



Changes in Maryland Tax Forms

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Income Tax

Form 502 and 503 Instructions

Instruction #1-We have updated the minimum filing level for 2012. The new amount for a single person is now \$ **9,750**.

TABLE 1 MINIMUM FILING LEVELS FOR TAXPAYERS UNDER 65		TABLE 2 MINIMUM FILING LEVELS FOR TAXPAYERS 65 OR OVER	
Single person (including dependent taxpayers)	\$ 9,750	Single, age 65 or over	\$ 11,200
Joint Return	\$ 19,500	Joint Return, one spouse, age 65 or over	\$ 20,650
Married persons filing separately	\$ 9,800	Joint Return, both spouses, age 65 or over	\$ 21,800
Head of Household	\$ 12,500	Married persons filing separately, age 65 or over	\$ 9,800
Qualifying widow(er)	\$ 15,700	Head of Household, age 65 or over	\$ 13,950
		Qualifying widow(er), age 65 or over	\$ 16,850

502 and 503 Instructions

- ✓ Instruction #10- For single or married filing separate, the \$3,200 exemption begins to be phased out when AGI exceeds \$100,000.



If Your federal AGI is		Single or Married Filing Separately	Joint, Head of Household or Qualifying Widow(er)	Dependent Taxpayer (eligible to be claimed on another taxpayer's return)
		Your Exemption is	Your Exemption is	Each Exemption is
\$100,000 or less		\$3,200	\$3,200	\$0
Over	But not over			
\$100,000	\$125,000	\$1,600	\$3,200	\$0
\$125,000	\$150,000	\$800	\$3,200	\$0
\$150,000	\$175,000	\$0	\$1,600	\$0
\$175,000	\$200,000	\$0	\$800	\$0
In excess of \$200,000		\$0	\$0	\$0

502 and 503 Instructions

- ✓ Instruction #10- For all other filing statuses, the \$3,200 exemption begins to be phased out when AGI exceeds \$150,000.



If Your federal AGI is		Single or Married Filing Separately	Joint, Head of Household or Qualifying Widow(er)	Dependent Taxpayer (eligible to be claimed on another taxpayer's return)
		Your Exemption is	Your Exemption is	Each Exemption is
\$100,000 or less		\$3,200	\$3,200	\$0
Over	But not over			
\$100,000	\$125,000	\$1,600	\$3,200	\$0
\$125,000	\$150,000	\$800	\$3,200	\$0
\$150,000	\$175,000	\$0	\$1,600	\$0
\$175,000	\$200,000	\$0	\$800	\$0
In excess of \$200,000		\$0	\$0	\$0

502 and 503 Instructions

- ✓ Instruction #13- The maximum allowable pension exclusion is now \$27,100.



502 and 503 Instructions

- ✓ Instruction #19 – **Anne Arundel** County has **lowered** its local income tax rate to **.0249**. **Queen Anne’s** County has **increased** its local tax rate to .0320.

Subdivision	Rate	Subdivision	Rate	Subdivision	Rate
Baltimore City	.0320	Charles County	.0290	Prince George’s County	.0100
Baltimore County	.0302	Dorchester County	.0262	Queen Anne’s County	.0320
Anne Arundel County	.0249	Frederick County	.0296	St. Mary’s County	.0300
Baltimore County	.0283	Garnett County	.0265	Somerset County	.0115
Calvert County	.0280	Harford County	.0306	Talbot County	.0225
Caroline County	.0263	Howard County	.0310	Washington County	.0280
Cecil County	.0305	Kent County	.0285	Wicomico County	.0110
Cross County	.0280	Montgomery County	.0320	Worcester County	.0125

502 and 503 Instructions

- ✓ On page 24 of the resident booklet we have updated the Maryland tax computation worksheets for taxable net incomes of \$100,000 or more.

Taxable Net Income	(a) Enter the amount from Line 21 of Form 502	(b) Subtraction Amount
If Line 21 of Form 502		
Over \$100,000 but not over \$125,000	\$	\$ 100,000.00
Over \$125,000 but not over \$150,000	\$	\$ 125,000.00
Over \$300,000 but not over \$500,000	\$	\$ 300,000.00
Over \$500,000	\$	\$ 500,000.00

Form 502B-Dependent Information

- ✓ Three separate lines now summarize the information on Form 502B.

- Line 1 requests total number of boxes checked for regular exemptions.
- Line 2 requests the total number of boxes for additional exemptions 65 or over.

Form 502B-Dependent Information

- **Line 3** is the total for lines 1 and 2 and carried over to the 502, 505 or 515.

Form 502B Maryland Dependents' Information 2012
(Attach to Form 502, 505 or 515)

Summary

1. Enter the total number of boxes checked below for Regular dependents (6) ▶ 1. _____
2. Enter the total number of additional boxes checked below for dependents 65 or over (7) ▶ 2. _____
3. Total dependent exemptions (Add lines 1 and 2 and enter the total here and on line (C) of the Exemptions area of Form 502, 505 or 515) ▶ 3. _____

Form 502CR-Individual Tax Credits

- ✓ Part E- The maximum amount of credit that can be claimed for long-term care premiums in Part E has been increased to **\$350** for those insured age 40 or less.

Question 1 - Did the insured individual have long-term care insurance prior to July 1, 2007? Yes No

Question 2 - Is the credit being claimed for the insured individual in this year by any other taxpayer? Yes No

Question 3 - Has credit been claimed by anyone for the insured individual in any other tax year? Yes No

Question 4 - Is the insured individual for whom the credit is being claimed a nonresident of Maryland? Yes No

If you answered YES to any of the above questions, that insured person does NOT qualify for the credit.

Form 502CR-Individual Tax Credits

- ✓ We have also added Question 4 to Part E to clarify that the premiums can only be taken for a **Maryland resident**.

Question 1 - Did the insured individual have long-term care insurance prior to July 1, 2007? Yes No

Question 2 - Is the credit being claimed for the insured individual in this year by any other taxpayer? Yes No

Question 3 - Has credit been claimed by anyone for the insured individual in any other tax year? Yes No

Question 4 - Is the insured individual for whom the credit is being claimed a nonresident of Maryland? Yes No

If you answered YES to any of the above questions, that insured person does NOT qualify for the credit.

Form 502SU - Subtractions

- ✓ Letter code "II" – provides subtraction for a payment received as a result of a foreclosure settlement negotiated by the Maryland Attorney General.



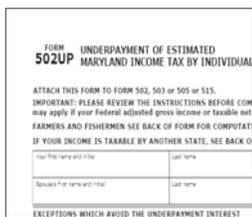
Form 502UP

- ✓ An important note has been added to the header for taxpayers with income over \$100,000.



Form 502UP – Underpayment Penalty

- ✓ Instructions for line 2, we provide alternative calculation where penalty is a result of certain changes in 2012 exemption amount or tax rate.



Form 502UP – Underpayment Penalty

- ✓ Taxpayers are instructed to use the tax rates in effect for 2011 and to also use code 301.

FORM 502UP UNDERPAYMENT OF ESTIMATED MARYLAND INCOME TAX BY INDIVIDUAL

ATTACH THIS FORM TO FORM 502, 503 or 505 or 515.
 IMPORTANT: PLEASE REVIEW THE INSTRUCTIONS BEFORE COMPLETING THIS FORM.
 IF YOUR INCOME IS TAXABLE BY ANOTHER STATE, SEE BACK OF FORM FOR COMPUTATION.

Your first name and initial: _____ Last name: _____
 Spouse's first name and initial: _____ Last name: _____

EXCEPTIONS WHICH AVOID THE UNDERPAYMENT INTEREST

Form 502V – Charitable Use of Car

- ✓ The 502V has been changed to reflect the new rate of 55.5 cents per mile.

FORM 502V MARYLAND USE OF VEHICLE FOR CHARITABLE PURPOSES
 Attach to your tax return

Your first name and initial: _____ Last name: _____
 Spouse's first name and initial: _____ Last name: _____
 Qualifying Organization* _____

* Qualifying Organizations are nonprofit volunteer fire companies or other organizations described in Section 501(c)(3) of the Internal Revenue Code, whose principal purpose or function is to provide fire protection.

Form 505 – Maryland Nonresident

- ✓ We have added a space for Pennsylvania residents to enter their county of residence, in addition to their City, Borough, or Township.

FORM 505 MARYLAND NONRESIDENT INCOME TAX RETURN

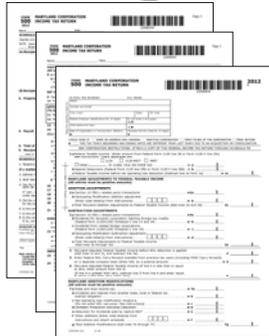
RESIDENCE INFORMATION - Use Instructions 1-3. EXEMPTIONS - See Instructions 4-6.

County of Residence: _____

City, Borough, or Township: _____

Form 500 - Corporation Income Tax

- ✓ We have expanded the Corporation Return, Form 500.
- ✓ This was done to incorporate the Form 500A data elements.



Form 500 – Corporation Instructions

- ✓ Our biggest updates are related to the calculation of **Maryland Modified Income**.



Form 500A - Discontinued

- ✓ We have **discontinued** Form 500A. Calculation of Modified Maryland Income, as the calculation has been incorporated into the Maryland Form 500.



Form 500CR – Business Tax Credits

- ✓ Part T – We have modified the Form 500CR as it relates the **Job Creation and Recovery Tax Credit**. The calculation portion has been removed from Form 500CR.
- ✓ Entities can no longer qualify for this credit in 2012.



Form 500CR Instructions

- ✓ Also, we added a new paragraph to provide guidance on how to claim a tax credit received from a fiscal year PTE.



Form 510 – PTE Return

- ✓ The tax for nonresident individual members on **line 7** is now **5.75%**.



Form 510 Instructions

✓ In “Statements to Members,” on page 2, we have **removed** language permitting a modified Schedule K-1 as an alternative to Maryland Form 510, Schedule K-1.

The image shows a portion of the Maryland Form 510 Instructions document. A large black arrow points from the text on the left to a specific section of the instructions, which appears to be the section regarding the removal of the modified Schedule K-1 alternative.

Form 510C – Composite Tax Return

✓ Tax on line 11 is now **7%**.

The image shows the Maryland Form 510C Composite Tax Return. A large grey arrow points from the text on the left to line 11 of the form, which is labeled 'Tax on line 11'.

Form 504 – Fiduciary Tax Return

✓ We have added a check box to Form 504, Fiduciary tax Return, for filers to identify a return which is electing a small business trust.

The image shows the Maryland Form 504 Fiduciary Income Tax Return. A large black arrow points to a new checkbox located at the bottom of the form, labeled 'Elected Small Business Trust'.



Business Taxes

Withholding Tax Guide

- ✓The **2013** Withholding Guide also has a new local tax rate for counties which have a local tax rate between 2.3% and 2.4%.
- ✓The Withholding Guides are available online.

MW507 – Employee Exemption Certificate

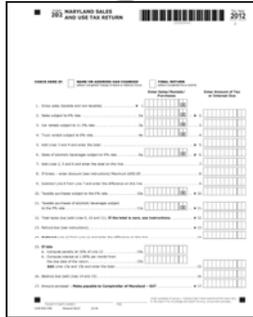
- ✓The employee exemption worksheet has been updated on the back of MW507.

Annual Gross Income	If your total tax is less than \$10,000		If your total tax is more than \$10,000	
	Amount	Rate	Amount	Rate
\$0 - \$10,000	\$0	0%	\$0	0%
\$10,000 - \$15,000	\$1,000	10%	\$1,000	10%
\$15,000 - \$20,000	\$1,500	10%	\$1,500	10%
\$20,000 - \$25,000	\$2,000	10%	\$2,000	10%
\$25,000 - \$30,000	\$2,500	10%	\$2,500	10%
\$30,000 - \$35,000	\$3,000	10%	\$3,000	10%
\$35,000 - \$40,000	\$3,500	10%	\$3,500	10%
\$40,000 - \$45,000	\$4,000	10%	\$4,000	10%
\$45,000 - \$50,000	\$4,500	10%	\$4,500	10%
\$50,000 - \$55,000	\$5,000	10%	\$5,000	10%
\$55,000 - \$60,000	\$5,500	10%	\$5,500	10%
\$60,000 - \$65,000	\$6,000	10%	\$6,000	10%
\$65,000 - \$70,000	\$6,500	10%	\$6,500	10%
\$70,000 - \$75,000	\$7,000	10%	\$7,000	10%
\$75,000 - \$80,000	\$7,500	10%	\$7,500	10%
\$80,000 - \$85,000	\$8,000	10%	\$8,000	10%
\$85,000 - \$90,000	\$8,500	10%	\$8,500	10%
\$90,000 - \$95,000	\$9,000	10%	\$9,000	10%
\$95,000 - \$100,000	\$9,500	10%	\$9,500	10%
Over \$100,000	\$10,000	10%	\$10,000	10%



Form 202-Sales and Use Tax

- ✓The paper version of the SUT return has been completely redesigned into a full-page two column return.

A small thumbnail image of the 2012 Maryland Sales and Use Tax Return form. The form is titled "2012 MARYLAND SALES AND USE TAX RETURN" and includes a barcode. It features a two-column layout with various sections for reporting sales, use tax, and other tax-related information.

Form 202-SUT return

- ✓SUT Return, Form 202 will be phased in.
- ✓Prior to November 2012 the paper coupon will be used. After November 2012 reporting period, Form 202 becomes the standard.
