are subject to the premium tax that is administered by the Maryland Insurance Administration.

**Unemployment Insurance** Employers are subject to the Department of Labor, Licensing and Regulation unemployment insurance requirements and must file a combined registration application to establish an account.

**Workers' Compensation** Employers in Maryland must provide Workers' Compensation Insurance for all employees. Employers may obtain coverage from a private insurance company, by becoming self-insured or by contacting the State Injured Workers' Insurance Fund. Employers believing they are not required to obtain this insurance may contact the Workers' Compensation Commission for certification of compliance.

**Business Licenses** Licenses are required for certain businesses to operate in Maryland. To determine if a license is necessary, contact the clerk of the circuit court in the Maryland county (or Baltimore City) where the business operates. A circuit court is located in each of those jurisdictions.

#### **OTHER REQUIREMENTS**

**Bulk Sales** When an existing business is bought, the purchaser must pay a 6% bulk sales and use tax on the price of tangible personal property, such as furniture and fixtures, that is part of the business. This tax is collected by the Compliance Division of the Comptroller's Office.

**Dissolution of Corporation** Articles of Dissolution must be filed with the Department of Assessments and Taxation for the dissolution of a corporation. A tax clearance certificate is no longer required for the dissolution of a corporation.

**Unclaimed Property** Unclaimed funds such as wages, insurance benefits, bank accounts or security deposits must be reported if they remain unclaimed for three years. This property must be reported to the Compliance Division.

**NOTE:** The information provided on this page is a brief summary of the various Maryland business requirements and is based on the law in effect as of 7/1/18. For additional information, see the next page for the addresses and phone numbers of the Maryland agencies most frequently contacted by businesses.



# MARYLAND STATE AGENCIES MOST FREQUENTLY CONTACTED BY BUSINESSES

**COMPTROLLER OF MARYLAND** [www.marylandtaxes.gov](http://www.marylandtaxes.gov)  
**Online business registration** [www.marylandtaxes.gov](http://www.marylandtaxes.gov)

**New businesses can register online and set up tax accounts any time 24 hours a day.**

For other new business information, visit the Business License Information System at [www.choosemaryland.org/blis](http://www.choosemaryland.org/blis)

## Compliance Division

301 W. Preston Street  
Baltimore, MD 21201-2383

Bulk sales . . . . . 410-767-1579  
Business tax collections . . . . . 410-649-0633  
. . . . . or 888-614-6337  
Sales & use tax and tire fee refunds . . . . . 410-767-1530  
. . . . . or 800-492-1752  
Unclaimed property . . . . . 410-767-1700  
. . . . . or 800-782-7383

## General Accounting Division

Goldstein Treasury Building, Room 200  
Annapolis, MD 21404-0746

Good Standings . . . . . 410-260-7352  
. . . . . or 888-784-0144

## Field Enforcement Division

Goldstein Treasury Building, Room 310  
Annapolis, MD 21404-2397

Enforcement & Inspections . . . . . 410-260-7388  
. . . . . or 888-674-0017  
State License Bureau. . . . . 410-260-6240  
. . . . . or 866-239-9359  
Motor Fuel Testing Laboratory . . . . . 410-799-7777

## Revenue Administration Division

Revenue Administration Center  
Annapolis, MD 21411-0001

Facsimile transmittal . . . . . 410-974-2967  
Forms (all income tax and employer withholding) . . . . . 410-260-7951  
Income tax information . . . . . 410-260-7980  
(Corporation, Individual, Fiduciary, Pass-Through Entity).or 800-638-2937  
Income tax refund inquiries . . . . . 410-260-7701  
. . . . . or 800-218-8160  
Tax-exempt organization registration . . . . . 410-260-7980  
. . . . . or 800-638-2937

## Motor-fuel, Alcohol & Tobacco Tax Unit

P.O. Box 2999  
Annapolis, MD 21404-2999

Motor-fuel Licensing & Registration . . . . . 410-260-7980  
. . . . . or 800-638-2937  
Motor Carrier & IFTA Licensing . . . . . 410-260-7980  
. . . . . or 800-638-2937  
Alcohol & Tobacco Licenses & Permits . . . . . 410-260-7980  
. . . . . or 800-638-2937

## Annapolis area office

60 West St., Ste. 102 . . . . . 410-260-7980  
Annapolis, MD 21401-2434. . . . . or 800-638-2937

- Admissions and amusement tax
- Bay Restoration Fee
- Central registration
- Employer withholding tax
- Sales and use tax
- Tire recycling fee

## OTHER AGENCIES

### Department of Agriculture

50 Harry S. Truman Parkway . . . . . 410-841-5700  
Annapolis, MD 21401 . . . . . or 800-492-5590  
. . . . . [mda.maryland.gov](http://mda.maryland.gov)  
Conservation tillage equipment certification . . . . . 410-841-5866

### Department of Assessments & Taxation

301 W. Preston Street, Room 801  
Baltimore, MD 21201-2395

. . . . . [dat.maryland.gov](http://dat.maryland.gov)  
Charter/incorporation information. . . . . 410-767-1350  
Public service company franchise tax . . . . . 410-767-1940  
New corporation information . . . . . 410-767-1350  
Resident agent information . . . . . 410-767-1330  
Personal property tax assessments . . . . . 410-767-1170  
. . . . . or 888-246-5941  
Property tax credits . . . . . 410-767-4433

### Maryland Department of Commerce

401 E. Pratt St. . . . . 410-767-6300  
Baltimore, MD 21202 . . . . . or 888-246-6736

. . . . . [commerce.maryland.gov](http://commerce.maryland.gov)  
Tax Incentives . . . . . 410-767-6438

### Department of Labor, Licensing & Regulation

1100 N. Eutaw Street, Room 414

Baltimore, MD 21201 . . . . . 410-767-2000

. . . . . [dlr.maryland.gov](http://dlr.maryland.gov)  
Contributions . . . . . 800-492-5524  
Unemployment insurance. . . . . 410-767-3246  
. . . . . or 800-827-4839

#### Enterprise Zones -

Economically disadvantaged employee  
certification. . . . . 410-767-2047  
Job services . . . . . 410-767-2173

### Department of the Environment

1800 Washington Blvd.. . . . . 410-537-3000  
Baltimore, MD 21230 . . . . . or 800-633-6101

. . . . . [mde.maryland.gov](http://mde.maryland.gov)

#### Air management and radiation

(oil furnace conversion). . . . . 410-537-3260  
Asbestos . . . . . 410-537-3200

### Chesapeake Employer's Insurance Company

8722 Loch Raven Boulevard . . . . . 410-494-2000  
Towson, MD 21286-2235. . . . . or 800-264-4943

. . . . . [www.ceiwc.com](http://www.ceiwc.com)

### Maryland Insurance Administration

200 St. Paul Place, Suite 2700  
Baltimore, MD 21202

. . . . . [insurance.maryland.gov](http://insurance.maryland.gov)

Insurance company premium tax . . . . . 410-468-2000  
. . . . . or 800-492-6116

### Department of Natural Resources

Tawes State Office Building

580 Taylor Avenue  
Annapolis, MD 21401-2397

. . . . . [dnr.maryland.gov](http://dnr.maryland.gov)

#### Reforestation & timber stand

improvement information . . . . . 410-260-8531

### Utility surcharges

911 Telephone System Surcharge. . . . . 410-585-3018

Environmental Surcharge on Electricity . . . . . 410-767-8090

Telecommunications Access Surcharge . . . . . 410-767-6960

. . . . . or 800-552-7724

### Workers' Compensation Commission

10 East Baltimore Street . . . . . 410-864-5100  
Baltimore, MD 21202 . . . . . or 800-492-0479

. . . . . [www.wcc.state.md.us](http://www.wcc.state.md.us)