



# Changes in Maryland 2014 Tax Forms and Instructions

Christopher J. Kolb, CPA  
*Manager - Taxpayer Media Section*

Christian K. Miller, Esq.  
*Acting Manager - Taxpayer Media Section*

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# Income Tax

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## Maryland Tax Forms

- ✓ Fill-in forms and the current Withholding Guide are available on [www.marylandtaxes.com](http://www.marylandtaxes.com).
- ✓ We no longer distribute resident tax booklets through mass mailing.
- ✓ We have made a limited number of resident tax booklets available to libraries.

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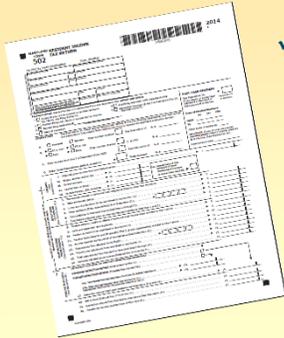
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### Maryland Tax Forms



✓Forms may be requested through our Central Files Unit or one of our branch offices.

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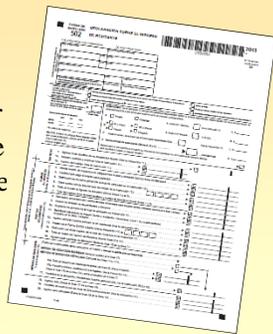
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### Maryland Tax Forms

✓This is the eleventh year we will provide Spanish forms on our Web site. When there are questions as to the meaning of instructions, the English version will prevail.



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### Form 502 Resident Return

✓The attachment sequence has been removed from the major Resident forms.

**MARYLAND RESIDENT INCOME FORM TAX RETURN 502**

OR FISCAL YEAR BEGINNING 2013, ENDING

133020001

Your First Name Initial Last Name  
 Spouse's First Name Initial Last Name  
 Present Address (No. and street)  
 City or Town State ZIP code

SOCIAL SECURITY NUMBER (REQUIRED)  
 SPOUSE'S SOCIAL SECURITY NUMBER (REQUIRED)  
 Name of county and incorporated city, town or unincorporated area in which you resided on the last day of the taxable period. (See Instruction 1.)  
 Maryland County City, Town or Voting Area

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### Form 502 Resident Return

✓ **Line 1c** - New line for taxpayers to report the amount of capital gain or loss reported on the federal return.

1. Adjusted gross income from your federal return .....  
 1a. Wages, salaries and/or tips ..... 1a.  
 1b. Earned income ..... 1b.  
 1c. Capital Gain or (loss) ..... 1c.  
 1d. Taxable Pension, IRA, Annuities ..... 1d.

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### Form 502 Resident Return

✓ **Line 1d** - New line for taxpayers to report the amount of taxable pension, IRA or annuity reported on the federal return.

1. Adjusted gross income from your federal return .....  
 1a. Wages, salaries and/or tips ..... 1a.  
 1b. Earned income ..... 1b.  
 1c. Capital Gain or (loss) ..... 1c.  
 1d. Taxable Pension, IRA, Annuities ..... 1d.

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### Form 502 Resident Return

✓ **Line 1e** - A checkbox has been added for taxpayers to identify whether they have more than \$3,350 of investment income.  
 Taxpayers with more than \$3,350 of investment income may not claim the earned income credit.

1e. Check here if the amount of your investment income is more than \$3,350...

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### Form 502 Resident Return

- ✓ We have updated the contribution fund name to the **Developmental Disabilities Services and Support Fund**.

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### Form 503

- ✓ The Form 503 has been discontinued.

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### Form 502 Resident Instructions

- ✓ **Instruction 1** - The 2014 minimum filing level for a single person is **\$10,150**.

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**Form 502 Resident Instructions**

✓ **Instruction 12** - Letter code “e” - has been updated to remove the **Long-Term Employment of Qualified Ex-Felons Tax Credit**.

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**Form 502 Resident Instructions**

✓ **Instruction 12** - We have removed **Letter code “p”** to report Maryland’s decoupling with federal itemized deduction limitation threshold.

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**Form 502 Resident Instructions**

✓ **Instruction 13** - The maximum allowable **pension exclusion** now is **\$29,000**.

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**Form 502 Resident Instructions**

**Instruction 13 -**

- We have added **letter code “w”** for the subtraction of unreimbursed expenses that a foster parent incurs
- We have added **letter code “nn”** for the subtraction of student loan indebtedness discharged due to total or permanent disability or death

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**Form 502 Resident Instructions**

- ✓ **Instruction 13 -** We have added **letter code “oo”** for the subtraction of qualified principal residence indebtedness included in federal adjusted gross income
- ✓ **Letter code “v”** has been updated to reflect the increase to the Honorable Louis L. Goldstein Volunteer Police, Fire, Rescue and Emergency Medical Services Personnel subtraction modification in the maximum amount of \$3,750

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**Form 502 Resident Instructions**

**Instruction 14 -**

- The instructions reflect Maryland’s recoupling with the federal itemized deduction limitation threshold
- The Itemized Deduction Worksheet (14A) has been updated, removing the decoupling calculation

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**Form 502 Resident Instructions**

**Instruction 18 -**

- Poverty income guidelines have been updated
- Electric Vehicle Recharging Equipment Tax Credit is available only for equipment purchased through June 30, 2014
- Addition of the Qualified Vehicle Tax Credit

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**Form 502 Resident Instructions**

**Instruction 21 -**

- Cybersecurity Investment Incentive Tax Credit has been added to the list of refundable business income tax credits

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**Form 502 Resident Instructions**

**✓ Instruction 19 -**

- **Caroline County** has **increased** its rate to **2.73%**
- **Carroll County** has **decreased** its rate to **3.04%**
- **Charles County** has **increased** its rate to **3.03%**

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### Form 502AE



✓ Updated to reflect the expanded definition of qualifying artist.

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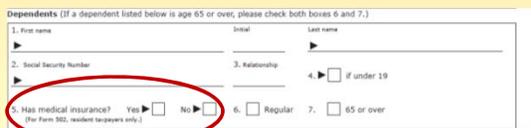
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### Form 502B

✓ The question related to medical insurance has been removed



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### Form 502CR – Individual Tax Credits

- ✓ **Part E** - The maximum amount of credit that can be claimed for long-term care premiums has been increased to \$370 for those insured age 40 or younger
- ✓ **Part G** – Streamlined and updated to reflect electronic filing requirement

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**Form 502D – Declaration of Estimated Tax**

- ✓ Updated to reflect the new 2015 local tax rate of 3.03% for Carroll County

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**Form 502S**

- ✓ The 10% tax credit is no longer available.
- ✓ The format for claiming the credit has been modified.




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**Form 502SU**

- ✓ Letter code “w” is now used for the subtraction of the amount of unreimbursed expenses that a foster parent incurs on behalf of a foster child
- ✓ New letter code “nn” is for subtraction of the amount of student loan indebtedness discharged due to total or permanent disability or death

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### Form 502SU

- ✓ New letter code "oo" is for the subtraction of the amount of qualified principal residence indebtedness included in federal adjusted gross income




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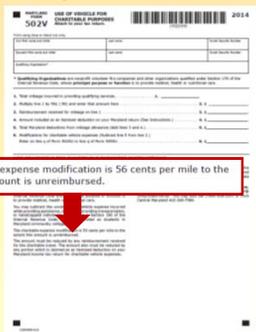
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### Form 502V

- ✓ Updated to reflect the new rate of 56 cents per mile




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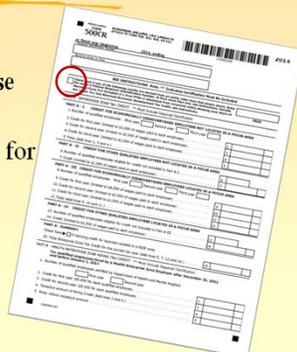
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### Form 500CR & Instructions

- ✓ Part A - Enterprise Zone Tax Credit
  - New Check Box for Rise Zones




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### Form 500CR & Instructions

- ✓ **Part B - Health Enterprise Zone Hiring Tax Credit**
  - Entries are now allowed in second year data fields
  - Instructions updated to reflect availability of credit to certain profit and non-profit entities

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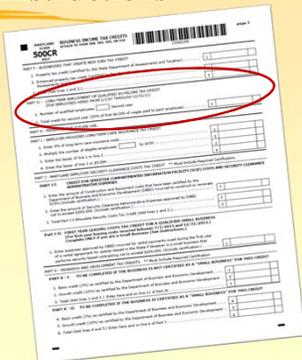
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### Form 500CR & Instructions

- ✓ **Part G - Removal of Long-Term Employment of Qualified Ex-Felons Tax Credit**




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### Form 500CR & Instructions

- ✓ **Part G - New Credit – Qualified Vehicle Tax Credit**
  - Nonrefundable tax credit
  - Excess credit may not be carried forward
  - Up to \$400 for each Class F (Tractor) vehicle registered and titled in Maryland
  - Credit is available through December 31, 2016

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### Form 500CR & Instructions

✓ **Part H - New Credit - Cybersecurity Investment Incentive Tax Credit**

- Refundable credit
- Credit is for 33% of an investment in a qualified Maryland cybersecurity Company
- Credit not to exceed \$250K per investment

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### Form 500CR Instructions

✓ **Part W –**

- Carryover of Maryland Work Opportunity Tax Credit as an addition modification

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### Form 500CR Instructions

✓ **Part Y -**

- Cybersecurity Investment Incentive Tax Credit has been added to the list of refundable Tax Credits

1. Total refundable One Maryland Economic Development Tax Credit from Part P-10, line 35; if more than one project, see instructions	1		
2. Total Biotechnology Investment Incentive Tax Credit from Part L, line 6	2		
3. Total Clean Energy Incentive Tax Credit from Part N, line 5	3		
4. Total Health Enterprise Zone Hiring Tax Credit from Part B, line 6	4		
5. Total Film Production Activity Tax Credit from Part U, line 1	5		
6. Total refundable Small Business Research and Development Tax Credit from Part K-II, line 6	6		
7. Total Cybersecurity Investment Incentive Tax Credit from Part H, line 6	7		
8. Total refundable business income tax credits (Add lines 1 through 7.) (If less than 0, enter as a negative amount.) If you are filing Form 502 or Form 505, enter this amount on line 8 and on Part 1, line 3 of Form 502CR. If you are filing Form 500 or Form 510, continue to Part C.	8		

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### Form 500CR Instructions

- ✓ Update to Carryover Chart

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### Form 500UP

- ✓ Line 3a - Removal of reference to the Maryland Heritage Rehabilitation Tax Credit

The image shows a portion of the Form 500UP (2013) with a red arrow pointing to line 3a. The text on line 3a reads: "3a. Tax for prior tax year (line 14 of prior year Form 500 or line 15 of Form 510) less any Business Tax Credits, ~~Heritage Structure Rehabilitation Tax Credits~~ or Sustainable Communities Tax Credits. . . . . 3a."

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### Electronic Filing

- ✓ Form EL 101
  - Text removed which previously allowed the form to be used as a transmittal form for business tax certifications

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### Withholding

✓ **Form MW508 - Annual Employer Withholding Reconciliation Form**

- Reformatted to allow W-2 and 1099 information to be separately stated

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### Withholding

✓ **Form MW508CR - Business Tax Credit Form for Tax-Exempt Entities**

- Form MW508CR has been updated to reference line 3d of Form MW508

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### Sales and Use Tax

✓ **Form 202 - Sales and Use Tax Return**

- **Lines 17a-17c** - Added clarifying language related to the calculation of the discount for Prepaid Wireless E 9-1-1 that have been calculated.

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### Important Information

Web site at [www.marylandtaxes.com](http://www.marylandtaxes.com).

Tax practitioner hotline: **410-260-7424**.

Tax practitioner e-mail:  
**taxprohelp@comp.state.md.us**.

E-file tax practitioner hotline: **410-260-7753**.

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### Important Information

E-file tax practitioner e-mail:  
**efil@comp.state.md.us**.

Tax forms e-mail:  
**taxforms@comp.state.md.us**.

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# Questions?



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