MARYLAND FORM 502 RESIDENT INCOME TAX RETURN

145020049

2014

$

OR FISCAL YEAR BEGINNING 2014, ENDING

Print Using Blue or Black Ink Only

Social Security Number		Spouse's Social Security Number	
Your First Name	Initial	Last Name	
Spouse's First Name	Initial	Last Name	
Present Address (No. and street)			
City or Town		State	ZIP code
Name of county and incorporated city, town or special taxing area in which you resided on the last day of the taxable period. (See Instruction 6.)		Maryland County	City, Town or Taxing Area

FILING STATUS See Instruction 1 to determine if you are required to file. **CHECK ONE BOX** ▶

1. ☐ Single (If you can be claimed on another person's tax return, use Filing Status 6.)
2. ☐ Married filing joint return or spouse had no income
3. ☐ Married filing separately ▶ _____ Spouse's Social Security Number
4. ☐ Head of household
5. ☐ Qualifying widow(er) with dependent child
6. ☐ Dependent taxpayer (Enter 0 in Exemption Box (A) - See Instruction 7.)

PART-YEAR RESIDENT

See Instruction 26. If you began or ended legal residence in Maryland in 2014 place a **P** in the box. ▶ ☐

Place an **M** or **P** in this box.

Dates of Maryland Residence

	MO	DAY	YEAR
FROM			
TO			

Other state of residence: _____

MILITARY: If you or your spouse has **non-Maryland** military income, place an **M** in the box. (See Instruction 26.)

Enter amount here: _____

EXEMPTIONS See Instruction 10. Check appropriate box(es). **NOTE:** If you are claiming dependents, you must attach the Dependents' Information Form 502B to this form to receive the applicable exemption amount.

A. ☐ **Yourself** ☐ **Spouse** Enter number checked ☐ See Instruction 10 **A. $** _____

B. ▶ ☐ 65 or over ▶ ☐ 65 or over
▶ ☐ Blind ▶ ☐ Blind Enter number checked ☐ X $1,000 **B. $** _____

C. Enter number from line 3 of Dependent Form 502B ☐ See Instruction 10 **C. $** _____

D Enter Total Exemptions (Add A, B and C.) ▶ ☐ **Total Amount** **D. $** _____

Place CHECK or MONEY ORDER on top of your W-2 wage and tax statements and ATTACH HERE with **ONE** staple.

INCOME (See Instruction 11.)

1. Adjusted gross income from your federal return . . . . . ▶ 1. _____

1a. Wages, salaries and/or tips . . . . . ▶ 1a. _____

1b. Earned **income** . . . . . ▶ 1b. _____

1c. Capital Gain or (loss) . . . . . ▶ 1c. _____

1d. Taxable Pension, IRA, Annuities . . . . ▶ 1d. _____

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

ADDITIONS TO INCOME (See Instruction 12.)

2. Tax-exempt interest on state and local obligations (bonds) other than Maryland. . . . . ▶ 2. _____

3. State retirement pickup . . . . . ▶ 3. _____

4. Lump sum distributions (from worksheet in Instruction 12.) . . . . . ▶ 4. _____

5. Other additions (Enter code letter(s) from Instruction 12.). . . . . ▶ ☐ ☐ ☐ ☐ . . . . . ▶ 5. _____

6. Total additions to Maryland income (Add lines 2 through 5.). . . . . ▶ 6. _____

7. Total federal adjusted gross income and Maryland additions (Add lines 1 and 6.) . . . . . 7. _____

SUBTRACTIONS FROM INCOME (See Instruction 13.)

8. Taxable refunds, credits or offsets of state and local income taxes included in line 1 above . . . . . ▶ 8. _____

9. Child and dependent care expenses. . . . . ▶ 9. _____

10. Pension exclusion from worksheet in Instruction 13. . . . . ▶ 10. _____

11. Taxable Social Security and RR benefits (Tier I, II and supplemental) included in line 1 above . . . . . ▶ 11. _____

12. Income received during period of nonresidence (See Instruction 26.) . . . . . ▶ 12. _____

13. Subtractions from attached Form 502SU . . . . . ▶ ☐ ☐ ☐ ☐ . . . . . ▶ 13. _____

14. Two-income subtraction from worksheet in Instruction 13 . . . . . ▶ 14. _____

15. Total subtractions from Maryland income (Add lines 8 through 14.) . . . . . ▶ 15. _____

16. Maryland adjusted gross income (Subtract line 15 from line 7.) . . . . . 16. _____

DEDUCTION METHOD (See Instruction 16.)

(All taxpayers must select one method and **check the appropriate box.**) . . . . . ▼

STANDARD DEDUCTION METHOD (Enter amount on line 17.) . . . . . ☐

ITEMIZED DEDUCTION METHOD (Complete lines 17a and 17b.). . . . . ☐

17a. Total federal itemized deductions (from line 29, federal Schedule A) . . . . . ▶ 17a. _____

17b. State and local **income** taxes (See Instruction 14.). . . . . ▶ 17b. _____
Subtract line 17b from line 17a and enter amount on line 17.

17. Deduction amount (Part-year residents see Instruction 26 (l and m).). . . . . ▶ 17. _____

18. Net income (Subtract line 17 from line 16.) . . . . . 18. _____

19. Exemption amount from Exemptions area above (See Instruction 10.) . . . . . 19. _____

20. Taxable net income (Subtract line 19 from line 18.) . . . . . 20. _____

MARYLAND FORM 502 2014

RESIDENT INCOME TAX RETURN

145020149

NAME _____ SSN _____

MARYLAND TAX COMPUTATION

21. Amount from line 20 (taxable net income) GO TO TAX TABLE in the Resident instructions. Enter the tax on line 22. . . . . 21. _____

22. **Maryland tax** (from Tax Table or Computation Worksheet Schedules I or II). . . . . 22. _____

23. Earned income credit (½ of federal earned income credit. See Instruction 18.) . . . . . ▶ 23. _____

24. Poverty level credit (See Instruction 18.) . . . . . ▶ 24. _____

25. Other income tax credits for individuals from Part H, line 8 of Form 502CR (Attach Form 502CR.) . . . . . 25. _____

26. Business tax credits . . . . . **You must file this form electronically to claim business tax credits on Form 500CR.**

27. Total credits (Add lines 23 through 26.). . . . . 27. _____

28. **Maryland tax** after credits (Subtract line 27 from line 22.) If less than 0, enter 0.. . . . . 28. _____

LOCAL TAX COMPUTATION

29. Local tax (See Instruction 19 for tax rates and worksheet.) **Multiply line 21 by your local tax rate** .0 __ __ __ or use the Local Tax Worksheet . . . . . 29. _____

30. Local earned income credit (from Local Earned Income Credit Worksheet in Instruction 19.). . . . . 30. _____

31. Local poverty level credit (from Local Poverty Level Credit Worksheet in Instruction 19.) . . . . . 31. _____

32. Total credits (Add lines 30 and 31.) . . . . . 32. _____

33. **Local tax** after credits (Subtract line 32 from line 29.) If less than 0, enter 0 . . . . . 33. _____

34. Total Maryland and local tax (Add lines 28 and 33.) . . . . . 34. _____

35. Contribution to Chesapeake Bay and Endangered Species Fund (See Instruction 20.) . . . . . ▶ 35. _____

36. Contribution to Developmental Disabilities Services and Support Fund (See Instruction 20.). . . . . ▶ 36. _____

37. Contribution to Maryland Cancer Fund (See Instruction 20.) . . . . . ▶ 37. _____

38. **Total Maryland income tax, local income tax and contributions (Add lines 34 through 37.)** . . . . . 38. _____

39. Total Maryland and local tax withheld (Enter total from your W-2 and 1099 forms if MD tax is withheld and attach.) . . . . . ▶ 39. _____

40. 2014 estimated tax payments, amount applied from 2013 return, payment made with an extension request, and Form MW506NRS . . . . . ▶ 40. _____

41. Refundable earned income credit (from worksheet in Instruction 21). . . . . ▶ 41. _____

42. Refundable income tax credits from Part I, line 6 of Form 502CR (Attach Form 502CR. See Instruction 21.) . . . . . 42. _____

43. Total payments and credits (Add lines 39 through 42.) . . . . . 43. _____

44. Balance due (If line 38 is more than line 43, subtract line 43 from line 38. See Instruction 22.) . . . . . ▶ 44. _____

45. Overpayment (If line 38 is less than line 43, subtract line 38 from line 43.) . . . . . ▶ 45. _____

46. Amount of overpayment **TO BE APPLIED TO 2015 ESTIMATED TAX** . . . . . ▶ 46. _____

47. Amount of overpayment **TO BE REFUNDED TO YOU** (Subtract line 46 from line 45.) See line 50 . . . . . **REFUND ▶** 47. _____

48. Interest charges from Form 502UP [ ] or for late filing [ ] (See Instruction 22.) Total . . . . . ▶ 48. _____

49. **TOTAL AMOUNT DUE** (Add lines 44 and 48.) **IF $1 OR MORE, PAY IN FULL WITH THIS RETURN** . . . . . 49. _____

DIRECT DEPOSIT OF REFUND (See Instruction 22.) Be sure the account information is correct. **For Splitting Direct Deposit**, see Form 588. To comply with banking rules, check here ▶ ☐ if this refund will go to an account outside the United States. If checked, see Instruction 22. For the direct deposit option, complete the following information clearly and legibly.

50a. Type of account: ▶ ☐ Checking ☐ Savings

50b. Routing Number (9-digits) ▶ ___ ___ ___ ___ ___ ___ ___ ___ ___

50c. Account Number ▶ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___

▶ ___ ___ ___ – ___ ___ ___ – ___ ___ ___ ___ ___ ___ ___ – ___ ___ ___ ___ ___ ___ ___ ▶ [ ][ ][ ]

Daytime telephone no. Home telephone no. CODE NUMBERS (3 digits per box)

Check here ☐ if you authorize your preparer to discuss this return with us. Check here ▶ ☐ if you authorize your paid preparer not to file electronically. Check here ▶ ☐ if you agree to receive your 1099G Income Tax Refund statement electronically.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements and to the best of my knowledge and belief it is true, correct and complete. If prepared by a person other than taxpayer, the declaration is based on all information of which the preparer has any knowledge.

Make checks payable and mail to:
Comptroller of Maryland, Revenue Administration Division
110 Carroll Street, Annapolis, Maryland 21411-0001
(It is recommended that you include your Social Security Number on check.)

Your signature _____ Date _____

Spouse's signature _____ Date _____

▶ Preparer's PTIN (required by law) _____ Signature of preparer other than taxpayer _____

Address of preparer _____

Telephone number of preparer _____

MARYLAND FORM **502**

RESIDENT INCOME TAX RETURN INSTRUCTIONS

2014

DUE DATE

Your return is due by April 15, 2015. If you are a fiscal year taxpayer, see Instruction 25. If any due date falls on a Saturday, Sunday or legal holiday, the return must be filed by the next business day.

To speed up the processing of your tax refund, consider filing electronically. You must file within three years of the original due date to receive any refund. Visit our Web site at **www.marylandtaxes.com**.

COMPLETING THE RETURN

You must write legibly using blue or black ink when completing your return.

DO NOT use pencil or red ink. Submit the original return, not a photocopy. If no entry is needed for a specific line, leave blank. Do not enter words such as "none" or "zero" and do not draw a line to indicate no entry. Failure to follow these instructions may delay the processing of your return.

You may round off all cents to the nearest whole dollar. Fifty cents and above should be rounded to the next dollar. State calculations are rounded to the nearest penny.

ELECTRONIC FILING INSTRUCTIONS

The instructions in this booklet are designed specifically for filers of paper returns.

If you are filing electronically and these instructions differ from the instructions for the electronic method being used, you should comply with the instructions appropriate for that method.

Free internet filing is available for Maryland income tax returns. Visit **www.marylandtaxes.com** and select iFile.

Software vendors should refer to the e-file handbook for their instructions.

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, go to our Web site at **www.marylandtaxes.com**.

PENALTIES

There are severe penalties for failing to file a tax return, failing to pay any tax when due, filing a false or fraudulent return, or making a false certification. The penalties include criminal fines, imprisonment and a penalty on your taxes. In addition, interest is charged on amounts not paid.

To collect unpaid taxes, the Comptroller is directed to enter liens against the salary, wages or property of delinquent taxpayers.

1 DO I HAVE TO FILE?

This booklet and forms are for residents of Maryland. In general, you must file a Maryland return if you are or were a resident of Maryland AND you are required to file a federal return. Information in this section will allow you to determine if you must file a return and pay taxes as a resident of Maryland. If you are not a resident but had Maryland tax withheld or had income from sources in Maryland, you must use Form 505 or 515, Nonresident Tax return.

WHO IS A RESIDENT?

You are a resident of Maryland if:

a. Your permanent home is or was in Maryland (the law refers to this as your domicile).

OR

b. Your permanent home is outside of Maryland, but you maintained a place of abode (a place to live) in Maryland for more than six months of the tax year. If this applies to you and you were physically present in the state for 183 days or more, you must file a full-year resident return.

PART-YEAR RESIDENTS

If you began or ended residence in Maryland during the tax year, you must file a Maryland resident income tax return. See Instruction 26.

MILITARY AND OTHERS WORKING OUTSIDE OF MARYLAND

Military and other individuals whose domicile is in Maryland, but who are stationed or work outside of Maryland, including overseas, retain their Maryland legal residence. Maryland residence is not lost because of duty assignments outside of the State; see Administrative Release 37. Military personnel and their spouses should see Instruction 29.

TO DETERMINE IF YOU ARE REQUIRED TO FILE A MARYLAND RETURN

a. Add up all of your federal gross income to determine your total federal income. Gross income is defined in the Internal Revenue Code and, in general, consists of all income regardless of source. It includes wages and other compensation for services, gross income derived from business, gains (not losses) derived from dealings in property, interest, rents, royalties, dividends, alimony, annuities, pensions, income from partnerships or fiduciaries, etc. If modifications or deductions reduce your gross income below the minimum filing level, you are still required to file. IRS Publication 525 provides additional information on taxable and nontaxable income.

b. Do not include Social Security or railroad retirement benefits in your total federal income.

c. Add to your total federal income any Maryland additions to income. Do not include any additions related to periods of nonresidence. See Instruction 12. **This is your Maryland gross income.**

MINIMUM FILING LEVELS TABLES

TABLE 1
MINIMUM FILING LEVELS FOR TAXPAYERS UNDER 65

Single person (including dependent taxpayers)	$ 10,150
Joint Return	$ 20,300
Married persons filing separately	$ 3,950
Head of Household	$ 13,050
Qualifying widow(er)	$ 16,350

TABLE 2
MINIMUM FILING LEVELS FOR TAXPAYERS 65 OR OVER

Single, age 65 or over	$ 11,700
Joint Return, one spouse, age 65 or over	$ 21,500
Joint Return, both spouses, age 65 or over	$ 22,700
Married persons filing separately, age 65 or over	$ 3,950
Head of Household, age 65 or over	$ 14,600
Qualifying widow(er), age 65 or over	$ 17,550

d. If you are a dependent taxpayer, add to your total federal income any Maryland additions and subtract any Maryland subtractions. See Instructions 12 and 13. **This is your Maryland gross income.**

e. You must file a Maryland return if your Maryland gross income equals or exceeds the income levels in the MINIMUM FILING LEVEL TABLE 1.

f. If you or your spouse is 65 or over, use the MINIMUM FILING LEVEL TABLE 2.

IF YOU ARE NOT REQUIRED TO FILE A MARYLAND RETURN BUT HAD MARYLAND TAXES WITHHELD

To get a refund of Maryland income taxes withheld, you must file a Maryland return.

Taxpayers who are filing for refund only should complete all of the information at the top of Form 502 and the following lines:

1-16
23*, 30*
35-43
45, 47

*Enter a zero unless you claim an earned income credit on your federal return.

Sign the form and attach withholding statements (all W-2 and 1099 forms) showing Maryland and local tax withheld equal to the withholding you are claiming. Your form is then complete.

2 USE OF FEDERAL RETURN.

First complete your 2014 federal income tax return.

You will need information from your federal return to complete your Maryland return. Complete your federal return before you continue beyond this point. Maryland law requires that your income and deductions be entered on your Maryland return exactly as they were reported on your federal return. If you use federal Form 1040NR, visit our Web page at **http://www.marylandtaxes.com/QR/19.asp** for further information. All items reported on your Maryland return are subject to verification, audit and revision by the Maryland State Comptroller's Office.

3 FORM 502.

NEW **Form 503 is no longer available.**

All taxpayers must use Form 502.

Note: You must file Form 502 electronically if you are claiming **business income tax credits** on Form 500CR.

4 NAME AND ADDRESS.

Print using blue or black ink.

Enter your name exactly as entered on your federal tax return. If you changed your name because of marriage, divorce, etc., be sure to report the change to the Social Security Administration before filing your return. This will prevent delays in the processing of your return.

Enter your current address using the spaces provided. If using a foreign address enter the city or town and state or province in the "City or Town" box. Enter the name of the country in the "State" box. Enter the postal code in the "ZIP code" box.

5 SOCIAL SECURITY NUMBER(S) (SSN).

It is important that you enter each Social Security Number in the space provided. You must enter each SSN legibly because we validate each number. If not correct and legible, it will affect the processing of your return.

The Social Security Number(s) (SSN) must be a valid number issued by the Social Security Administration of the United States Government. If you or your spouse or dependent(s) do not have a SSN and you are not eligible to get a SSN, **you must apply for an Individual Tax Identification Number (ITIN) with the IRS and you should wait until you have received it before you file; and enter it wherever your SSN is requested on the return.**

A missing or incorrect SSN or ITIN could result in the disallowance of any credits or exemptions you may be entitled to and result in a balance due.

A valid SSN or ITIN is required for any claim or exemption for a dependent. If you have a dependent who was placed with you for legal adoption and you do not know his or her SSN, you must get an Adoption Taxpayer Identification Number (ATIN) for the dependent from the IRS.

If your child was born and died in this tax year and you do not have a SSN for the child, complete just the name and relationship of the dependent and enter code **322**, in one of the code number boxes located to the right of the telephone number area on page 2 of the form; attach a copy of the child's death certificate to your return.

6 COUNTY, CITY, TOWN INFORMATION.

Fill in the boxes for MARYLAND COUNTY and CITY, TOWN or TAXING AREA based on your residence on the last day of the tax period:

BALTIMORE CITY RESIDENTS:

Leave the MARYLAND COUNTY box blank.

Write "Baltimore City" in the CITY, TOWN OR TAXING AREA box.

RESIDENTS OF MARYLAND COUNTIES (NOT BALTIMORE CITY):

1. Write the name of your county in the MARYLAND COUNTY box.
2. Find your county in the list of INCORPORATED CITIES, TOWNS AND TAXING AREAS IN MARYLAND.
3. If you lived within the incorporated tax boundaries of one of the areas listed under your county, write the name in the CITY, TOWN OR TAXING AREA box.
4. If you did not live in one of the areas listed for your county, leave the CITY, TOWN OR TAXING AREA box blank.

7 FILING STATUS.

Use the FILING STATUS chart to determine your filing status. Check the correct FILING STATUS box on the return.

8 SPECIAL INSTRUCTIONS FOR MARRIED PERSONS FILING SEPARATELY.

If you and your spouse file a joint federal return but are filing separate Maryland returns according to Instruction 7, follow the instructions below.

If you and your spouse file a joint federal return but are filing separate Maryland returns according to Instruction 7, you should report the income you would have reported had you filed a separate federal return. The income from jointly held securities, property, etc., must be divided evenly between spouses.

If you itemized your deductions on the joint federal return, one spouse may use the standard deduction and the other spouse may claim those deductions on the federal return that are "attributable exclusively" to that spouse, plus a prorated amount of the remaining deductions. If it is not possible to determine these deductions, the deduction must be allocated proportionately based on your share of the income.

"Attributable exclusively" means that the individual is solely responsible for the payment of an expense claimed as an itemized deduction, including compliance with a valid court order or separation agreement; or the individual jointly responsible

for the payment of an expense claimed as an itemized deduction can demonstrate payment of the full amount of the deduction with funds that are not attributable in whole or in part, to the other jointly responsible individual.

If both spouses choose to itemize on their separate Maryland returns, then each spouse must determine which deductions are attributable exclusively to him or her and prorate the remaining deductions using the Maryland Income Factor. See Instruction 26(k). If it is not possible to determine deductions in this manner, they must be allocated proportionately based on their respective shares of the income. The total amount of itemized deductions for both spouses cannot exceed the itemized deductions on the federal return.

If you choose to use the standard deduction method, use STANDARD DEDUCTION WORKSHEET (16A) in Instruction 16. Each spouse must claim his or her own personal exemption. Each spouse may allocate the dependent exemptions in any manner they choose. The total number of exemptions claimed on the separate returns may not exceed the total number of exemptions claimed on the federal return except for the additional exemptions for being 65 or over or blind.

Complete the remainder of the form using the instructions for each line. Each spouse should claim his or her own withholding and other credits. Joint estimated tax paid may be divided between the spouses in any manner provided the total claimed does not exceed the total estimated tax paid.

LIST OF INCORPORATED CITIES, TOWNS AND TAXING AREAS IN MARYLAND

ALLEGANY COUNTY
BARTON
BELAIR
BOWLING GREEN-ROBERT'S PLACE
CRESAPTOWN
CUMBERLAND
ELLERSLIE
FROSTBURG
LAVALE
LONACONING
LUKE
MCCOOLE
MIDLAND
MT. SAVAGE
POTOMAC PARK ADDITION
WESTERNPORT

ANNE ARUNDEL COUNTY
ANNAPOLIS
HIGHLAND BEACH

BALTIMORE COUNTY
NO INCORPORATED CITIES OR TOWNS

BALTIMORE CITY

CALVERT COUNTY
CHESAPEAKE BEACH
NORTH BEACH

CAROLINE COUNTY
DENTON
FEDERALSBURG
GOLDSBORO
GREENSBORO
HENDERSON
HILLSBORO
MARYDEL
PRESTON
RIDGELY
TEMPLEVILLE

CARROLL COUNTY
HAMPSTEAD
MANCHESTER
MT. AIRY
NEW WINDSOR
SYKESVILLE
TANEYTOWN
UNION BRIDGE
WESTMINSTER

CECIL COUNTY
CECILTON
CHARLESTOWN
CHESAPEAKE CITY
ELKTON
NORTH EAST
PERRYVILLE
PORT DEPOSIT
RISING SUN

CHARLES COUNTY
INDIAN HEAD
LA PLATA
PORT TOBACCO

DORCHESTER COUNTY
BROOKVIEW
CAMBRIDGE
CHURCH CREEK
EAST NEW MARKET
ELDORADO
GALESTOWN
HURLOCK
SECRETARY
VIENNA

FREDERICK COUNTY
BRUNSWICK
BURKITTSVILLE
EMMITSBURG
FREDERICK
MIDDLETOWN
MT. AIRY
MYERSVILLE
NEW MARKET
ROSEMONT
THURMONT
WALKERSVILLE
WOODSBORO

GARRETT COUNTY
ACCIDENT
DEER PARK
FRIENDSVILLE
GRANTSVILLE
KITZMILLER
LOCH LYNN HEIGHTS
MOUNTAIN LAKE PARK
OAKLAND

HARFORD COUNTY
ABERDEEN
BEL AIR
HAVRE DE GRACE

HOWARD COUNTY
NO INCORPORATED CITIES OR TOWNS

KENT COUNTY
BETTERTON
CHESTERTOWN
GALENA
MILLINGTON
ROCK HALL

MONTGOMERY COUNTY
BARNESVILLE
BROOKEVILLE
CHEVY CHASE SEC. 3
TOWN OF CHEVY CHASE (FORMERLY SEC. 4)
CHEVY CHASE SEC. 5
CHEVY CHASE VIEW
CHEVY CHASE VILLAGE
DRUMMOND
FRIENDSHIP HEIGHTS
GAITHERSBURG
GARRETT PARK
GLEN ECHO
KENSINGTON
LAYTONSVILLE
MARTIN'S ADDITION
NORTH CHEVY CHASE
OAKMONT
POOLESVILLE
ROCKVILLE
SOMERSET
TAKOMA PARK
WASHINGTON GROVE

PRINCE GEORGE'S COUNTY
BERWYN HEIGHTS
BLADENSBURG
BOWIE
BRENTWOOD
CAPITOL HEIGHTS
CHEVERLY
COLLEGE PARK
COLMAR MANOR
COTTAGE CITY
DISTRICT HEIGHTS
EAGLE HARBOR
EDMONSTON
FAIRMOUNT HEIGHTS
FOREST HEIGHTS
GLENARDEN
GREENBELT
HYATTSVILLE
LANDOVER HILLS
LAUREL
MORNINGSIDE
MT. RAINIER
NEW CARROLLTON
NORTH BRENTWOOD
RIVERDALE PARK
SEAT PLEASANT
UNIVERSITY PARK
UPPER MARLBORO

QUEEN ANNE'S COUNTY
BARCLAY
CENTREVILLE
CHURCH HILL
MILLINGTON
QUEEN ANNE
QUEENSTOWN
SUDLERSVILLE
TEMPLEVILLE

ST. MARY'S COUNTY
LEONARDTOWN

SOMERSET COUNTY
CRISFIELD
PRINCESS ANNE

TALBOT COUNTY
EASTON
OXFORD
QUEEN ANNE
ST. MICHAELS
TRAPPE

WASHINGTON COUNTY
BOONSBORO
CLEARSPRING
FUNKSTOWN
HAGERSTOWN
HANCOCK
KEEDYSVILLE
SHARPSBURG
SMITHSBURG
WILLIAMSPORT

WICOMICO COUNTY
DELMAR
FRUITLAND
HEBRON
MARDELA SPRINGS
PITTSVILLE
SALISBURY
SHARPTOWN
WILLARDS

WORCESTER COUNTY
BERLIN
OCEAN CITY
POCOMOKE CITY
SNOW HILL

FILING STATUS

	If you are:	Check the box for:	Additional Information
SINGLE PERSON (Single on the last day of the tax year.)	Any person who can be claimed as a dependent on his or her parent's (or any other person's) federal return	**Dependent taxpayer** Filing Status 6	Single Dependent taxpayers, regardless of whether income is earned or unearned, are not required to file a Maryland income tax return unless the gross income including Maryland additions and subtractions is $10,150 or more. See Instruction 1 if you are due a refund. You do not get an exemption for yourself. Put a zero in Exemption Box A.
	Any person who filed as a head of household on his or her federal return	**Head of household** Filing Status 4	
	A qualifying widow(er) with dependent child who filed a federal return with this status	**Qualifying widow(er) with dependent child** Filing Status 5	
	All other single persons	**Single** Filing Status 1	If your spouse died during the year AND you filed a joint federal return with your deceased spouse, you may still file a joint Maryland return.
MARRIED PERSONS (Married on the last day of the tax year.)	Any person who can be claimed as a dependent on his or her parent's (or any other person's) federal return	**Dependent taxpayer** Filing Status 6	You do not get an exemption for yourself. Put a zero in Exemption Box A. You and your spouse must file separate returns.
	Any person who filed as a head of household on his or her federal return	**Head of household** Filing Status 4	
	Married couples who filed separate federal returns	**Married filing separately** Filing Status 3	Each taxpayer must show his or her spouse's Social Security Number in the blank next to the filing status box.
	Married couples who filed joint federal returns but had different tax periods	**Joint return** Filing Status 2 or **Married filing separately** Filing Status 3	If you are not certain which filing status to use, figure your tax both ways to determine which status is best for you. See Instructions 8 and 26(g) through (p).
	Married couples who filed joint federal returns but were domiciled in different counties, cities, towns or taxing areas on the last day of the year	**Joint return** Filing Status 2 or **Married filing separately** Filing Status 3	If you are filing separately, see Instruction 8. If you are filing a joint return see SPECIAL NOTE in Instruction 19.
	Married couples who filed joint federal returns but were domiciled in different states on the last day of the year		If you are filing separately, see Instruction 8. If you are filing a joint return, you must attach a pro forma Form 505 and 505NR. See Administrative Releases 1 & 3.
	All other married couples who filed joint federal returns	**Joint return** Filing Status 2	

9 PART-YEAR RESIDENTS.

If you began or ended legal residence in Maryland in 2014 go to Instruction 26.

Military taxpayers. If you have non-Maryland military income, see Administrative Release 1.

10 EXEMPTIONS.

Determine what exemptions you are entitled to and complete the EXEMPTIONS area on Form 502. Form 502B must be completed and attached to Form 502 if you are claiming one or more dependents.

EXEMPTIONS ALLOWED

You are permitted the same **number** of exemptions which you are permitted on your federal return; however, the exemption amount is different on the Maryland return. Even if you are not required to file a federal return, the federal rules for exemptions still apply to you. Refer to the federal income tax instructions for further information.

In addition to the exemptions allowed on your federal return, you and your spouse are permitted to claim exemptions for being age 65 or over or for blindness. These additional exemptions are in the amount of $1,000 each. If any other dependent claimed is 65 or over, you also receive an extra exemption of up to $3,200. Make sure you check both boxes (4) and (5) of the Dependent Form 502B for each of your dependents who are age 65 or over.

Enter the number of exemptions in the appropriate boxes based upon your entries in parts A, B, and C of the exemption area of the form. Enter the total number of exemptions in Part D. **The number of exemptions for Part C is from Total Dependent Exemptions, Line 3 of Form 502B.**

PART-YEAR RESIDENTS AND MILITARY

You must prorate your exemptions based on the percentage of your income subject to Maryland tax. See Instruction 26 and Administrative Release 1.

11 INCOME.

Line 1. Copy the figure for federal adjusted gross income from your federal return onto line 1 of Form 502.

Line 1a. Copy the total of your wages, salaries and tips from your federal return onto line 1a of Form 502. Use the chart below to find the figures that you need. If you and your spouse file a joint federal return but are filing separate Maryland returns, see Instruction 8.

To Maryland Form	From Federal Form		
502	**1040**	**1040A**	**1040EZ**
line 1 line 1a line 1b	line 37 line 7 See below.	line 21 line 7 line 7	line 4 line 1 line 1

Line 1b. If you are claiming a federal earned income credit (EIC), or poverty level credit (PLC), enter the earned income you used to calculate your credit. Earned income includes wages, salaries, tips, professional fees and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you included in your federal AGI.

NEW **Line 1c.** Enter on line 1c the amount of capital gains and losses reported as income on line 13 on your federal Form 1040.

NEW **Line 1d.** Enter on line 1d the total amount of pension, IRA, and annuities reported as income on lines 15b and 16b of your federal Form 1040, or lines 11b and 12b of your federal Form 1040A.

NEW **Line 1e.** Check the box if the amount of your investment income is more than $3,350. You DO NOT qualify for the earned income tax credit.

12 ADDITIONS TO INCOME.

Determine which additions to income apply to you. Write the correct amounts on lines 2-5 of Form 502. Instructions for each line:

Line 2. TAX EXEMPT STATE OR LOCAL BOND INTEREST. Enter the interest from **non-Maryland** state or local bonds or other obligations (less related expenses). This includes interest from mutual funds that invest in **non-Maryland** state or local obligations. Interest earned on obligations of Maryland or any Maryland subdivision is exempt from Maryland tax and should not be entered on this line.

Line 3. STATE RETIREMENT PICKUP. Pickup contributions of a State retirement or pension system member. The pickup amount will be stated separately on your W-2 form. The tax on this portion of your wages is deferred for federal but not for state purposes.

Line 4. LUMP SUM DISTRIBUTION FROM A QUALIFIED RETIREMENT PLAN. If you received such a distribution, you will receive a Form 1099R showing the amounts distributed. You must report part of the lump sum distribution as an addition to income if you file federal Form 4972.

Use the LUMP SUM DISTRIBUTION WORKSHEET (12A) to determine the amount of your addition.

EXEMPTION AMOUNT CHART

The personal exemption is $3,200. This exemption is reduced once the taxpayer's federal adjusted gross income exceeds $100,000 ($150,000 if filing Joint, Head of Household, or Qualifying Widow(er) with Dependent Child). This reduction applies to the additional dependency exemptions as well; however it does not apply to the taxpayer's age or blindness exemption of $1,000. Use the chart to determine the allowable exemption amount based upon the filing status. **NOTE**: For certain taxpayers with interest from U.S. obligations see Instruction 13, line 13, code hh for applicable exemption adjustment.

If Your federal AGI is		Single or Married Filing Separately **Each Exemption is**	Joint, Head of Household or Qualifying Widow(er) **Each Exemption is**	Dependent Taxpayer (eligible to be claimed on another taxpayer's return) **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

Total the exemption amount on the front of Form 502 to determine the total exemption allowance to subtract on line 19 of Form 502.

LUMP SUM DISTRIBUTION WORKSHEET (12A)

1. Ordinary income portion of distribution from Form 1099R reported on federal Form 4972 (taxable amount less capital gain amount) . . . . . $_____
2. 40% of capital gain portion of distribution from Form 1099R . . . . . $_____
3. Add lines 1 and 2. . . . . $_____
4. Enter minimum distribution allowance from Form 4972 . . . . . $_____
5. Subtract line 4 from line 3. This is your addition to income for your lump sum distribution. Enter on Form 502, line 4. If this amount is less than zero, enter zero . . . . . $_____

Note: If you were able to deduct the death benefit exclusion on Form 4972, allocate that exclusion between the ordinary and capital gain portions of your distribution in the same ratio before completing this schedule.

Line 5. OTHER ADDITIONS TO INCOME. If one or more of these apply to you, enter the total amount on line 5 and identify each item using the code letter:

▼ **CODE LETTER**

a. Part-year residents: losses or adjustments to federal income that were realized or paid when you were a nonresident of Maryland.

b. Net additions to income from pass-through entities not attributable to decoupling.

c. Net additions to income from a trust as reported by the fiduciary.

d. S corporation taxes included on line 8 of Maryland Form 502CR, Part A, Tax Credits for Income Taxes Paid to Other States. (See instructions for Part A of Form 502CR.)

e. 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, Small Business Research & Development Tax Credit, Maryland Employer Security Clearance Costs Tax Credit (do not include Small Business First-Year Leasing Costs Tax Credit), and Cellulosic Ethanol Technology Research and Development Tax Credit. Also, the amount of carryover claimed in the current tax year for the expired Maryland Employment Opportunity Tax Credit is added to income.

f. Oil percentage depletion allowance claimed under IRC Section 613.

g. Income exempt from federal tax by federal law or treaty that is not exempt from Maryland tax.

h. Net operating loss deduction to the extent of a double benefit. See Administrative Release 18 at **www.marylandtaxes.com.**

i. Taxable tax preference items from line 5 of Maryland Form 502TP. The items of tax preference are defined in IRC Section 57. If the **total** of your tax preference items is more than $10,000 ($20,000 for married taxpayers filing joint returns) you must complete and attach Maryland Form 502TP, whether or not you are required to file federal Form 6251 (Alternative Minimum Tax) with your federal Form 1040.

j. Amount deducted for federal income tax purposes for expenses attributable to operating a family day care home or a child care center in Maryland without having the registration or license required by the Family Law Article.

k. Any refunds of advanced tuition payments made under the Maryland Prepaid College Trust, to the extent the payments were subtracted from federal adjusted gross income and were not used for qualified higher education expenses, and any refunds of contributions made under the Maryland College Investment Plan or the Maryland Broker-Dealer College Investment Plan, to the extent the contributions were subtracted from federal adjusted gross income and were not used for qualified higher education expenses. See Administrative Release 32.

l. 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.

m. Net addition modification to Maryland taxable income when the federal special 5-year carryback period was used for a net operating loss under federal law compared to Maryland taxable income without regard to federal provisions. Complete and attach Form 500DM. See Administrative Release 38.

n. Amount deducted on your federal income tax return for domestic production activities (line 35 of Form 1040).

o. Amount deducted on your federal income tax return for tuition and related expenses. Do not include adjustments to income for Educator Expenses or Student Loan Interest deduction.

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 and Administrative Release 38.

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.

13 SUBTRACTIONS FROM INCOME.

Determine which subtractions from income apply to you. Write the correct amounts on lines 8–14 of Form 502. Instructions for each line:

Line 8. STATE TAX REFUNDS. Copy onto line 8 the amount of refunds of state or local income tax included in line 1 of Form 502.

Line 9. CHILD CARE EXPENSES. You may subtract the cost of caring for your dependents while you work. There is a limitation of $3,000 ($6,000 if two or more dependents receive care). Copy onto line 9 the amount from line 6 of federal Form 2441. You may also be entitled to a credit for these taxable expenses. See instructions for Part B of Form 502CR.

Line 10. PENSION EXCLUSION. You may be able to subtract some of your taxable pension and retirement annuity income. This subtraction applies only if:

a. You were 65 or over **or** totally disabled, or your spouse was totally disabled, on the last day of the tax year, AND

b. You included on your federal return taxable income received as a pension, annuity or endowment from an "employee retirement system" qualified under Sections 401(a), 403 or 457(b) of the Internal Revenue Code. [A traditional IRA, a Roth IRA, a simplified employee plan (SEP), a Keogh plan, an ineligible deferred compensation plan or foreign retirement income does not qualify.]

Each spouse who receives taxable pension or annuity income and is 65 or over or totally disabled may be entitled to this exclusion. In addition, if you receive taxable pension or annuity income but you are not 65 or totally disabled, you may be entitled to this exclusion if your spouse is totally disabled. Complete a separate column in the PENSION EXCLUSION COMPUTATION WORKSHEET (13A) for each spouse. Combine your allowable exclusion and enter the total amount on line 10, Form 502.

To be considered totally disabled, you must have a mental or physical impairment which prevents you from engaging in substantial gainful activity. You must expect the impairment to be of long, continued or indefinite duration or to result in your death. You must attach to your return a certification from a qualified physician stating the nature of your impairment and that you are totally disabled. If you have previously submitted

a physician's certification, attach your own statement that you are still totally disabled and that a physician's certification was submitted before.

If you are a part-year resident, complete PENSION EXCLUSION COMPUTATION WORKSHEET (13A) using total taxable pension and total Social Security and railroad retirement benefits as if you were a full-year resident. Prorate the amount on line 5 by the number of months of Maryland residence divided by 12.

However, if you began to receive your pension during the tax year you became a Maryland resident, use a proration factor of the number of months you were a resident divided by the number of months the pension was received.

For example, Pat Taxpayer moved to Maryland on March 1. If he started to receive his pension on March 1, he would prorate the pension exclusion by 10/10, which would mean he would be entitled to the full pension exclusion. However, if he began to receive his pension on February 1, Pat would prorate his pension by 10/11. Please note that, in either case, the proration factor may not exceed 1.

Complete the PENSION EXCLUSION COMPUTATION WORKSHEET (13A). Copy the amount from line 5 of the worksheet onto line 10 of Form 502.

Line 11. FEDERALLY TAXED SOCIAL SECURITY AND RAILROAD RETIREMENT BENEFITS. If you included in your federal adjusted gross income Social Security, Tier I, Tier II and/or supplemental railroad retirement benefits, then you must include the total amount of such benefits on line 11. Social Security and railroad retirement benefits are exempt from state tax.

Line 12. NONRESIDENT INCOME. If you began or ended your residence in Maryland during the year, you may subtract the portion of your income received when you were not a resident of Maryland. See Instruction 26 for part-year residents and Administrative Release 1 for military personnel.

If your state of residence or your period of Maryland residence was not the same as that of your spouse and you filed a joint return, follow Instruction 26 (c) through (p).

Line 13. SUBTRACTIONS FROM INCOME ON FORM 502SU. Other certain subtractions for which you may qualify will be reported on Form 502SU. Determine which subtractions apply to you and enter the amount for each on Form 502SU. Enter the sum of all applicable subtractions from Form 502SU on line 13 of Form 502, and enter the code letters that represent the four highest dollar amounts in the code letter boxes. If multiple subtractions apply, be sure to identify all of them on Form 502SU and attach it to your Form 502.

Note: If only one of these subtractions applies to you, enter the amount and the code letter on line 13 of Form 502; then the use of Form 502SU may be optional.

▼ **CODE LETTER**

a. Payments from a pension system to firemen and policemen for job related injuries or disabilities (but not more than the amount of such payments included in your total income).

b. Net allowable subtractions from income from pass-through entities, not attributable to decoupling.

c. Net subtractions from income reported by a fiduciary.

d. Distributions of accumulated income by a fiduciary, if income tax has been paid by the fiduciary to the State (but not more than the amount of such income included in your total income).

e. Profit (without regard to losses) from the sale or exchange of bonds issued by the State or local governments of Maryland.

f. Benefits received from a Keogh plan on which State income tax was paid prior to 1967. Attach statement.

g. Amount of wages and salaries disallowed as a deduction due to the work opportunity credit allowed under the Internal Revenue Code Section 51.

h. Expenses up to $5,000 incurred by a blind person for a reader, or up to $1,000 incurred by an employer for a reader for a blind employee.

i. Expenses incurred for reforestation or timber stand improvement of commercial forest land. Qualifications and instructions are on Form DNR393, available from the Department of Natural Resources, telephone 410-260-8531.

j. Amount added to taxable income for the use of an official vehicle by a member of a state, county or local police or fire

PENSION EXCLUSION COMPUTATION WORKSHEET (13A)

Review carefully the age and disability requirements in the instructions before completing this worksheet.

	You	Spouse
1. Net taxable pension and retirement annuity included in your federal adjusted gross income (Do not include Social Security or Railroad Retirement).		
2. Maximum allowable exclusion.	$29,000	$29,000
3. Total benefits you received from Social Security and/or Railroad Retirement (Tier I and Tier II)		
4. Tentative exclusion (Subtract line 3 from line 2.) (If less than 0, enter 0.).		
5. Pension Exclusion (Enter the smaller of line 1 or 4 here and on line 10, Form 502.) If you and your spouse both qualify for the pension exclusion, combine your allowable exclusions and enter the total amount on line 10, Form 502.		

SPECIFIC INSTRUCTIONS

NOTE: When both you and your spouse qualify for the pension exclusion, a separate column must be completed for each spouse.

Line 1. Enter your net taxable pension and retirement annuity included in your federal adjusted gross income. **Do not include any amount subtracted for military retirement income. See code letter u in Instruction 13. Do not include Social Security and/or Railroad Retirement income on this line.**

Line 2. The maximum allowable exclusion is $29,000.

Line 3. Enter your total Social Security and/or Railroad Retirement benefits. Include all Social Security and/or Railroad Retirement benefits whether or not you included any portion of these amounts in your federal adjusted gross income. Include both Tier I and Tier II Railroad Retirement benefits. If you are filing a joint return and both spouses received Social Security and/or Railroad Retirement benefits but only one spouse received a pension, enter only the Social Security and/or Railroad Retirement benefits of the spouse receiving the pension on the worksheet.

Line 4. Subtract line 3 from line 2 to determine your tentative exclusion.

Line 5. Your pension exclusion is the smaller of your net taxable pension (line 1) or the tentative exclusion (line 4). Enter the smaller amount on this line.

department. The amount is stated separately on your W-2 form.

k. Up to $6,000 in expenses incurred by parents to adopt a child with special needs through a public or nonprofit adoption agency and up to $5,000 in expenses incurred by parents to adopt a child without special needs.

l. Purchase and installation costs of certain enhanced agricultural management equipment as certified by the Maryland Department of Agriculture. Attach a copy of the certification.

m. Deductible artist's contribution. Attach Maryland Form 502AC.

n. Payment received under a fire, rescue, or ambulance personnel length of service award program that is funded by any county or municipal corporation of the State.

o. Value of farm products you donated to a gleaning cooperative as certified by the Maryland Department of Agriculture. Attach a copy of the certification.

p. Up to $15,000 of military pay included in your federal adjusted gross income that you received while in the active service of any branch of the armed forces and which is attributable to service outside the boundaries of the U.S. or its possessions. To compute the subtraction, follow the directions on the MILITARY OVERSEAS INCOME WORKSHEET (13B). If your total military pay exceeds $30,000, you do not qualify for the subtraction.

p. MILITARY OVERSEAS INCOME WORKSHEET (13B)

When both you and your spouse qualify for this military subtraction, complete separate computations for each spouse.

1. ENTER the amount of military pay included in your federal adjusted gross income attributable to service outside the U.S. If greater than $15,000, enter $15,000 . . . . . $_____
2. ENTER total military pay received during the tax year . . . . . $ _____
3. Maximum subtraction . . . . . $ **15,000**
4. SUBTRACT the amount on line 3 from line 2. If this amount is less than zero (0), enter zero (0) . . . . . $_____
5. SUBTRACT line 4 from line 1. This is your subtraction from income. If the amount is zero (0) or less, you are not eligible for this subtraction. INCLUDE this amount on line p of Form 502SU . . . . . $_____

q. Unreimbursed vehicle travel expenses for:

1. A volunteer fire company;
2. Service as a volunteer for a charitable organization whose principal purpose is to provide medical, health or nutritional care; AND
3. Assistance (other than providing transportation to and from the school) for handicapped students at a Maryland community college. Attach Maryland Form 502V.

r. Amount of pickup contribution shown on Form 1099R from the state retirement or pension systems included in federal adjusted gross income. The subtraction is limited to the amount of pickup contribution stated on the 1099R or the taxable pension, whichever is less. Any amount not allowed to be claimed on the current year return may be carried forward to the next year until the full amount of the State pickup contribution has been claimed.

s. Amount of interest and dividend income (including capital gain distributions) of a dependent child which the parent has elected to include in the parent's federal gross income under Internal Revenue Code Section 1(g)(7).

t. Payments received from the State of Maryland under Title 12 Subtitle 2 of the Real Property Article (relocation and assistance payments).

u. Up to $5,000 of military retirement income received by a qualifying individual during the tax year. To qualify, you must have been a member of an active or reserve component of the armed forces of the United States, an active duty member of the commissioned corps of the Public Health Service, the National Oceanic and Atmospheric Administration, or the Coast and Geodetic Survey, a member of the Maryland National Guard, or the member's surviving spouse or ex-spouse.

v. The Honorable Louis L. Goldstein Volunteer Police, Fire, Rescue and Emergency Medical Services Personnel Subtraction Modification Program. $3,750 for each taxpayer who is a qualifying volunteer as certified by a Maryland fire, police, rescue or emergency medical services organization. $3,750 for each taxpayer who is a qualifying member of the U.S. Coast Guard Auxiliary or Maryland Defense Force as certified by these organizations. Attach a copy of the certification.

w. Up to $1,500 of unreimbursed expenses that a foster parent incurs on behalf of a foster child. The foster parent must be approved by a local department to provide 24-hour care for a foster child in the house where the foster parent resides. A treatment foster parent licensed by a child placement agency may not claim the subtraction modification. Foster parent includes a kinship parent. The expenses must be approved as necessary by the local department of social services or the Montgomery County Department of Health and Human Services and may not include an expense for which the foster parent receives an allowance or reimbursement from any public or private agency.

xa. Up to $2,500 per contract purchased for advanced tuition payments made to the Maryland Prepaid College Trust. See Administrative Release 32.

xb. Up to $2,500 per account holder per beneficiary of the total of all amounts contributed to investment accounts under the Maryland College Investment Plan and Maryland Broker-Dealer College Investment Plan. See Administrative Release 32.

y. Any income of an individual that is related to tangible or intangible property that was seized, misappropriated or lost as a result of the actions or policies of Nazi Germany towards a Holocaust victim. For additional information, contact the Revenue Administration Division.

z. Expenses incurred to buy and install handrails in an existing elevator in a health care 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.

aa. Payments from a pension system to the surviving spouse or other beneficiary of a law enforcement officer or firefighter whose death arises out of or in the course of their employment.

ab. Income from U.S. Government obligations. Enter interest on U.S. Savings Bonds and other U.S. obligations. Capital gains from the sale or exchange of U.S. obligations should be included on this line. Dividends from mutual funds that invest in U.S. Government obligations also are exempt from state taxation. However, only that portion of the dividends attributable to interest or capital gain from U.S. Government obligations can be subtracted. You cannot subtract income from Government National Mortgage Association securities. See Administrative Releases 10 and 13.

bb. 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.

cc. Net subtraction modification to Maryland taxable income when the federal special 5-year carryback period was used for a net operating loss under federal law compared to Maryland taxable income without regard to federal

provisions. Complete and attach Form 500DM. See Administrative Release 38.

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. Complete and attach Form 500DM. See Administrative Release 38.

dd. Income derived within an arts and entertainment district by a qualifying residing artist from the publication, production, or sale of an artistic work that the artist created, wrote, composed or executed. Complete and attach Form 502AE.

dm. Net subtraction modification from multiple decoupling provisions. See the table at the bottom of Form 500DM.

dp. Net subtraction decoupling modification from a pass-through entity. See Form 500DM.

ee. The amount received as a grant under the Solar Energy Grant Program administered by the Maryland Energy Administration (but not more than the amount included in your total income).

ff. Amount of the cost difference between a conventional on-site sewage disposal and a system that uses nitrogen removal technology, for which the Department of Environment's payment assistance program does not cover.

hh. Exemption adjustment for certain taxpayers with interest on U.S. obligations. If you have received income from U.S. obligations and your federal adjusted gross income exceeds $100,000 ($150,000 if filing Joint, Head of Household, or Qualifying Widow(er)), enter the difference, if any, between the exemption amount based on your federal adjusted gross income and the exemption amount based upon your federal adjusted gross income after subtracting your U.S. obligations using the EXEMPTION ADJUSTMENT WORKSHEET (13C).

hh. EXEMPTION ADJUSTMENT WORKSHEET (13C)

Line 1: ENTER the exemption amount to be reported on line 19 of Form 502 using the chart in Instruction 10. (If you are a part-year resident, enter the amount to be reported on line 19 before it is prorated.) . $ _____

Line 2: ENTER your federal adjusted gross income as reported on line 1 of your Form 502 . . . $ _____

Line 3: ENTER your income from U.S. obligations (line ab, Form 502SU) . . . . . $ _____

Line 4: SUBTRACT amount on line 3 from amount reported on line 2. . . . . $ _____

Line 5: RECALCULATE your exemption amount using the chart in Instruction 10, using the income from line 4. Remember to add your $1,000 exemptions for age and blindness if applicable . . . . . $ _____

Line 6: SUBTRACT the exemption amount calculated on line 1 from the exemption amount calculated on line 5. If the amount is less than zero (0), enter zero (0). If the amount is zero, you have already received the maximum exemption that you are entitled to claim on Form 502 . . . . . $ _____

If the amount is greater than zero (0), enter this amount as a subtraction on line hh of Form 502SU.

Example:
Pat and Chris Jones had a federal adjusted gross income of $180,000. They also had $40,000 on interest from U.S. Savings Bonds and had a dependent son whom they claimed on the Maryland tax return. Using Instruction 10, they found the exemption amount on their Maryland return (based upon $180,000 of income) was $2,400 ($800 for three exemptions). If it were not for the $40,000 of U.S. Savings Bonds, their federal adjusted gross income would have been $140,000 and their exemption amount would have been $9,600 ($3,200 for three exemptions). Therefore, Pat and Chris Jones are entitled to claim a subtraction of $7,200 ($9,600 - $2,400) on line hh of Form 502SU.

ii. Interest on any **Build America Bond** that is included in your federal adjusted gross income. See Administrative Release 13.

jj. Gain resulting from a payment from the Maryland Department of Transportation as a result of the acquisition of a portion of the property on which your principal residence is located.

kk. Qualified conservation program expenses up to $500 for an application approved by the Department of Natural Resources to enter into a Forest Conservation and Management Plan.

ll. Payment received as a result of a foreclosure settlement negotiated by the Maryland Attorney General.

mm. Amount received by a claimant for noneconomic damages as a result of a claim of unlawful discrimination under Internal Revenue Code Section 62(e).

nn. Amount of student loan indebtedness discharged due to total or permanent disability or death. Attach a copy of the notice stating that the loans have been discharged due to total and permanent disability or death.

oo. Amount of qualified principal residence indebtedness included in federal adjusted gross income that was allowable as an exclusion under the Mortgage Debt Relief Act of 2007, as amended. The subtraction cannot exceed $100,000 for taxpayers who file single or married filing separately, and cannot exceed $200,000 for married filing joint, head of household, or qualifying widow(er). Qualified principal residence indebtedness is debt used to buy, build or substantially improve your principal residence, or to refinance debt incurred for those purposes but only if the debt is secured by the home.

Line 14. TWO-INCOME SUBTRACTION. You may subtract up to $1,200 if both spouses have income subject to Maryland tax and you file a joint return. To compute the subtraction, complete the TWO-INCOME MARRIED COUPLE SUBTRACTION WORKSHEET (13D).

14 ITEMIZED DEDUCTIONS.

Maryland has recoupled with the federal 2014 itemized deduction threshold limiting itemized deductions.

Copy the amount from Schedule A, line 29, Total Itemized Deductions, on line 17a of Form 502. Certain items of federal itemized deductions are not eligible for State purposes and must be subtracted from line 17a. State and local **income** taxes used as a deduction for federal purposes must be entered on line 17b. Also, any amounts deducted as contributions of Preservation or Conservation Easements for which a credit is claimed on Form 500CR must be added to line 17b.

Note: Certain high-income taxpayers are required to reduce their federal itemized deductions. If you had to reduce your total federal itemized deductions, use the Itemized Deduction Worksheet (14A) to calculate the amount of state and local income taxes to enter on line 17b of Form 502.

You are not required to itemize deductions on your Maryland return because you have itemized deductions on your federal return. Figure your tax each way to determine which method is best for you.

If your unreimbursed business expenses include depreciation to which an adjustment is required for Maryland purposes, complete Form 500DM to calculate the addition modification "l" or subtraction modification "bb."

15 FIGURE YOUR MARYLAND ADJUSTED GROSS INCOME.

Complete lines 1–16 on Form 502. Line 16 is your Maryland adjusted gross income.

TWO-INCOME MARRIED COUPLE SUBTRACTION WORKSHEET (13D)

	(a) you	(b) your spouse
1. ENTER the portion of federal adjusted gross income from line 1 of Form 502 attributable to each spouse.		
2. ENTER the portion of additions to income from line 6 of Form 502 attributable to each spouse.		
3. ADD lines 1 and 2.		
4. ENTER the portion of subtractions from income from lines 8-13 of Form 502 attributable to each spouse.		
5. SUBTRACT line 4 from line 3.		
6. COMPARE the amounts on lines 5 (a) and (b) and enter the smaller amount here but not less than zero.		
7. ENTER $1,200 or the amount on line 6, whichever is less. ENTER this amount on line 14 of Form 502.		

ITEMIZED DEDUCTION WORKSHEET (14A)

(To be used only by high-income taxpayers who were required to reduce their federal itemized deductions).

1. ENTER the amount from line 29 of federal Schedule A . . . . . 1. $ _____
2. ENTER the total of the amounts from Schedule A, lines 4, 14, and 20, plus any gambling and casualty or theft losses included in line 28 . . . . . 2. $ _____
3. Federal itemized deductions that were limited (SUBTRACT line 2 from line 1.) . . . . . 3. $ _____
4. Federal itemized deductions subject to limitation (ENTER the total of lines 9, 10, 11, 12, 13, 19, 27, and 28, less any gambling and casualty or theft losses included in line 28 of federal Schedule A.) . . . . . 4. $ _____
5. DIVIDE line 3 by line 4 . . . . . 5. _____ %
6. ENTER the amount of state and local income taxes from line 5 of federal Schedule A . . . . . 6. $ _____
7. MULTIPLY line 5 by line 6. Enter here and on Form 502, line 17b . . . . . 7. $ _____

Part-Year Residents see Instruction 26.

STANDARD DEDUCTION WORKSHEET (16A)

If your filing status is:

Single, Married filing separately or Dependent taxpayer	**Married filing jointly, Head of household or Qualifying widow(er)**
Worksheet 1	**Worksheet 2**
Enter your income from line 16 of Form 502 . . . . . $_____	Enter your income from line 16 of Form 502 . . . . . $_____
If your income is: — **Your standard deduction is:**	If your income is: — **Your standard deduction is:**
$10,000 or less . . . . . $ **1,500**	$20,000 or less . . . . . $ **3,000**
or	**or**
If your income is between $10,000 - $13,333	If your income is between $20,000 - $26,667
Enter your income from above: . . . . . $ _____	Enter your income from above: . . . . . $ _____
Multiply by 15 percent (.15) . . . . . X **.15**	Multiply by 15 percent (.15) . . . . . X **.15**
This is your standard deduction . . . . . $ _____	This is your standard deduction . . . . . $ _____
or	**or**
If your income is: — **Your standard deduction is:**	If your income is: — **Your standard deduction is:**
$13,333 or over. . . . . $ **2,000**	$26,667 or over. . . . . $ **4,000**
Enter your standard deduction on line 17 of Form 502.	**Enter your standard deduction on line 17 of Form 502.**

16 FIGURE YOUR MARYLAND TAXABLE NET INCOME.

To find your taxable income you must subtract either the standard deduction from the worksheet or the itemized deductions you have entered on line 17 of Form 502. The ITEMIZED DEDUCTION METHOD will lower your taxes if you have enough deductions. If you are not certain about which method to use, figure your tax both ways to determine which method is best for you. Check the box on line 17 of Form 502 to show which method you will use.

STANDARD DEDUCTION METHOD

(Check the box on line 17 of Form 502)

The STANDARD DEDUCTION METHOD gives you a standard deduction of 15% of Maryland adjusted gross income (line 16) with minimums of $1,500 and $3,000 and maximums of $2,000 and $4,000, depending on your filing status. Use STANDARD DEDUCTION WORKSHEET (16A) for your filing status to figure your standard deduction. Write the result on line 17 of Form 502. Then follow the instructions for EXEMPTIONS.

ITEMIZED DEDUCTION METHOD

(Check the box on line 17 of Form 502)

You may itemize your deductions only if you itemized deductions on your federal return. See Instruction 14 for completing lines 17a and b of Form 502. Enter the result on line 17b. You are not required to itemize deductions on your Maryland return simply

because you itemized on your federal return. Figure your tax each way to determine which method is best for you.

EXEMPTIONS

After completing the EXEMPTIONS area on your return, enter the total exemption amount on line 19 of Form 502.

PART-YEAR RESIDENTS AND NONRESIDENT MILITARY TAXPAYERS

You must adjust your standard or itemized deductions and exemptions. If you are a part-year resident, see Instruction 26. If you are a nonresident military member filing a joint return with your civilian spouse, see Administrative Release 1.

17 FIGURE YOUR MARYLAND TAX.

You must use the tax tables if your taxable income is less than $100,000.

The 2014 Maryland tax rate schedules are shown so you can see the tax rate that applies to all levels of income; however, do not use them to figure your tax. Instead, use the tax tables if your income is under $100,000; otherwise, use the appropriate row in the MARYLAND TAX COMPUTATION WORKSHEET SCHEDULES (17A) at the end of the tax tables to figure your tax. The tax tables and the MARYLAND TAX COMPUTATION WORKSHEET SCHEDULES I AND II have been based on these tax rate schedules.

Find the income range in the tax table that applies to the amount on line 21 of Form 502. Find the Maryland tax corresponding to your income range. Enter the tax amount on line 22 of Form 502. If your taxable income is $100,000 or more, use the MARYLAND TAX COMPUTATION WORKSHEET (17A) at the end of the tax table.

MARYLAND TAX COMPUTATION WORKSHEET SCHEDULES

Tax Rate Schedule I

For taxpayers filing as Single, Married Filing Separately, or as Dependent Taxpayers. This rate is also used for taxpayers filing as Fiduciaries.

If taxable net income is: At least:	but not over:	**Maryland Tax is:**			
$0	$1,000			2.00%	of taxable net income
$1,000	$2,000	$20.00	plus	3.00%	of excess over $1,000
$2,000	$3,000	$50.00	plus	4.00%	of excess over $2,000
$3,000	$100,000	$90.00	plus	4.75%	of excess over $3,000
$100,000	$125,000	$4,697.50	plus	5.00%	of excess over $100,000
$125,000	$150,000	$5,947.50	plus	5.25%	of excess over $125,000
$150,000	$250,000	$7,260.00	plus	5.50%	of excess over $150,000
$250,000		$12,760.00	plus	5.75%	of excess over $250,000

Tax Rate Schedule II

For taxpayers filing Joint, Head of Household, or for Qualifying Widows/Widowers.

If taxable net income is: At least:	but not over:	**Maryland Tax is:**			
$0	$1,000			2.00%	of taxable net income
$1,000	$2,000	$20.00	plus	3.00%	of excess over $1,000
$2,000	$3,000	$50.00	plus	4.00%	of excess over $2,000
$3,000	$150,000	$90.00	plus	4.75%	of excess over $3,000
$150,000	$175,000	$7,072.50	plus	5.00%	of excess over $150,000
$175,000	$225,000	$8,322.50	plus	5.25%	of excess over $175,000
$225,000	$300,000	$10,947.50	plus	5.50%	of excess over $225,000
$300,000		$15,072.50	plus	5.75%	of excess over $300,000

18 EARNED INCOME CREDIT, POVERTY LEVEL CREDIT, CREDITS FOR INDIVIDUALS AND BUSINESS TAX CREDITS.

If you claim earned income credit or poverty level credit, see Instruction 19 for your local credit calculation.

Form 500CR Instructions are available online at **www.marylandtaxes.com.** You must file Form 500CR electronically to claim a business income tax credit.

Line 23 of Form 502.

EARNED INCOME CREDIT.

If you claimed an earned income credit on your federal return, then you may claim one-half (50%) of the federal credit on your Maryland return. If you are a part-year resident or a member of the military, see Instruction 26(o) before completing this worksheet. If you filed a joint federal return but a separate Maryland return, you may claim a combined total of up to one-half the federal credit. Complete the STATE EARNED INCOME CREDIT WORKSHEET (18A) to calculate the amount to enter on line 23 of Form 502.

STATE EARNED INCOME CREDIT WORKSHEET (18A)

(Part-year residents see Instruction 26(o).)

1. Maryland tax (from line 22 of Form 502) . . . . 1. _____
2. Federal earned income credit _____ x 50% (.50). Enter this amount here and on line 23 of Form 502 . . . . . 2. _____
3. Subtract line 2 from line 1. If less than zero (0), enter zero (0). . . . . 3. _____

If line 3 is greater than zero (0), you may qualify for the Poverty Level Credit. See instructions below.

If line 3 is zero (0), you may qualify for the Refundable Earned Income Credit. See Instruction 21.

Line 24 of Form 502. STATE POVERTY LEVEL CREDIT. If your earned income and federal adjusted gross income plus additions are below the poverty level income for the number of exemptions on your federal tax return, you may be eligible for the poverty level credit. You are not eligible for this credit if you checked filing status 6 (dependent taxpayer) on your Maryland income tax return.

Generally, if your Maryland state tax exceeds 50% of your federal earned income credit and your earned income and federal adjusted gross income are below the poverty income guidelines from the STATE POVERTY LEVEL CREDIT WORKSHEET (18B), you may claim a credit of 5% of your earned income.

Complete the STATE POVERTY LEVEL CREDIT WORKSHEET (18B) to calculate the amount to enter on line 24 of Form 502.

This is not a refundable credit.

STATE POVERTY LEVEL CREDIT WORKSHEET (18B)

If you checked filing status 6 on your Maryland return, you are not eligible for this credit.

1. Enter the amount from line 7 of Form 502. If you checked filing status 3 (married filing separately) and you filed a joint federal return enter your joint federal adjusted gross income plus any Maryland additions . . . . . 1. _____
2. Enter the total of your salary, wages, tips and other employee compensation and net profit from self-employment here, and on line 1b of Form 502, if line 1b is currently blank. (Do not include a farm or business loss.) Also include your distributive share of income from pass-through entities. . . . . 2. _____
3. Find the number of exemptions in the chart that is the same as the number of exemptions entered on your federal tax return. Enter the income level that corresponds to the exemption number . . . . . 3. _____
4. Enter the amount from line 1 or 2, whichever is larger. Compare lines 3 and 4. If line 4 is greater than or equal to line 3, STOP HERE. You do not qualify for this credit. If line 3 is greater than line 4, continue to line 5. . . . . 4. _____
5. Multiply line 2 by 5% (.05). This is your State Poverty Level Credit. Enter that amount here and on line 24 of Form 502. (Part-year residents or members of the military, see Instruction 26(o)) . . . . . 5. _____

POVERTY INCOME GUIDELINES

NUMBER OF EXEMPTIONS ON FEDERAL RETURN	INCOME LEVEL
1	$11,670
2	$15,730
3	$19,790
4	$23,850
5	$27,910
6	$31,970
7	$36,030
8	$40,090

If you have more than 8 exemptions, add $4,060 to the last income level for each additional exemption.

Line 25 of Form 502. OTHER INCOME TAX CREDITS FOR INDIVIDUALS. Enter the total of your income tax credits as listed below. Complete and attach Form 502CR with Form 502.

a. **CREDITS FOR INCOME TAXES PAID TO OTHER STATES.** If you have income subject to tax in both Maryland and another state, you may be eligible for a tax credit. **Note**: You must attach a copy of Form 502CR and also a copy of the tax return filed in the other state. If these are not attached, no credit will be allowed.

b. **CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES.** If you were eligible for a Child and Dependent Care Credit on your federal income tax return and your income is below certain thresholds, you are entitled to a tax credit equal to a percentage of the federal credit.

c. **QUALITY TEACHER INCENTIVE CREDIT.** If you are a qualified teacher who paid tuition to take graduate level courses required to maintain certification, you may be eligible for a tax credit.

d. **CREDIT FOR AQUACULTURE OYSTER FLOATS.** If you purchased a new aquaculture oyster float during the tax year, you may be entitled to a credit of up to $500 for the cost of the float.

e. **LONG-TERM CARE INSURANCE CREDIT.** If you paid a premium for a long-term care insurance policy for yourself or certain Maryland resident family members, you may be eligible for a tax credit.

f. **CREDIT FOR PRESERVATION AND CONSERVATION EASEMENTS.** If you donated an easement to the Maryland Environmental Trust or the Maryland Agricultural Land Preservation Foundation to preserve open space, natural resources, agriculture, forest land, watersheds, significant ecosystems, view sheds or historic properties, you may be eligible for a credit.

g. **HEALTH ENTERPRISE ZONE PRACTITIONER TAX CREDIT.** If you are a qualified "Health Enterprise Zone (HEZ) Practitioner," you may be able to claim a credit against your state tax liability for income that you earned for practicing health care in an HEZ.

Line 26 of Form 502. BUSINESS TAX CREDITS. You must file your Form 502 electronically to claim the following nonrefundable business tax credits from Form 500CR.

a. **ENTERPRISE ZONE TAX CREDIT.** Businesses located in an enterprise zone may be eligible for tax credits based upon wages paid to qualifying employees.

b. **MARYLAND DISABILITY EMPLOYMENT TAX CREDIT**. Businesses employing persons with disabilities as certified by the State Department of Education or veterans with disabilities as certified by the Department of Labor, Licensing and Regulation may be eligible for tax credits based upon wages paid to and child care and transportation expenses paid on behalf of those employees.

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

d. **COMMUNITY INVESTMENT TAX CREDIT.** Businesses that contribute 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. Individuals who make a nonbusiness contribution may also be eligible for this tax credit.

e. **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.

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

g. **SECURITY CLEARANCE COSTS TAX CREDIT.** Businesses that incur costs certified by the Department of Business and Economic Development 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.

h. **FIRST YEAR LEASING COSTS TAX CREDIT FOR A QUALIFIED SMALL BUSINESS.** Certain small businesses performing security-based contracting that 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 Department of Business and Economic Development.

i. **RESEARCH AND DEVELOPMENT TAX CREDIT.** Businesses may claim a credit for certain qualified research and development expenses.

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

k. **MARYLAND-MINED COAL TAX CREDIT.** A qualifying cogenerator, small power producer or electricity supplier may claim a credit for the purchase of Maryland-mined coal.

l. **ONE MARYLAND ECONOMIC DEVELOPMENT TAX CREDIT.** Businesses may claim a credit against the project cost and start-up cost to establish, relocate or expand a business in a distressed county in Maryland.

m. **OYSTER SHELL RECYCLING TAX CREDIT.** An individual or business may claim a credit in an amount of $1 for each bushel of oyster shells recycled during the taxable year with a maximum credit of $750.

n. **BIO-HEATING OIL TAX CREDIT.** Businesses and individuals may claim a credit of 3 cents for each gallon of bio-heating oil purchased for space or water heating with a maximum credit of $500.

o. **CELLULOSIC ETHANOL TECHNOLOGY RESEARCH AND DEVELOPMENT TAX CREDIT.** Businesses and individuals may claim a credit of up to 10% of the qualified research and development expenses incurred in Maryland for technology that is used to develop cellulosic biomass for conversion to ethanol fuel.

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

q. **ELECTRIC VEHICLE RECHARGING EQUIPMENT TAX CREDIT.** An individual or a corporation may be certified to claim a credit for certain amount of cost for qualified electric vehicle recharging equipment that is placed into service before July 1, 2014.

r. **QUALIFIED VEHICLE TAX CREDIT (Tractor-Trailer Vehicle Registration Tax Credit).** A credit may be claimed for the expense of registering a qualified

NEW

Class F (Tractor) vehicle that is titled and registered in Maryland.

For additional information regarding any of the above income tax credits, see the Business Tax Credits Form 500CR Instructions available at **www.marylandtaxes.com**.

NOTE: If you claim a business tax credit for items a, b, g, i, or o, an addition to income must be included on line 5. See Instruction 12.

19 LOCAL INCOME TAX AND LOCAL CREDITS.

Maryland counties and Baltimore City levy an income tax which is a percentage of Maryland taxable net income. Use the LOCAL TAX RATE CHART and the LOCAL TAX WORKSHEET (19A) to figure your local income tax. Use the county (or Baltimore City) you resided in on the last day of the tax year and which you showed in the box at the top of Form 502. Military taxpayers should refer to Instruction 29.

2014 LOCAL TAX RATE CHART

Subdivision	Rate
Baltimore City	.0320
Allegany County	.0305
Anne Arundel County	.0256
Baltimore County	.0283
Calvert County	.0280
Caroline County	.0273
Carroll County	.0304
Cecil County	.0280
Charles County	.0303
Dorchester County	.0262
Frederick County	.0296
Garrett County	.0265
Harford County	.0306
Howard County	.0320
Kent County	.0285
Montgomery County	.0320
Prince George's County	.0320
Queen Anne's County	.0320
St. Mary's County	.0300
Somerset County	.0315
Talbot County	.0240
Washington County	.0280
Wicomico County	.0320
Worcester County	.0125

LOCAL TAX WORKSHEET (19A)

Multiply the taxable net income by your local tax rate from the LOCAL TAX RATE CHART for the county in which you were a resident on the last day of the tax year. Enter the result on line 29 of Form 502. This is your local income tax.

1. TAXABLE net income from line 21 of Form 502. . . . . 1. $ _____
2. LOCAL tax rate from chart above. The first digit has been entered for you. . . . . .2. .0 __ __ __
3. LOCAL income tax (Multiply line 1 by line 2.) Enter this amount on line 29 of Form 502 rounded to the nearest cent or whole dollar. . . . . 3. $ _____

Local earned income credit.

If you entered an earned income credit on line 23 of Form 502, complete the LOCAL EARNED INCOME CREDIT WORKSHEET (19B).

LOCAL EARNED INCOME CREDIT WORKSHEET (19B)

(Part-year residents see Instruction 26(o).)

1. Enter federal earned income credit from your federal return . . . . . 1._____
2. Enter your local tax rate from line 2 of the Local Tax Worksheet . . . . . 2. .0 __ __ __
3. Multiply line 2 by 10 and enter on line 4. . . 3.

   Example: .0256
   x 10
   .256

4. Local earned income credit rate . . . . . 4. .___ ___ ___
5. Multiply line 1 by line 4. Enter here and on line 30 of Form 502 . . . . . 5. _____

Note: In lieu of multiplying by 10, you may simply move the decimal point one place to the right and enter on line 4.

Local poverty level credit. If you entered a poverty level credit on line 24 of Form 502, complete the LOCAL POVERTY LEVEL CREDIT WORKSHEET (19C).

SPECIAL NOTE: If you and your spouse were domiciled in different taxing jurisdictions, you should file separate Maryland returns even though you filed a joint federal return. (See Instruction 7.) However, if you choose to file a joint Maryland return, please use the following instructions. Enter both counties and/or local jurisdictions in the county, city, town or special taxing area box of your return. If the local tax rates are the same, complete the worksheets as instructed and attach a schedule showing the local tax for each jurisdiction based on the ratio of each spouse's income to the total income. Also note the words "separate jurisdictions" on line 29 of Form 502. If the local tax rates are different, calculate a ratio of each spouse's income to total income. Then apply this ratio to the taxable net income and calculate the local tax for each spouse separately using the appropriate local tax rates. Enter the combined local tax on line 29 of Form 502 and write the words "separate jurisdictions" on that line. Attach a schedule showing your calculations.

LOCAL POVERTY LEVEL CREDIT WORKSHEET (19C)

(Part-year residents see Instruction 26(o).)

Refer to the STATE POVERTY LEVEL CREDIT WORKSHEET (18A) in Instruction 18. If the amount on line 3 is greater than the amount on line 4, you are eligible to claim the local poverty level credit. Complete this worksheet to calculate the amount of your credit.

A. ENTER the amount from line 2 of the STATE POVERTY LEVEL CREDIT WORKSHEET (18B) . . . . . .A. _____
B. ENTER your local tax rate from line 2 of the LOCAL TAX WORKSHEET (19A) . . . . . .B. .0 __ __ __
C. MULTIPLY line A by line B. Enter the amount here and on line 31 of Form 502 . . .C. _____

20 TOTAL MARYLAND TAX, LOCAL TAX AND CONTRIBUTIONS.

Add your Maryland tax from line 28 of Form 502 and your local tax from line 33 of Form 502. Enter the result on line 34 of Form 502. Add to your tax any contribution amounts and enter the total on line 38 of Form 502.

CHESAPEAKE BAY AND ENDANGERED SPECIES FUND

You may contribute any amount you wish to this fund. The amount contributed will reduce your refund or increase your balance due.

DEVELOPMENTAL DISABILITIES SERVICES AND SUPPORT FUND

You may contribute any amount you wish to this fund. The amount contributed will reduce your refund or increase your balance due.

MARYLAND CANCER FUND

You may contribute any amount you wish to this fund. The

amount contributed will reduce your refund or increase your balance due.

IMPORTANT: If there are not sufficient credits or other payments to satisfy both your tax and the contribution you have designated, the contribution amount will be reduced. If you have entered amounts for contributions to multiple funds, any reduction will be applied proportionately.

21 TAXES PAID AND REFUNDABLE CREDITS.

Write your taxes paid and credits on lines 39-42 of Form 502.

Instructions for each line:

Line 39 of Form 502.

MARYLAND TAX WITHHELD. Write the total Maryland and local tax withheld as shown on the wage and tax statements (Forms W-2, W-2G or 1099) you have received. Add the amounts identified as Maryland and local tax withheld on each form and write the total on this line. Attach Forms W-2, W-2G and 1099 to your return **if Maryland tax is withheld**. **You will not get credit for your withholding if you do not attach Forms 1099, W-2 or W-2G, substantiating Maryland withholding.**

IMPORTANT: Your wage and tax statements contain many numbers. Be sure you add only the amounts identified as Maryland and local tax withheld.

Line 40. ESTIMATED TAX PAYMENTS. Enter on line 40 the total of:

a. Maryland estimated tax payments;

b. Amount of overpayment applied from 2013 return;

c. Payment made with a request for an automatic extension of time to file your 2014 return. (See the instructions on Form 502E); AND

d. Reported income tax withheld on your behalf as an estimated payment, if you participated in a nonresident real estate transaction as an individual. Enter code number **506** in one of the code number boxes to the right of the telephone number area. The tax will be identified as Maryland tax withheld on Form MW506NRS. Please attach a copy of your federal return and all relevant schedules that report the sale of the property.

NOTE: Estimated tax payments are required if you expect to receive any income (like pensions, business income, capital gains, lottery, etc.) from which no tax or not enough Maryland tax will be withheld. Read the instructions for Form 502D, Maryland Personal Declaration of Estimated Income Tax.

Line 41 of Form 502.

REFUNDABLE EARNED INCOME CREDIT.

If one-half of your federal earned income credit is greater than your Maryland tax, you may also be eligible for a refundable earned income credit. This credit is the amount by which 25% of your federal earned income credit exceeds your Maryland tax liability. Complete the REFUNDABLE EARNED INCOME CREDIT WORKSHEET (21A) and enter the result on this line.

REFUNDABLE EARNED INCOME CREDIT WORKSHEET (21A)

TO CLAIM CREDIT YOU MUST:

- have an entry on line 23 and line 30 of Form 502, and
- have entered zero on line 3 of the STATE EARNED INCOME CREDIT WORKSHEET (18A) in Instruction 18.

1. ENTER your federal earned income credit _____ x 25% (.25) (Part-year residents see Instruction 26(o)) . . . . . 1. _____
2. ENTER your Maryland tax from line 22 of Form 502 . . . . . 2. _____
3. SUBTRACT line 2 from line 1. If less than zero (0), enter zero (0). This is your refundable earned income credit. . . . . 3. _____

If line 3 is greater than zero (0), enter the amount on line 41 of Form 502.

Line 42. REFUNDABLE INCOME TAX CREDITS. Enter the total of your income tax credits as listed below:

1. **NEIGHBORHOOD STABILIZATION TAX CREDIT.** If you own and live in a home in Baltimore County you may qualify for this credit. See instructions for Form 502CR.
2. **SUSTAINABLE COMMUNITIES TAX CREDIT.** A credit is allowed for a certain percentage of qualified rehabilitation expenditures, as certified by the Maryland Historical Trust. Attach a copy of Form 502S and the certification.
3. **REFUNDABLE BUSINESS INCOME TAX CREDITS.** One Maryland Economic Development Tax Credit, Biotechnology Investment Incentive Tax Credit, Clean Energy Incentive Tax Credit, **Cybersecurity Investment Incentive Tax Credit**, Health Enterprise Zone Hiring Tax Credit, Film Production Activity Tax Credit, and Small Business Research and Development Tax Credit. See Form 500CR instructions at **www.marylandtaxes.com.**
4. **IRC SECTION 1341 REPAYMENT.** If you repaid an amount this year reported as income on a prior year federal tax return that was greater than $3,000, you may be eligible for an IRC Section 1341 repayment credit. For additional information, see Administrative Release 40.
5. **NONRESIDENT PTE TAX.** If you are the beneficiary of a trust for which nonresident PTE tax was paid, you may be entitled to a share of that tax. If you are a partner or a member of a pass-through entity for which nonresident PTE tax was paid, you may be entitled to a share of that tax.

Complete and attach Form 502CR with Form 502.

22 OVERPAYMENT OR BALANCE DUE.

Calculate the Balance Due (line 44 of Form 502) or Overpayment (line 45 of Form 502). Read instructions under underpayment OF ESTIMATED TAX and then go to BALANCE Due or Overpayment.

UNDERPAYMENT OF ESTIMATED TAX

If you had income from which tax was not withheld or did not have enough tax withheld during the year, you may have owed an estimated tax. All taxpayers should refer to Form 502UP to determine if they owe interest because they paid too little estimated tax during the year.

If you owe interest, complete Form 502UP and write the amount of interest (line 18 of Form 502UP) in the appropriate box on line 48 of Form 502. Attach Form 502UP.

Generally, you do not owe interest if:

a. you owe less than $500 tax on income that is not subject to Maryland withholding;

b. each current year payment, made quarterly as required, is equal to or more than one-fourth of 110% of last year's tax, that was developed; OR

c. you made quarterly payments during the year that equal 90% of this year's tax.

Special rules apply if your gross income from farming or fishing is at least two-thirds of your total estimated gross income. See Form 502UP for additional information and instructions for claiming this exemption from interest.

INTEREST FOR LATE FILING

Interest is due at the rate of 13% annually or 1.08% per month for any month or part of a month that a tax is paid after the original due date of the return. Enter any interest due in the appropriate box of your tax return.

Penalty up to 25% may be assessed by the Revenue Administration Division for failing to pay any tax, or failing to file a tax return, when due.

TOTAL INTEREST

Enter the total of interest for underpayment of estimated tax and interest for late filing on line 48 of Form 502.

BALANCE DUE

If you have a balance due, add this amount to any amount on line 48. Put the total on line 49.

Pay your balance due (unless it is less than $1.00). Go to Instructions 23 and 24 regarding signatures, attachments and mailing.

OVERPAYMENT

If you file Form 502 and have an overpayment on line 45, the Revenue Administration Division will refund any amount of $1.00 or more. If you want part or all of your overpayment applied to your 2015 estimated tax, then write the amount you want applied on line 46. Overpayments may first be applied to previous years' tax liabilities or other debts as required by federal or state law. If you must pay interest for underpayment of estimated tax, enter the amount of interest from line 18 of Form 502UP on line 48. Subtract lines 46 and 48 from your overpayment (line 45). This is the amount of your refund. Write this amount on line 47. No refunds of less than $1.00 will be sent. If the amount of interest charges from Form 502UP or line 48 is more than the overpayment or line 45 of Form 502, enter zero (0) on line 46 and 47. Then subtract line 48 from line 45 and enter the result on line 49. If you prefer, you may leave line 48 blank and the Revenue Administrative Division will figure the interest charges and send you a bill. Go to Instructions 23 and 24 regarding signatures, attachments and mailing.

The length of time you have for claiming a refund is limited. See Instruction 28 for more information.

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 that this is the case, do not enter your routing and account numbers, as the direct deposit option is not available to you. We will send you a paper check. Complete lines 50a, b and c of Form 502 if you want us to deposit your refund directly into your account at a bank or other financial institution (such as a mutual fund, brokerage firm or credit union) in the United States.

CAUTION

Check with your financial institution to make sure your direct deposit will be accepted and to get the correct routing and account numbers. **The State of Maryland is not responsible for a lost refund if you enter the wrong account information.**

Line 50a of Form 502.
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.

Line 50b of Form 502.
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 will be mailed.

If you are not sure of the correct routing number or if your check states that it is payable through a financial institution different from the one at which you have your checking account, contact your financial institution for the correct routing number.

Line 50c of Form 502.
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 to you. Please have a bank statement for the deposit account available if you contact us concerning the direct deposit of your refund.

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

SPLITTING YOUR DIRECT DEPOSIT

If you would like to deposit portions of your refund (Form 502, line 47) to multiple accounts, do not complete any direct deposit information on your income tax return. Instead, you must enter code number **588** in one of the code number boxes located to the right of the telephone number area on your return; complete, and attach Form 588. See our Web site at **www.marylandtaxes.com** to obtain a Form 588.

NOTE: You may not use Form 588 if you are filing Form 502INJ, Maryland Injured Spouse Claim Form, or if you plan to deposit your refund in a bank outside the United States.

23 TELEPHONE NUMBERS, CODE NUMBER, SIGNATURES AND ATTACHMENTS.

Enter your telephone numbers and sign and date your return. Be sure to attach all required forms, schedules and statements.

CODE NUMBER

If special circumstances apply, you may not owe interest for underpayment of estimated tax. Enter the applicable code number in one of the code number boxes located to the right of the telephone number area. Enter **code 300** if you are a farmer or fisherman, **301** if your income was received unevenly throughout the year, or **302** if 90% of your taxable income is taxable by another state and the underpayment is not greater than the local tax. Attach your completed Form 502UP if you have entered **code 301**.

TAX PREPARERS

If another person prepared your return, that person must also sign the return and enter their Preparer's Tax Identification Number (PTIN). The preparer declares, under the penalties of perjury, that the return is based on all information required to be reported of which the preparer has knowledge. Income tax preparers who, for compensation, completed 100 or more original Maryland individual income tax returns (paper and electronic forms) for Tax Year 2013 are required to file all original individual income tax returns electronically for Tax Year 2014, except when a taxpayer specifically requests a preparer to file by paper or when a preparer has received a valid written waiver from the Comptroller.

At the bottom of the return at the signature area, we have provided a check box for you to authorize your preparer to discuss your return with us. Another check box is provided for you to authorize your preparer not to file your return electronically.

Penalties may be imposed for tax preparers who fail to sign the tax return and provide their PTIN, or who failed to file electronically when required.

SIGNATURES

You must sign your return. Your signature(s) signifies that your return, including all attachments, is, to the best of your knowledge and belief, true, correct and complete, under penalties of perjury. Both spouses must sign a joint return. If your spouse cannot sign because of injury or disease and tells you to sign, you can sign your spouse's name in the proper space

on the return followed by the words "By (your name), spouse." Be sure to also sign in the space provided for your signature. If a power of attorney is necessary, complete federal Form 2848 and attach to your return.

ATTACHMENTS

Be sure to attach wage and tax statements (Form W-2, W-2G and 1099) to the front of your return **if Maryland tax was withheld**. Also attach all forms, K-1s, schedules and statements required by these instructions.

Place your check or money order on top of your wage and tax statements and fasten with one staple on the front of your tax return.

24 ELECTRONIC AND PC FILING, MAILING AND PAYMENT INSTRUCTIONS, DEADLINES AND EXTENSION.

ELECTRONICALLY FILING YOUR RETURN

The fastest way to file your return, and receive your refund is to file electronically and request direct deposit. If you request direct deposit on your electronic return, your refund should be in your bank account within 72 hours of acknowledgement from the Revenue Administration Division. **You may request electronic funds withdrawal (direct debit) payments on your electronic return.** If you both file and pay electronically, your return is due April 15th. **However, you will have until April 30th to make your electronic payment. Note: An online payment where the bank mails the Comptroller of Maryland a paper check is not considered an electronic payment.** You may file your return electronically through your personal computer. **Do not send a paper copy of the return you electronically filed.** For more information, please visit **www.marylandtaxes.com.**

ELECTRONIC PAYMENT OF BALANCE DUE

If your paper or electronic tax return has a balance due, you may pay electronically at **www.marylandtaxes.com** by selecting Bill Pay. The amount that you designate will be debited from your bank or financial institution on the date that you choose.

PAYMENT BY CHECK OR MONEY ORDER

Make your check or money order payable to "Comptroller of Maryland." Use blue or black ink. Do not use red ink or pencil. Write the type of tax and year of tax being paid on your check. It is recommended that you include your Social Security Number on the check. **DO NOT SEND CASH.**

ALTERNATIVE PAYMENT METHODS

For alternative methods of payment, such as a credit card, visit our website at **www.marylandtaxes.com.**

NOTE: Credit card payments are considered electronic payments for the purpose of the April 30th extended due date if you filed your return electronically by April 15th.

ELECTRONIC 1099G

At the bottom of the return in the signature area, we have provided a check-box just above the signature for you to indicate that you agree to receive your statement of refund (Form 1099G) electronically. An electronic Form 1099G may be downloaded and printed from our secure Web site at **www.marylandtaxes.com**. At this Web site, you may also request to receive Form 1099G in paper form.

MAILING YOUR RETURN

Mail returns to:

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

Sending your return by certified mail will not result in special handling and may delay your refund.

Private Delivery Services

If you wish to send your items by a private delivery service (such as FedEx or UPS) instead of the U.S. Postal Service, use the following address:

Private Delivery Service Address:

Comptroller of Maryland
Revenue Administration Division
80 Calvert Street
Annapolis, Maryland 21401

410-260-7980

DUE DATE

Returns must be mailed by April 15, 2015, for calendar year taxpayers. Persons filing on a fiscal year basis should see Instruction 25.

EXTENSION OF TIME TO FILE

Follow the instructions on Form 502E to request an automatic extension of the time to file your 2014 return. Filing this form extends the time to file your return, but does not extend the time to pay your taxes. Payment of the expected tax due is required with Form 502E by April 15, 2015. You can file and pay by credit card or electronic funds withdrawal (direct debit) on our Web site. If no tax is due and you requested a federal extension, you do not need to file Form 502E or take any other action to obtain an automatic **six-month extension**. If no tax is due and you did not request a federal extension, file your extension online at **www.marylandtaxes.com** or by phone at 410-260-7829. Only submit Form 502E if tax is due.

COMBAT ZONE EXTENSION

Maryland allows the same six-month extension for filing **and paying** personal income taxes for military and support personnel serving in a designated combat zone or qualified hazardous duty area and their spouses as allowed by the IRS. For more detailed information visit **www.irs.gov**. If you are affected by the extension enter **912** in one of the code number boxes to the right of the telephone number area.

25 FISCAL YEAR.

You must file your Maryland return using the same tax year and the same basis (cash or accrual) as you used on your federal return.

To file a fiscal year return, complete the fiscal year information at the top of Form 502, and print "FY" in bold letters in the upper left hand corner of the form. When ever the term "tax year" appears in these instructions, fiscal year taxpayers should understand the term to mean "fiscal year." Use the 2014 forms for fiscal years which begin during calendar year 2014.

Fiscal year returns are due on the 15th day of the 4th month following the close of the fiscal year.

26 SPECIAL INSTRUCTIONS FOR PART-YEAR RESIDENTS.

Your return must show all income reported on your federal return, regardless of when or where earned. However, you are permitted to subtract income received when not a resident of Maryland. The following instructions describe the adjustments which must be made for a part-year resident return and returns filed by certain military taxpayers (see Instruction 29) and married couples who file a joint return when one spouse is not a resident of Maryland.

a. You must file Form 502.

b. Whenever the term "tax year" is used in these instructions, it means that portion of the year in which you were a resident of Maryland. If you began residence in Maryland in 2014, the last day of the "tax year" was December 31, 2014. If you ended residence in Maryland in 2014, the last day of the "tax year" was the day before you established residence in another state.

c. Complete the name and address information at the top of Form 502.

d. Complete the county, city, town or taxing area information using Instruction 6. Use the county, city, town or taxing area of which you were a resident on the last day of your Maryland residence.

e. Complete the filing status area using the same filing status that you used on your federal return. Married couples who file joint federal returns may file separate Maryland returns under certain circumstances. See Instruction 7. If you are a dependent taxpayer, use filing status 6.

f. Complete the EXEMPTIONS area. You can claim the same **number** of exemptions that were claimed on your federal return. Additional exemptions are allowed for age and blindness for Maryland purposes which will be computed in this area.

g. Complete the Part-year/MILITARY area on the front of Form 502. Place a "P" in the box and show the dates of residence in Maryland. Certain military taxpayers following these instructions should place an "M" in the box and enter the non-Maryland military income. If you are both part-year and military, place a "P" and "M" in the box. Married taxpayers with different tax periods filing a joint Maryland return should enter a "D" in the box, follow the remainder of this instruction and write "different tax periods" in the dates of residence area. Married taxpayers who file a joint return when one spouse is not a resident of Maryland should place a "P" in the part year resident box and enter the name and the other state of residence of the nonresident spouse.

h. Enter on line 1 the adjusted gross income from your federal return for the entire year regardless of your length of residence.

i. Complete the ADDITIONS TO INCOME area using Instruction 12. If you had losses or adjustments to income on your federal return, write on line 5 those loss or adjustment items that were realized or paid when you **were not** a resident of Maryland.

j. Complete the SUBTRACTIONS FROM INCOME area using Instruction 13. **You may include only subtractions from income that apply to income subject to Maryland tax.** Include on line 12 any income received during the part of the year when you were **not** a resident of Maryland.

k. You must adjust your standard or itemized deductions and exemptions based on the percentage of your income subject to Maryland tax. Complete the MARYLAND INCOME FACTOR WORKSHEET (26A) to figure the percentage of Maryland income to total income.

l. If you itemize deductions, complete lines 17a and b. Prorate the itemized deductions using the following formula:

NET ITEMIZED DEDUCTIONS	**X**	MARYLAND INCOME FACTOR	**=**	MARYLAND ITEMIZED DEDUCTIONS

Enter the prorated amount on line 17 of Form 502 and check the ITEMIZED DEDUCTION METHOD box. Another method of allocating itemized deductions may be allowed. Please send your written request along with your completed Maryland return, a copy of your federal return including Schedule A and a copy of the other state's return. If the other state does not have an income tax, then submit a schedule showing the allocation of income and itemized deductions among the states. The Maryland return must be completed in accordance with the alternative method requested. This request should be sent to the Revenue Administration Division, Taxpayer Accounting Section (Special Allocations), P.O. Box 1829, Annapolis, MD 21404-1829.

m. If you are not itemizing deductions, you must use the standard deduction. The standard deduction must be prorated using the Maryland income factor. Calculate the standard deduction using a worksheet in Instruction 16. Prorate the standard deduction using the following formula:

STANDARD DEDUCTION	**X**	MARYLAND INCOME FACTOR	**=**	PRORATED STANDARD DEDUCTION

Enter the prorated amount on line 17 of Form 502 and check the Standard Deduction Method box.

n. The value of your exemptions (line 19) must be prorated using the Maryland income factor. Prorate the exemption amount using the following formula:

TOTAL EXEMPTION AMOUNT	**X**	MARYLAND INCOME FACTOR	**=**	PRORATED EXEMPTION AMOUNT

Enter the prorated exemption amount on line 19 of Form 502.

o. You must prorate your earned income, poverty level and refundable earned income credits using the Maryland income factor.

MARYLAND INCOME FACTOR Worksheet (26A)

1. Enter amount from line 16 of Form 502 . . . . $ _____
2. Enter amount from line 1 of Form 502 . . . . . $ _____
3. Divide line 1 above by line 2. Carry this amount to six decimal places.

   The factor cannot exceed 1 (100%) and cannot be less than zero (0%). If line 1 is 0 or less, the factor is 0.

   If line 1 is greater than 0 and line 2 is 0 or less, the factor is 1. . . . . _____

EARNED INCOME CREDIT

Multiply your federal earned income credit by the Maryland income factor from line 3 of the MARYLAND INCOME FACTOR WORKSHEET (26A). Enter the result as the federal earned income credit amount on line 2 of the STATE EARNED INCOME CREDIT WORKSHEET (18A) in Instruction 18 and on line 1 of the LOCAL EARNED INCOME CREDIT WORKSHEET (19B) in Instruction 19.

Multiply the amount from line 5 of the STATE POVERTY LEVEL CREDIT WORKSHEET (18B) in Instruction 18 by the Maryland income factor and enter this amount as the credit on line 24 of Form 502. Multiply the amount from line c of the LOCAL POVERTY LEVEL CREDIT WORKSHEET (19C) in Instruction 19 by the Maryland income factor and enter this amount as the credit on line 31 of Form 502.

REFUNDABLE EARNED INCOME CREDIT

Multiply your federal earned income credit by the Maryland income factor from line 3 of the MARYLAND INCOME FACTOR WORKSHEET (26A). Enter the result as the federal earned income credit amount on line 1 of the REFUNDABLE EARNED INCOME CREDIT WORKSHEET (21A) in Instruction 21.

p. Complete the remainder of the form using the line instructions.

27 FILING RETURN OF DECEASED TAXPAYER.

Enter code 321 in one of the code number boxes located to the right of the telephone number area. Use the following special instructions

FILING THE RETURN

If an individual required to file an income tax return dies, the final income tax return shall be filed:

a. By the personal representative of the individual's estate;

b. If there is no personal representative, by the decedent's surviving spouse; or,

c. Jointly by the personal representatives of each if both spouses are deceased.

JOINT RETURN

If the spouse of the deceased taxpayer filed a joint federal return

with the decedent, generally a joint Maryland return must be filed. (See Instruction 7.)

The word "DECEASED" and the date of death should be written after the decedent's name at the top of the form. The name and title of any person, other than the surviving spouse, filing the return should be clearly noted on the form. Attach a copy of the Letters of Administration or, if the return is filed solely by the surviving spouse, attach a death certificate.

ALL OTHER RETURNS

If the return is filed by the personal representative, write the words "Estate of" before the decedent's first name and the date of death after the last name. The name and title of the person filing the return should be clearly noted on the form. Attach a copy of the Letters of Administration.

If there is no personal representative, write the word "deceased" and the date of death after the decedent's last name. The name and title of the person filing the return should be clearly noted on the form. Attach a copy of federal Form 1310.

KILLED IN ACTION

Maryland will abate the tax liability for an individual who is a member of the U.S. Armed Forces at death, and dies while in active service in a combat zone or at any place from wounds, disease, or injury incurred while in active service in a combat zone. To obtain an abatement, a return must be filed. The abatement will apply to the tax year in which death occurred, and any earlier tax year ending on or after the first day the member served in a combat zone in active service.

Maryland will also abate the tax liability of an individual who dies while a military or civilian employee of the United States, if such death occurs as a result of wounds or injury incurred outside the United States in a terrorist or military action. In the case of a joint return, Maryland applies the same rules for these taxpayers as does the IRS. For more information on filing a return, see Publication 3 Armed Forces Tax Guide available at **www.irs.gov**. Place code number **915** in one of the boxes marked "code numbers" to the right of the telephone number area, if you are filing a return for a taxpayer who was killed in action meeting the above criteria.

28 AMENDED RETURNS.

If you need to change a return that you have already filed, or if the IRS changes your return, you must file an amended return.

FILING AN AMENDED RETURN

You must file an amended return to make certain changes to your original return. These include changes in income, filing status, amount of deductions, the number of exemptions, and the amount of additions to income and subtractions from income.

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

Use Form 502X to file an amended return and include a copy of your federal return. Form 502X and instructions may be obtained by visiting **www.marylandtaxes.com** or by calling 410-260-7951.

CHANGES TO YOUR FEDERAL RETURN

If the IRS makes any changes to your federal return, you must notify the State of Maryland. Send notification to the Maryland Revenue Administration Division within 90 days of the final determination of the changes by the IRS. If you file an amended federal return that changes your Maryland return, you must file an amended Maryland return.

IF YOUR ORIGINAL RETURN SHOWED A REFUND

If you expect a refund from your original return, do not file an amended return until you have received your refund check. Then cash the check; do not return it. If your amended return shows a smaller refund, send a check for the difference with the amended return. If your amended return shows a larger refund, the Revenue Administration Division will issue an additional refund check.

ADDITIONAL INFORMATION

Do not file an amended return until sufficient time has passed to allow the original return to be processed. For current year returns, allow at least six weeks.

Generally, a claim for a refund or overpayment credit must be filed within three years from the date the original return was filed or within two 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 a claim is filed within three years after the date the return was filed, the credit or refund may not be more than that part of the tax paid within three years, plus extension of time for filing the return, prior to the filing of the claim. If a claim is filed after the three year period, but within two years from the time the tax was paid, the refund or credit may not be more than the tax paid within two years immediately before filing the claim for a refund or credit.

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

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

If the claim for refund resulted from a notification received from another state for income taxes due which is more than three years from the date of filing the Maryland return or more than two years from the time the tax was paid, a claim for refund resulting from a credit for taxes paid to that state must be filed within one year of the date of the notification that the other state's tax was due.

If the claim for refund or credit for overpayment resulted from a final determination made by an administrative board or an appeal of a decision of an administrative board, that is more than three years from the date of filing the return or more than two years from the time the tax was paid, the claim for refund must be filed within one year of the date of the final decision of the administrative board or final decision of the highest court to which an appeal of the administrative board is taken.

No refund for less than $1.00 will be issued. No payment of less than $1.00 is required.

29 SPECIAL INSTRUCTIONS FOR MILITARY TAXPAYERS.

See Administrative Release 1.

MILITARY PERSONNEL WHO ARE LEGAL RESIDENTS OF MARYLAND

1. Without overseas pay:

   Must file a resident return (Form 502) and report all income from all sources, wherever earned. You must calculate the local portion of the tax regardless of whether you were stationed in Maryland or not. The location of your legal residence determines which county should be entered on your return. See Instructions 6 and 19. If you filed a joint federal return, see Instruction 7.

2. With overseas pay:

   Same as above, may subtract up to $15,000 in military pay earned outside U.S. boundaries or possessions, depending upon total military income. If you filed a joint federal return, see Instruction 7.

MILITARY PERSONNEL WHO ARE LEGAL RESIDENTS OF ANOTHER STATE

Military personnel and their spouses who are legal residents of another state should see the MARYLAND NONRESIDENT INSTRUCTIONS and Administrative Release 1.

2014 MARYLAND TAX TABLE

INSTRUCTIONS:

1. Find the income range that applies to the taxable net income you reported on line 21 of your Form 502.
2. Find the Maryland tax corresponding to your income range.
3. Enter the tax amount on line 22 of Form 502.
4. This table does not include the local income tax.
5. If your taxable income is $100,000 or more, use the Maryland Tax Computation Worksheet Schedules (17A) at the end of the tax table.

If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .
$ 0	$ 50	$ 0	**3,000**			**6,000**			**9,000**			**12,000**		
50	75	1	3,000	3,050	91	6,000	6,050	234	9,000	9,050	376	12,000	12,050	519
75	100	2	3,050	3,100	94	6,050	6,100	236	9,050	9,100	379	12,050	12,100	521
100	150	3	3,100	3,150	96	6,100	6,150	238	9,100	9,150	381	12,100	12,150	523
150	200	4	3,150	3,200	98	6,150	6,200	241	9,150	9,200	383	12,150	12,200	526
200	250	5	3,200	3,250	101	6,200	6,250	243	9,200	9,250	386	12,200	12,250	528
250	300	6	3,250	3,300	103	6,250	6,300	246	9,250	9,300	388	12,250	12,300	531
300	350	7	3,300	3,350	105	6,300	6,350	248	9,300	9,350	390	12,300	12,350	533
350	400	8	3,350	3,400	108	6,350	6,400	250	9,350	9,400	393	12,350	12,400	535
400	450	9	3,400	3,450	110	6,400	6,450	253	9,400	9,450	395	12,400	12,450	538
450	500	10	3,450	3,500	113	6,450	6,500	255	9,450	9,500	398	12,450	12,500	540
500	550	11	3,500	3,550	115	6,500	6,550	257	9,500	9,550	400	12,500	12,550	542
550	600	12	3,550	3,600	117	6,550	6,600	260	9,550	9,600	402	12,550	12,600	545
600	650	13	3,600	3,650	120	6,600	6,650	262	9,600	9,650	405	12,600	12,650	547
650	700	14	3,650	3,700	122	6,650	6,700	265	9,650	9,700	407	12,650	12,700	550
700	750	15	3,700	3,750	124	6,700	6,750	267	9,700	9,750	409	12,700	12,750	552
750	800	16	3,750	3,800	127	6,750	6,800	269	9,750	9,800	412	12,750	12,800	554
800	850	17	3,800	3,850	129	6,800	6,850	272	9,800	9,850	414	12,800	12,850	557
850	900	18	3,850	3,900	132	6,850	6,900	274	9,850	9,900	417	12,850	12,900	559
900	950	19	3,900	3,950	134	6,900	6,950	276	9,900	9,950	419	12,900	12,950	561
950	1,000	20	3,950	4,000	136	6,950	7,000	279	9,950	10,000	421	12,950	13,000	564
1,000			**4,000**			**7,000**			**10,000**			**13,000**		
1,000	1,050	21	4,000	4,050	139	7,000	7,050	281	10,000	10,050	424	13,000	13,050	566
1,050	1,100	22	4,050	4,100	141	7,050	7,100	284	10,050	10,100	426	13,050	13,100	569
1,100	1,150	24	4,100	4,150	143	7,100	7,150	286	10,100	10,150	428	13,100	13,150	571
1,150	1,200	25	4,150	4,200	146	7,150	7,200	288	10,150	10,200	431	13,150	13,200	573
1,200	1,250	27	4,200	4,250	148	7,200	7,250	291	10,200	10,250	433	13,200	13,250	576
1,250	1,300	28	4,250	4,300	151	7,250	7,300	293	10,250	10,300	436	13,250	13,300	578
1,300	1,350	30	4,300	4,350	153	7,300	7,350	295	10,300	10,350	438	13,300	13,350	580
1,350	1,400	31	4,350	4,400	155	7,350	7,400	298	10,350	10,400	440	13,350	13,400	583
1,400	1,450	33	4,400	4,450	158	7,400	7,450	300	10,400	10,450	443	13,400	13,450	585
1,450	1,500	34	4,450	4,500	160	7,450	7,500	303	10,450	10,500	445	13,450	13,500	588
1,500	1,550	36	4,500	4,550	162	7,500	7,550	305	10,500	10,550	447	13,500	13,550	590
1,550	1,600	37	4,550	4,600	165	7,550	7,600	307	10,550	10,600	450	13,550	13,600	592
1,600	1,650	39	4,600	4,650	167	7,600	7,650	310	10,600	10,650	452	13,600	13,650	595
1,650	1,700	40	4,650	4,700	170	7,650	7,700	312	10,650	10,700	455	13,650	13,700	597
1,700	1,750	42	4,700	4,750	172	7,700	7,750	314	10,700	10,750	457	13,700	13,750	599
1,750	1,800	43	4,750	4,800	174	7,750	7,800	317	10,750	10,800	459	13,750	13,800	602
1,800	1,850	45	4,800	4,850	177	7,800	7,850	319	10,800	10,850	462	13,800	13,850	604
1,850	1,900	46	4,850	4,900	179	7,850	7,900	322	10,850	10,900	464	13,850	13,900	607
1,900	1,950	48	4,900	4,950	181	7,900	7,950	324	10,900	10,950	466	13,900	13,950	609
1,950	2,000	49	4,950	5,000	184	7,950	8,000	326	10,950	11,000	469	13,950	14,000	611
2,000			**5,000**			**8,000**			**11,000**			**14,000**		
2,000	2,050	51	5,000	5,050	186	8,000	8,050	329	11,000	11,050	471	14,000	14,050	614
2,050	2,100	53	5,050	5,100	189	8,050	8,100	331	11,050	11,100	474	14,050	14,100	616
2,100	2,150	55	5,100	5,150	191	8,100	8,150	333	11,100	11,150	476	14,100	14,150	618
2,150	2,200	57	5,150	5,200	193	8,150	8,200	336	11,150	11,200	478	14,150	14,200	621
2,200	2,250	59	5,200	5,250	196	8,200	8,250	338	11,200	11,250	481	14,200	14,250	623
2,250	2,300	61	5,250	5,300	198	8,250	8,300	341	11,250	11,300	483	14,250	14,300	626
2,300	2,350	63	5,300	5,350	200	8,300	8,350	343	11,300	11,350	485	14,300	14,350	628
2,350	2,400	65	5,350	5,400	203	8,350	8,400	345	11,350	11,400	488	14,350	14,400	630
2,400	2,450	67	5,400	5,450	205	8,400	8,450	348	11,400	11,450	490	14,400	14,450	633
2,450	2,500	69	5,450	5,500	208	8,450	8,500	350	11,450	11,500	493	14,450	14,500	635
2,500	2,550	71	5,500	5,550	210	8,500	8,550	352	11,500	11,550	495	14,500	14,550	637
2,550	2,600	73	5,550	5,600	212	8,550	8,600	355	11,550	11,600	497	14,550	14,600	640
2,600	2,650	75	5,600	5,650	215	8,600	8,650	357	11,600	11,650	500	14,600	14,650	642
2,650	2,700	77	5,650	5,700	217	8,650	8,700	360	11,650	11,700	502	14,650	14,700	645
2,700	2,750	79	5,700	5,750	219	8,700	8,750	362	11,700	11,750	504	14,700	14,750	647
2,750	2,800	81	5,750	5,800	222	8,750	8,800	364	11,750	11,800	507	14,750	14,800	649
2,800	2,850	83	5,800	5,850	224	8,800	8,850	367	11,800	11,850	509	14,800	14,850	652
2,850	2,900	85	5,850	5,900	227	8,850	8,900	369	11,850	11,900	512	14,850	14,900	654
2,900	2,950	87	5,900	5,950	229	8,900	8,950	371	11,900	11,950	514	14,900	14,950	656
2,950	3,000	89	5,950	6,000	231	8,950	9,000	374	11,950	12,000	516	14,950	15,000	659

2014 MARYLAND TAX TABLE

If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .
15,000			**18,000**			**21,000**			**24,000**			**27,000**		
15,000	15,050	661	18,000	18,050	804	21,000	21,050	946	24,000	24,050	1,089	27,000	27,050	1,231
15,050	15,100	664	18,050	18,100	806	21,050	21,100	949	24,050	24,100	1,091	27,050	27,100	1,234
15,100	15,150	666	18,100	18,150	808	21,100	21,150	951	24,100	24,150	1,093	27,100	27,150	1,236
15,150	15,200	668	18,150	18,200	811	21,150	21,200	953	24,150	24,200	1,096	27,150	27,200	1,238
15,200	15,250	671	18,200	18,250	813	21,200	21,250	956	24,200	24,250	1,098	27,200	27,250	1,241
15,250	15,300	673	18,250	18,300	816	21,250	21,300	958	24,250	24,300	1,101	27,250	27,300	1,243
15,300	15,350	675	18,300	18,350	818	21,300	21,350	960	24,300	24,350	1,103	27,300	27,350	1,245
15,350	15,400	678	18,350	18,400	820	21,350	21,400	963	24,350	24,400	1,105	27,350	27,400	1,248
15,400	15,450	680	18,400	18,450	823	21,400	21,450	965	24,400	24,450	1,108	27,400	27,450	1,250
15,450	15,500	683	18,450	18,500	825	21,450	21,500	968	24,450	24,500	1,110	27,450	27,500	1,253
15,500	15,550	685	18,500	18,550	827	21,500	21,550	970	24,500	24,550	1,112	27,500	27,550	1,255
15,550	15,600	687	18,550	18,600	830	21,550	21,600	972	24,550	24,600	1,115	27,550	27,600	1,257
15,600	15,650	690	18,600	18,650	832	21,600	21,650	975	24,600	24,650	1,117	27,600	27,650	1,260
15,650	15,700	692	18,650	18,700	835	21,650	21,700	977	24,650	24,700	1,120	27,650	27,700	1,262
15,700	15,750	694	18,700	18,750	837	21,700	21,750	979	24,700	24,750	1,122	27,700	27,750	1,264
15,750	15,800	697	18,750	18,800	839	21,750	21,800	982	24,750	24,800	1,124	27,750	27,800	1,267
15,800	15,850	699	18,800	18,850	842	21,800	21,850	984	24,800	24,850	1,127	27,800	27,850	1,269
15,850	15,900	702	18,850	18,900	844	21,850	21,900	987	24,850	24,900	1,129	27,850	27,900	1,272
15,900	15,950	704	18,900	18,950	846	21,900	21,950	989	24,900	24,950	1,131	27,900	27,950	1,274
15,950	16,000	706	18,950	19,000	849	21,950	22,000	991	24,950	25,000	1,134	27,950	28,000	1,276
16,000			**19,000**			**22,000**			**25,000**			**28,000**		
16,000	16,050	709	19,000	19,050	851	22,000	22,050	994	25,000	25,050	1,136	28,000	28,050	1,279
16,050	16,100	711	19,050	19,100	854	22,050	22,100	996	25,050	25,100	1,139	28,050	28,100	1,281
16,100	16,150	713	19,100	19,150	856	22,100	22,150	998	25,100	25,150	1,141	28,100	28,150	1,283
16,150	16,200	716	19,150	19,200	858	22,150	22,200	1,001	25,150	25,200	1,143	28,150	28,200	1,286
16,200	16,250	718	19,200	19,250	861	22,200	22,250	1,003	25,200	25,250	1,146	28,200	28,250	1,288
16,250	16,300	721	19,250	19,300	863	22,250	22,300	1,006	25,250	25,300	1,148	28,250	28,300	1,291
16,300	16,350	723	19,300	19,350	865	22,300	22,350	1,008	25,300	25,350	1,150	28,300	28,350	1,293
16,350	16,400	725	19,350	19,400	868	22,350	22,400	1,010	25,350	25,400	1,153	28,350	28,400	1,295
16,400	16,450	728	19,400	19,450	870	22,400	22,450	1,013	25,400	25,450	1,155	28,400	28,450	1,298
16,450	16,500	730	19,450	19,500	873	22,450	22,500	1,015	25,450	25,500	1,158	28,450	28,500	1,300
16,500	16,550	732	19,500	19,550	875	22,500	22,550	1,017	25,500	25,550	1,160	28,500	28,550	1,302
16,550	16,600	735	19,550	19,600	877	22,550	22,600	1,020	25,550	25,600	1,162	28,550	28,600	1,305
16,600	16,650	737	19,600	19,650	880	22,600	22,650	1,022	25,600	25,650	1,165	28,600	28,650	1,307
16,650	16,700	740	19,650	19,700	882	22,650	22,700	1,025	25,650	25,700	1,167	28,650	28,700	1,310
16,700	16,750	742	19,700	19,750	884	22,700	22,750	1,027	25,700	25,750	1,169	28,700	28,750	1,312
16,750	16,800	744	19,750	19,800	887	22,750	22,800	1,029	25,750	25,800	1,172	28,750	28,800	1,314
16,800	16,850	747	19,800	19,850	889	22,800	22,850	1,032	25,800	25,850	1,174	28,800	28,850	1,317
16,850	16,900	749	19,850	19,900	892	22,850	22,900	1,034	25,850	25,900	1,177	28,850	28,900	1,319
16,900	16,950	751	19,900	19,950	894	22,900	22,950	1,036	25,900	25,950	1,179	28,900	28,950	1,321
16,950	17,000	754	19,950	20,000	896	22,950	23,000	1,039	25,950	26,000	1,181	28,950	29,000	1,324
17,000			**20,000**			**23,000**			**26,000**			**29,000**		
17,000	17,050	756	20,000	20,050	899	23,000	23,050	1,041	26,000	26,050	1,184	29,000	29,050	1,326
17,050	17,100	759	20,050	20,100	901	23,050	23,100	1,044	26,050	26,100	1,186	29,050	29,100	1,329
17,100	17,150	761	20,100	20,150	903	23,100	23,150	1,046	26,100	26,150	1,188	29,100	29,150	1,331
17,150	17,200	763	20,150	20,200	906	23,150	23,200	1,048	26,150	26,200	1,191	29,150	29,200	1,333
17,200	17,250	766	20,200	20,250	908	23,200	23,250	1,051	26,200	26,250	1,193	29,200	29,250	1,336
17,250	17,300	768	20,250	20,300	911	23,250	23,300	1,053	26,250	26,300	1,196	29,250	29,300	1,338
17,300	17,350	770	20,300	20,350	913	23,300	23,350	1,055	26,300	26,350	1,198	29,300	29,350	1,340
17,350	17,400	773	20,350	20,400	915	23,350	23,400	1,058	26,350	26,400	1,200	29,350	29,400	1,343
17,400	17,450	775	20,400	20,450	918	23,400	23,450	1,060	26,400	26,450	1,203	29,400	29,450	1,345
17,450	17,500	778	20,450	20,500	920	23,450	23,500	1,063	26,450	26,500	1,205	29,450	29,500	1,348
17,500	17,550	780	20,500	20,550	922	23,500	23,550	1,065	26,500	26,550	1,207	29,500	29,550	1,350
17,550	17,600	782	20,550	20,600	925	23,550	23,600	1,067	26,550	26,600	1,210	29,550	29,600	1,352
17,600	17,650	785	20,600	20,650	927	23,600	23,650	1,070	26,600	26,650	1,212	29,600	29,650	1,355
17,650	17,700	787	20,650	20,700	930	23,650	23,700	1,072	26,650	26,700	1,215	29,650	29,700	1,357
17,700	17,750	789	20,700	20,750	932	23,700	23,750	1,074	26,700	26,750	1,217	29,700	29,750	1,359
17,750	17,800	792	20,750	20,800	934	23,750	23,800	1,077	26,750	26,800	1,219	29,750	29,800	1,362
17,800	17,850	794	20,800	20,850	937	23,800	23,850	1,079	26,800	26,850	1,222	29,800	29,850	1,364
17,850	17,900	797	20,850	20,900	939	23,850	23,900	1,082	26,850	26,900	1,224	29,850	29,900	1,367
17,900	17,950	799	20,900	20,950	941	23,900	23,950	1,084	26,900	26,950	1,226	29,900	29,950	1,369
17,950	18,000	801	20,950	21,000	944	23,950	24,000	1,086	26,950	27,000	1,229	29,950	30,000	1,371

2014 MARYLAND TAX TABLE

If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .
30,000			**33,000**			**36,000**			**39,000**			**42,000**		
30,000	30,050	1,374	33,000	33,050	1,516	36,000	36,050	1,659	39,000	39,050	1,801	42,000	42,050	1,944
30,050	30,100	1,376	33,050	33,100	1,519	36,050	36,100	1,661	39,050	39,100	1,804	42,050	42,100	1,946
30,100	30,150	1,378	33,100	33,150	1,521	36,100	36,150	1,663	39,100	39,150	1,806	42,100	42,150	1,948
30,150	30,200	1,381	33,150	33,200	1,523	36,150	36,200	1,666	39,150	39,200	1,808	42,150	42,200	1,951
30,200	30,250	1,383	33,200	33,250	1,526	36,200	36,250	1,668	39,200	39,250	1,811	42,200	42,250	1,953
30,250	30,300	1,386	33,250	33,300	1,528	36,250	36,300	1,671	39,250	39,300	1,813	42,250	42,300	1,956
30,300	30,350	1,388	33,300	33,350	1,530	36,300	36,350	1,673	39,300	39,350	1,815	42,300	42,350	1,958
30,350	30,400	1,390	33,350	33,400	1,533	36,350	36,400	1,675	39,350	39,400	1,818	42,350	42,400	1,960
30,400	30,450	1,393	33,400	33,450	1,535	36,400	36,450	1,678	39,400	39,450	1,820	42,400	42,450	1,963
30,450	30,500	1,395	33,450	33,500	1,538	36,450	36,500	1,680	39,450	39,500	1,823	42,450	42,500	1,965
30,500	30,550	1,397	33,500	33,550	1,540	36,500	36,550	1,682	39,500	39,550	1,825	42,500	42,550	1,967
30,550	30,600	1,400	33,550	33,600	1,542	36,550	36,600	1,685	39,550	39,600	1,827	42,550	42,600	1,970
30,600	30,650	1,402	33,600	33,650	1,545	36,600	36,650	1,687	39,600	39,650	1,830	42,600	42,650	1,972
30,650	30,700	1,405	33,650	33,700	1,547	36,650	36,700	1,690	39,650	39,700	1,832	42,650	42,700	1,975
30,700	30,750	1,407	33,700	33,750	1,549	36,700	36,750	1,692	39,700	39,750	1,834	42,700	42,750	1,977
30,750	30,800	1,409	33,750	33,800	1,552	36,750	36,800	1,694	39,750	39,800	1,837	42,750	42,800	1,979
30,800	30,850	1,412	33,800	33,850	1,554	36,800	36,850	1,697	39,800	39,850	1,839	42,800	42,850	1,982
30,850	30,900	1,414	33,850	33,900	1,557	36,850	36,900	1,699	39,850	39,900	1,842	42,850	42,900	1,984
30,900	30,950	1,416	33,900	33,950	1,559	36,900	36,950	1,701	39,900	39,950	1,844	42,900	42,950	1,986
30,950	31,000	1,419	33,950	34,000	1,561	36,950	37,000	1,704	39,950	40,000	1,846	42,950	43,000	1,989
31,000			**34,000**			**37,000**			**40,000**			**43,000**		
31,000	31,050	1,421	34,000	34,050	1,564	37,000	37,050	1,706	40,000	40,050	1,849	43,000	43,050	1,991
31,050	31,100	1,424	34,050	34,100	1,566	37,050	37,100	1,709	40,050	40,100	1,851	43,050	43,100	1,994
31,100	31,150	1,426	34,100	34,150	1,568	37,100	37,150	1,711	40,100	40,150	1,853	43,100	43,150	1,996
31,150	31,200	1,428	34,150	34,200	1,571	37,150	37,200	1,713	40,150	40,200	1,856	43,150	43,200	1,998
31,200	31,250	1,431	34,200	34,250	1,573	37,200	37,250	1,716	40,200	40,250	1,858	43,200	43,250	2,001
31,250	31,300	1,433	34,250	34,300	1,576	37,250	37,300	1,718	40,250	40,300	1,861	43,250	43,300	2,003
31,300	31,350	1,435	34,300	34,350	1,578	37,300	37,350	1,720	40,300	40,350	1,863	43,300	43,350	2,005
31,350	31,400	1,438	34,350	34,400	1,580	37,350	37,400	1,723	40,350	40,400	1,865	43,350	43,400	2,008
31,400	31,450	1,440	34,400	34,450	1,583	37,400	37,450	1,725	40,400	40,450	1,868	43,400	43,450	2,010
31,450	31,500	1,443	34,450	34,500	1,585	37,450	37,500	1,728	40,450	40,500	1,870	43,450	43,500	2,013
31,500	31,550	1,445	34,500	34,550	1,587	37,500	37,550	1,730	40,500	40,550	1,872	43,500	43,550	2,015
31,550	31,600	1,447	34,550	34,600	1,590	37,550	37,600	1,732	40,550	40,600	1,875	43,550	43,600	2,017
31,600	31,650	1,450	34,600	34,650	1,592	37,600	37,650	1,735	40,600	40,650	1,877	43,600	43,650	2,020
31,650	31,700	1,452	34,650	34,700	1,595	37,650	37,700	1,737	40,650	40,700	1,880	43,650	43,700	2,022
31,700	31,750	1,454	34,700	34,750	1,597	37,700	37,750	1,739	40,700	40,750	1,882	43,700	43,750	2,024
31,750	31,800	1,457	34,750	34,800	1,599	37,750	37,800	1,742	40,750	40,800	1,884	43,750	43,800	2,027
31,800	31,850	1,459	34,800	34,850	1,602	37,800	37,850	1,744	40,800	40,850	1,887	43,800	43,850	2,029
31,850	31,900	1,462	34,850	34,900	1,604	37,850	37,900	1,747	40,850	40,900	1,889	43,850	43,900	2,032
31,900	31,950	1,464	34,900	34,950	1,606	37,900	37,950	1,749	40,900	40,950	1,891	43,900	43,950	2,034
31,950	32,000	1,466	34,950	35,000	1,609	37,950	38,000	1,751	40,950	41,000	1,894	43,950	44,000	2,036
32,000			**35,000**			**38,000**			**41,000**			**44,000**		
32,000	32,050	1,469	35,000	35,050	1,611	38,000	38,050	1,754	41,000	41,050	1,896	44,000	44,050	2,039
32,050	32,100	1,471	35,050	35,100	1,614	38,050	38,100	1,756	41,050	41,100	1,899	44,050	44,100	2,041
32,100	32,150	1,473	35,100	35,150	1,616	38,100	38,150	1,758	41,100	41,150	1,901	44,100	44,150	2,043
32,150	32,200	1,476	35,150	35,200	1,618	38,150	38,200	1,761	41,150	41,200	1,903	44,150	44,200	2,046
32,200	32,250	1,478	35,200	35,250	1,621	38,200	38,250	1,763	41,200	41,250	1,906	44,200	44,250	2,048
32,250	32,300	1,481	35,250	35,300	1,623	38,250	38,300	1,766	41,250	41,300	1,908	44,250	44,300	2,051
32,300	32,350	1,483	35,300	35,350	1,625	38,300	38,350	1,768	41,300	41,350	1,910	44,300	44,350	2,053
32,350	32,400	1,485	35,350	35,400	1,628	38,350	38,400	1,770	41,350	41,400	1,913	44,350	44,400	2,055
32,400	32,450	1,488	35,400	35,450	1,630	38,400	38,450	1,773	41,400	41,450	1,915	44,400	44,450	2,058
32,450	32,500	1,490	35,450	35,500	1,633	38,450	38,500	1,775	41,450	41,500	1,918	44,450	44,500	2,060
32,500	32,550	1,492	35,500	35,550	1,635	38,500	38,550	1,777	41,500	41,550	1,920	44,500	44,550	2,062
32,550	32,600	1,495	35,550	35,600	1,637	38,550	38,600	1,780	41,550	41,600	1,922	44,550	44,600	2,065
32,600	32,650	1,497	35,600	35,650	1,640	38,600	38,650	1,782	41,600	41,650	1,925	44,600	44,650	2,067
32,650	32,700	1,500	35,650	35,700	1,642	38,650	38,700	1,785	41,650	41,700	1,927	44,650	44,700	2,070
32,700	32,750	1,502	35,700	35,750	1,644	38,700	38,750	1,787	41,700	41,750	1,929	44,700	44,750	2,072
32,750	32,800	1,504	35,750	35,800	1,647	38,750	38,800	1,789	41,750	41,800	1,932	44,750	44,800	2,074
32,800	32,850	1,507	35,800	35,850	1,649	38,800	38,850	1,792	41,800	41,850	1,934	44,800	44,850	2,077
32,850	32,900	1,509	35,850	35,900	1,652	38,850	38,900	1,794	41,850	41,900	1,937	44,850	44,900	2,079
32,900	32,950	1,511	35,900	35,950	1,654	38,900	38,950	1,796	41,900	41,950	1,939	44,900	44,950	2,081
32,950	33,000	1,514	35,950	36,000	1,656	38,950	39,000	1,799	41,950	42,000	1,941	44,950	45,000	2,084

2014 MARYLAND TAX TABLE

If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .
45,000			**48,000**			**51,000**			**54,000**			**57,000**		
45,000	45,050	2,086	48,000	48,050	2,229	51,000	51,050	2,371	54,000	54,050	2,514	57,000	57,050	2,656
45,050	45,100	2,089	48,050	48,100	2,231	51,050	51,100	2,374	54,050	54,100	2,516	57,050	57,100	2,659
45,100	45,150	2,091	48,100	48,150	2,233	51,100	51,150	2,376	54,100	54,150	2,518	57,100	57,150	2,661
45,150	45,200	2,093	48,150	48,200	2,236	51,150	51,200	2,378	54,150	54,200	2,521	57,150	57,200	2,663
45,200	45,250	2,096	48,200	48,250	2,238	51,200	51,250	2,381	54,200	54,250	2,523	57,200	57,250	2,666
45,250	45,300	2,098	48,250	48,300	2,241	51,250	51,300	2,383	54,250	54,300	2,526	57,250	57,300	2,668
45,300	45,350	2,100	48,300	48,350	2,243	51,300	51,350	2,385	54,300	54,350	2,528	57,300	57,350	2,670
45,350	45,400	2,103	48,350	48,400	2,245	51,350	51,400	2,388	54,350	54,400	2,530	57,350	57,400	2,673
45,400	45,450	2,105	48,400	48,450	2,248	51,400	51,450	2,390	54,400	54,450	2,533	57,400	57,450	2,675
45,450	45,500	2,108	48,450	48,500	2,250	51,450	51,500	2,393	54,450	54,500	2,535	57,450	57,500	2,678
45,500	45,550	2,110	48,500	48,550	2,252	51,500	51,550	2,395	54,500	54,550	2,537	57,500	57,550	2,680
45,550	45,600	2,112	48,550	48,600	2,255	51,550	51,600	2,397	54,550	54,600	2,540	57,550	57,600	2,682
45,600	45,650	2,115	48,600	48,650	2,257	51,600	51,650	2,400	54,600	54,650	2,542	57,600	57,650	2,685
45,650	45,700	2,117	48,650	48,700	2,260	51,650	51,700	2,402	54,650	54,700	2,545	57,650	57,700	2,687
45,700	45,750	2,119	48,700	48,750	2,262	51,700	51,750	2,404	54,700	54,750	2,547	57,700	57,750	2,689
45,750	45,800	2,122	48,750	48,800	2,264	51,750	51,800	2,407	54,750	54,800	2,549	57,750	57,800	2,692
45,800	45,850	2,124	48,800	48,850	2,267	51,800	51,850	2,409	54,800	54,850	2,552	57,800	57,850	2,694
45,850	45,900	2,127	48,850	48,900	2,269	51,850	51,900	2,412	54,850	54,900	2,554	57,850	57,900	2,697
45,900	45,950	2,129	48,900	48,950	2,271	51,900	51,950	2,414	54,900	54,950	2,556	57,900	57,950	2,699
45,950	46,000	2,131	48,950	49,000	2,274	51,950	52,000	2,416	54,950	55,000	2,559	57,950	58,000	2,701
46,000			**49,000**			**52,000**			**55,000**			**58,000**		
46,000	46,050	2,134	49,000	49,050	2,276	52,000	52,050	2,419	55,000	55,050	2,561	58,000	58,050	2,704
46,050	46,100	2,136	49,050	49,100	2,279	52,050	52,100	2,421	55,050	55,100	2,564	58,050	58,100	2,706
46,100	46,150	2,138	49,100	49,150	2,281	52,100	52,150	2,423	55,100	55,150	2,566	58,100	58,150	2,708
46,150	46,200	2,141	49,150	49,200	2,283	52,150	52,200	2,426	55,150	55,200	2,568	58,150	58,200	2,711
46,200	46,250	2,143	49,200	49,250	2,286	52,200	52,250	2,428	55,200	55,250	2,571	58,200	58,250	2,713
46,250	46,300	2,146	49,250	49,300	2,288	52,250	52,300	2,431	55,250	55,300	2,573	58,250	58,300	2,716
46,300	46,350	2,148	49,300	49,350	2,290	52,300	52,350	2,433	55,300	55,350	2,575	58,300	58,350	2,718
46,350	46,400	2,150	49,350	49,400	2,293	52,350	52,400	2,435	55,350	55,400	2,578	58,350	58,400	2,720
46,400	46,450	2,153	49,400	49,450	2,295	52,400	52,450	2,438	55,400	55,450	2,580	58,400	58,450	2,723
46,450	46,500	2,155	49,450	49,500	2,298	52,450	52,500	2,440	55,450	55,500	2,583	58,450	58,500	2,725
46,500	46,550	2,157	49,500	49,550	2,300	52,500	52,550	2,442	55,500	55,550	2,585	58,500	58,550	2,727
46,550	46,600	2,160	49,550	49,600	2,302	52,550	52,600	2,445	55,550	55,600	2,587	58,550	58,600	2,730
46,600	46,650	2,162	49,600	49,650	2,305	52,600	52,650	2,447	55,600	55,650	2,590	58,600	58,650	2,732
46,650	46,700	2,165	49,650	49,700	2,307	52,650	52,700	2,450	55,650	55,700	2,592	58,650	58,700	2,735
46,700	46,750	2,167	49,700	49,750	2,309	52,700	52,750	2,452	55,700	55,750	2,594	58,700	58,750	2,737
46,750	46,800	2,169	49,750	49,800	2,312	52,750	52,800	2,454	55,750	55,800	2,597	58,750	58,800	2,739
46,800	46,850	2,172	49,800	49,850	2,314	52,800	52,850	2,457	55,800	55,850	2,599	58,800	58,850	2,742
46,850	46,900	2,174	49,850	49,900	2,317	52,850	52,900	2,459	55,850	55,900	2,602	58,850	58,900	2,744
46,900	46,950	2,176	49,900	49,950	2,319	52,900	52,950	2,461	55,900	55,950	2,604	58,900	58,950	2,746
46,950	47,000	2,179	49,950	50,000	2,321	52,950	53,000	2,464	55,950	56,000	2,606	58,950	59,000	2,749
47,000			**50,000**			**53,000**			**56,000**			**59,000**		
47,000	47,050	2,181	50,000	50,050	2,324	53,000	53,050	2,466	56,000	56,050	2,609	59,000	59,050	2,751
47,050	47,100	2,184	50,050	50,100	2,326	53,050	53,100	2,469	56,050	56,100	2,611	59,050	59,100	2,754
47,100	47,150	2,186	50,100	50,150	2,328	53,100	53,150	2,471	56,100	56,150	2,613	59,100	59,150	2,756
47,150	47,200	2,188	50,150	50,200	2,331	53,150	53,200	2,473	56,150	56,200	2,616	59,150	59,200	2,758
47,200	47,250	2,191	50,200	50,250	2,333	53,200	53,250	2,476	56,200	56,250	2,618	59,200	59,250	2,761
47,250	47,300	2,193	50,250	50,300	2,336	53,250	53,300	2,478	56,250	56,300	2,621	59,250	59,300	2,763
47,300	47,350	2,195	50,300	50,350	2,338	53,300	53,350	2,480	56,300	56,350	2,623	59,300	59,350	2,765
47,350	47,400	2,198	50,350	50,400	2,340	53,350	53,400	2,483	56,350	56,400	2,625	59,350	59,400	2,768
47,400	47,450	2,200	50,400	50,450	2,343	53,400	53,450	2,485	56,400	56,450	2,628	59,400	59,450	2,770
47,450	47,500	2,203	50,450	50,500	2,345	53,450	53,500	2,488	56,450	56,500	2,630	59,450	59,500	2,773
47,500	47,550	2,205	50,500	50,550	2,347	53,500	53,550	2,490	56,500	56,550	2,632	59,500	59,550	2,775
47,550	47,600	2,207	50,550	50,600	2,350	53,550	53,600	2,492	56,550	56,600	2,635	59,550	59,600	2,777
47,600	47,650	2,210	50,600	50,650	2,352	53,600	53,650	2,495	56,600	56,650	2,637	59,600	59,650	2,780
47,650	47,700	2,212	50,650	50,700	2,355	53,650	53,700	2,497	56,650	56,700	2,640	59,650	59,700	2,782
47,700	47,750	2,214	50,700	50,750	2,357	53,700	53,750	2,499	56,700	56,750	2,642	59,700	59,750	2,784
47,750	47,800	2,217	50,750	50,800	2,359	53,750	53,800	2,502	56,750	56,800	2,644	59,750	59,800	2,787
47,800	47,850	2,219	50,800	50,850	2,362	53,800	53,850	2,504	56,800	56,850	2,647	59,800	59,850	2,789
47,850	47,900	2,222	50,850	50,900	2,364	53,850	53,900	2,507	56,850	56,900	2,649	59,850	59,900	2,792
47,900	47,950	2,224	50,900	50,950	2,366	53,900	53,950	2,509	56,900	56,950	2,651	59,900	59,950	2,794
47,950	48,000	2,226	50,950	51,000	2,369	53,950	54,000	2,511	56,950	57,000	2,654	59,950	60,000	2,796

2014 MARYLAND TAX TABLE

If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .
60,000			**63,000**			**66,000**			**69,000**			**72,000**		
60,000	60,050	2,799	63,000	63,050	2,941	66,000	66,050	3,084	69,000	69,050	3,226	72,000	72,050	3,369
60,050	60,100	2,801	63,050	63,100	2,944	66,050	66,100	3,086	69,050	69,100	3,229	72,050	72,100	3,371
60,100	60,150	2,803	63,100	63,150	2,946	66,100	66,150	3,088	69,100	69,150	3,231	72,100	72,150	3,373
60,150	60,200	2,806	63,150	63,200	2,948	66,150	66,200	3,091	69,150	69,200	3,233	72,150	72,200	3,376
60,200	60,250	2,808	63,200	63,250	2,951	66,200	66,250	3,093	69,200	69,250	3,236	72,200	72,250	3,378
60,250	60,300	2,811	63,250	63,300	2,953	66,250	66,300	3,096	69,250	69,300	3,238	72,250	72,300	3,381
60,300	60,350	2,813	63,300	63,350	2,955	66,300	66,350	3,098	69,300	69,350	3,240	72,300	72,350	3,383
60,350	60,400	2,815	63,350	63,400	2,958	66,350	66,400	3,100	69,350	69,400	3,243	72,350	72,400	3,385
60,400	60,450	2,818	63,400	63,450	2,960	66,400	66,450	3,103	69,400	69,450	3,245	72,400	72,450	3,388
60,450	60,500	2,820	63,450	63,500	2,963	66,450	66,500	3,105	69,450	69,500	3,248	72,450	72,500	3,390
60,500	60,550	2,822	63,500	63,550	2,965	66,500	66,550	3,107	69,500	69,550	3,250	72,500	72,550	3,392
60,550	60,600	2,825	63,550	63,600	2,967	66,550	66,600	3,110	69,550	69,600	3,252	72,550	72,600	3,395
60,600	60,650	2,827	63,600	63,650	2,970	66,600	66,650	3,112	69,600	69,650	3,255	72,600	72,650	3,397
60,650	60,700	2,830	63,650	63,700	2,972	66,650	66,700	3,115	69,650	69,700	3,257	72,650	72,700	3,400
60,700	60,750	2,832	63,700	63,750	2,974	66,700	66,750	3,117	69,700	69,750	3,259	72,700	72,750	3,402
60,750	60,800	2,834	63,750	63,800	2,977	66,750	66,800	3,119	69,750	69,800	3,262	72,750	72,800	3,404
60,800	60,850	2,837	63,800	63,850	2,979	66,800	66,850	3,122	69,800	69,850	3,264	72,800	72,850	3,407
60,850	60,900	2,839	63,850	63,900	2,982	66,850	66,900	3,124	69,850	69,900	3,267	72,850	72,900	3,409
60,900	60,950	2,841	63,900	63,950	2,984	66,900	66,950	3,126	69,900	69,950	3,269	72,900	72,950	3,411
60,950	61,000	2,844	63,950	64,000	2,986	66,950	67,000	3,129	69,950	70,000	3,271	72,950	73,000	3,414
61,000			**64,000**			**67,000**			**70,000**			**73,000**		
61,000	61,050	2,846	64,000	64,050	2,989	67,000	67,050	3,131	70,000	70,050	3,274	73,000	73,050	3,416
61,050	61,100	2,849	64,050	64,100	2,991	67,050	67,100	3,134	70,050	70,100	3,276	73,050	73,100	3,419
61,100	61,150	2,851	64,100	64,150	2,993	67,100	67,150	3,136	70,100	70,150	3,278	73,100	73,150	3,421
61,150	61,200	2,853	64,150	64,200	2,996	67,150	67,200	3,138	70,150	70,200	3,281	73,150	73,200	3,423
61,200	61,250	2,856	64,200	64,250	2,998	67,200	67,250	3,141	70,200	70,250	3,283	73,200	73,250	3,426
61,250	61,300	2,858	64,250	64,300	3,001	67,250	67,300	3,143	70,250	70,300	3,286	73,250	73,300	3,428
61,300	61,350	2,860	64,300	64,350	3,003	67,300	67,350	3,145	70,300	70,350	3,288	73,300	73,350	3,430
61,350	61,400	2,863	64,350	64,400	3,005	67,350	67,400	3,148	70,350	70,400	3,290	73,350	73,400	3,433
61,400	61,450	2,865	64,400	64,450	3,008	67,400	67,450	3,150	70,400	70,450	3,293	73,400	73,450	3,435
61,450	61,500	2,868	64,450	64,500	3,010	67,450	67,500	3,153	70,450	70,500	3,295	73,450	73,500	3,438
61,500	61,550	2,870	64,500	64,550	3,012	67,500	67,550	3,155	70,500	70,550	3,297	73,500	73,550	3,440
61,550	61,600	2,872	64,550	64,600	3,015	67,550	67,600	3,157	70,550	70,600	3,300	73,550	73,600	3,442
61,600	61,650	2,875	64,600	64,650	3,017	67,600	67,650	3,160	70,600	70,650	3,302	73,600	73,650	3,445
61,650	61,700	2,877	64,650	64,700	3,020	67,650	67,700	3,162	70,650	70,700	3,305	73,650	73,700	3,447
61,700	61,750	2,879	64,700	64,750	3,022	67,700	67,750	3,164	70,700	70,750	3,307	73,700	73,750	3,449
61,750	61,800	2,882	64,750	64,800	3,024	67,750	67,800	3,167	70,750	70,800	3,309	73,750	73,800	3,452
61,800	61,850	2,884	64,800	64,850	3,027	67,800	67,850	3,169	70,800	70,850	3,312	73,800	73,850	3,454
61,850	61,900	2,887	64,850	64,900	3,029	67,850	67,900	3,172	70,850	70,900	3,314	73,850	73,900	3,457
61,900	61,950	2,889	64,900	64,950	3,031	67,900	67,950	3,174	70,900	70,950	3,316	73,900	73,950	3,459
61,950	62,000	2,891	64,950	65,000	3,034	67,950	68,000	3,176	70,950	71,000	3,319	73,950	74,000	3,461
62,000			**65,000**			**68,000**			**71,000**			**74,000**		
62,000	62,050	2,894	65,000	65,050	3,036	68,000	68,050	3,179	71,000	71,050	3,321	74,000	74,050	3,464
62,050	62,100	2,896	65,050	65,100	3,039	68,050	68,100	3,181	71,050	71,100	3,324	74,050	74,100	3,466
62,100	62,150	2,898	65,100	65,150	3,041	68,100	68,150	3,183	71,100	71,150	3,326	74,100	74,150	3,468
62,150	62,200	2,901	65,150	65,200	3,043	68,150	68,200	3,186	71,150	71,200	3,328	74,150	74,200	3,471
62,200	62,250	2,903	65,200	65,250	3,046	68,200	68,250	3,188	71,200	71,250	3,331	74,200	74,250	3,473
62,250	62,300	2,906	65,250	65,300	3,048	68,250	68,300	3,191	71,250	71,300	3,333	74,250	74,300	3,476
62,300	62,350	2,908	65,300	65,350	3,050	68,300	68,350	3,193	71,300	71,350	3,335	74,300	74,350	3,478
62,350	62,400	2,910	65,350	65,400	3,053	68,350	68,400	3,195	71,350	71,400	3,338	74,350	74,400	3,480
62,400	62,450	2,913	65,400	65,450	3,055	68,400	68,450	3,198	71,400	71,450	3,340	74,400	74,450	3,483
62,450	62,500	2,915	65,450	65,500	3,058	68,450	68,500	3,200	71,450	71,500	3,343	74,450	74,500	3,485
62,500	62,550	2,917	65,500	65,550	3,060	68,500	68,550	3,202	71,500	71,550	3,345	74,500	74,550	3,487
62,550	62,600	2,920	65,550	65,600	3,062	68,550	68,600	3,205	71,550	71,600	3,347	74,550	74,600	3,490
62,600	62,650	2,922	65,600	65,650	3,065	68,600	68,650	3,207	71,600	71,650	3,350	74,600	74,650	3,492
62,650	62,700	2,925	65,650	65,700	3,067	68,650	68,700	3,210	71,650	71,700	3,352	74,650	74,700	3,495
62,700	62,750	2,927	65,700	65,750	3,069	68,700	68,750	3,212	71,700	71,750	3,354	74,700	74,750	3,497
62,750	62,800	2,929	65,750	65,800	3,072	68,750	68,800	3,214	71,750	71,800	3,357	74,750	74,800	3,499
62,800	62,850	2,932	65,800	65,850	3,074	68,800	68,850	3,217	71,800	71,850	3,359	74,800	74,850	3,502
62,850	62,900	2,934	65,850	65,900	3,077	68,850	68,900	3,219	71,850	71,900	3,362	74,850	74,900	3,504
62,900	62,950	2,936	65,900	65,950	3,079	68,900	68,950	3,221	71,900	71,950	3,364	74,900	74,950	3,506
62,950	63,000	2,939	65,950	66,000	3,081	68,950	69,000	3,224	71,950	72,000	3,366	74,950	75,000	3,509

2014 MARYLAND TAX TABLE

If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .
75,000			**78,000**			**81,000**			**84,000**			**87,000**		
75,000	75,050	3,511	78,000	78,050	3,654	81,000	81,050	3,796	84,000	84,050	3,939	87,000	87,050	4,081
75,050	75,100	3,514	78,050	78,100	3,656	81,050	81,100	3,799	84,050	84,100	3,941	87,050	87,100	4,084
75,100	75,150	3,516	78,100	78,150	3,658	81,100	81,150	3,801	84,100	84,150	3,943	87,100	87,150	4,086
75,150	75,200	3,518	78,150	78,200	3,661	81,150	81,200	3,803	84,150	84,200	3,946	87,150	87,200	4,088
75,200	75,250	3,521	78,200	78,250	3,663	81,200	81,250	3,806	84,200	84,250	3,948	87,200	87,250	4,091
75,250	75,300	3,523	78,250	78,300	3,666	81,250	81,300	3,808	84,250	84,300	3,951	87,250	87,300	4,093
75,300	75,350	3,525	78,300	78,350	3,668	81,300	81,350	3,810	84,300	84,350	3,953	87,300	87,350	4,095
75,350	75,400	3,528	78,350	78,400	3,670	81,350	81,400	3,813	84,350	84,400	3,955	87,350	87,400	4,098
75,400	75,450	3,530	78,400	78,450	3,673	81,400	81,450	3,815	84,400	84,450	3,958	87,400	87,450	4,100
75,450	75,500	3,533	78,450	78,500	3,675	81,450	81,500	3,818	84,450	84,500	3,960	87,450	87,500	4,103
75,500	75,550	3,535	78,500	78,550	3,677	81,500	81,550	3,820	84,500	84,550	3,962	87,500	87,550	4,105
75,550	75,600	3,537	78,550	78,600	3,680	81,550	81,600	3,822	84,550	84,600	3,965	87,550	87,600	4,107
75,600	75,650	3,540	78,600	78,650	3,682	81,600	81,650	3,825	84,600	84,650	3,967	87,600	87,650	4,110
75,650	75,700	3,542	78,650	78,700	3,685	81,650	81,700	3,827	84,650	84,700	3,970	87,650	87,700	4,112
75,700	75,750	3,544	78,700	78,750	3,687	81,700	81,750	3,829	84,700	84,750	3,972	87,700	87,750	4,114
75,750	75,800	3,547	78,750	78,800	3,689	81,750	81,800	3,832	84,750	84,800	3,974	87,750	87,800	4,117
75,800	75,850	3,549	78,800	78,850	3,692	81,800	81,850	3,834	84,800	84,850	3,977	87,800	87,850	4,119
75,850	75,900	3,552	78,850	78,900	3,694	81,850	81,900	3,837	84,850	84,900	3,979	87,850	87,900	4,122
75,900	75,950	3,554	78,900	78,950	3,696	81,900	81,950	3,839	84,900	84,950	3,981	87,900	87,950	4,124
75,950	76,000	3,556	78,950	79,000	3,699	81,950	82,000	3,841	84,950	85,000	3,984	87,950	88,000	4,126
76,000			**79,000**			**82,000**			**85,000**			**88,000**		
76,000	76,050	3,559	79,000	79,050	3,701	82,000	82,050	3,844	85,000	85,050	3,986	88,000	88,050	4,129
76,050	76,100	3,561	79,050	79,100	3,704	82,050	82,100	3,846	85,050	85,100	3,989	88,050	88,100	4,131
76,100	76,150	3,563	79,100	79,150	3,706	82,100	82,150	3,848	85,100	85,150	3,991	88,100	88,150	4,133
76,150	76,200	3,566	79,150	79,200	3,708	82,150	82,200	3,851	85,150	85,200	3,993	88,150	88,200	4,136
76,200	76,250	3,568	79,200	79,250	3,711	82,200	82,250	3,853	85,200	85,250	3,996	88,200	88,250	4,138
76,250	76,300	3,571	79,250	79,300	3,713	82,250	82,300	3,856	85,250	85,300	3,998	88,250	88,300	4,141
76,300	76,350	3,573	79,300	79,350	3,715	82,300	82,350	3,858	85,300	85,350	4,000	88,300	88,350	4,143
76,350	76,400	3,575	79,350	79,400	3,718	82,350	82,400	3,860	85,350	85,400	4,003	88,350	88,400	4,145
76,400	76,450	3,578	79,400	79,450	3,720	82,400	82,450	3,863	85,400	85,450	4,005	88,400	88,450	4,148
76,450	76,500	3,580	79,450	79,500	3,723	82,450	82,500	3,865	85,450	85,500	4,008	88,450	88,500	4,150
76,500	76,550	3,582	79,500	79,550	3,725	82,500	82,550	3,867	85,500	85,550	4,010	88,500	88,550	4,152
76,550	76,600	3,585	79,550	79,600	3,727	82,550	82,600	3,870	85,550	85,600	4,012	88,550	88,600	4,155
76,600	76,650	3,587	79,600	79,650	3,730	82,600	82,650	3,872	85,600	85,650	4,015	88,600	88,650	4,157
76,650	76,700	3,590	79,650	79,700	3,732	82,650	82,700	3,875	85,650	85,700	4,017	88,650	88,700	4,160
76,700	76,750	3,592	79,700	79,750	3,734	82,700	82,750	3,877	85,700	85,750	4,019	88,700	88,750	4,162
76,750	76,800	3,594	79,750	79,800	3,737	82,750	82,800	3,879	85,750	85,800	4,022	88,750	88,800	4,164
76,800	76,850	3,597	79,800	79,850	3,739	82,800	82,850	3,882	85,800	85,850	4,024	88,800	88,850	4,167
76,850	76,900	3,599	79,850	79,900	3,742	82,850	82,900	3,884	85,850	85,900	4,027	88,850	88,900	4,169
76,900	76,950	3,601	79,900	79,950	3,744	82,900	82,950	3,886	85,900	85,950	4,029	88,900	88,950	4,171
76,950	77,000	3,604	79,950	80,000	3,746	82,950	83,000	3,889	85,950	86,000	4,031	88,950	89,000	4,174
77,000			**80,000**			**83,000**			**86,000**			**89,000**		
77,000	77,050	3,606	80,000	80,050	3,749	83,000	83,050	3,891	86,000	86,050	4,034	89,000	89,050	4,176
77,050	77,100	3,609	80,050	80,100	3,751	83,050	83,100	3,894	86,050	86,100	4,036	89,050	89,100	4,179
77,100	77,150	3,611	80,100	80,150	3,753	83,100	83,150	3,896	86,100	86,150	4,038	89,100	89,150	4,181
77,150	77,200	3,613	80,150	80,200	3,756	83,150	83,200	3,898	86,150	86,200	4,041	89,150	89,200	4,183
77,200	77,250	3,616	80,200	80,250	3,758	83,200	83,250	3,901	86,200	86,250	4,043	89,200	89,250	4,186
77,250	77,300	3,618	80,250	80,300	3,761	83,250	83,300	3,903	86,250	86,300	4,046	89,250	89,300	4,188
77,300	77,350	3,620	80,300	80,350	3,763	83,300	83,350	3,905	86,300	86,350	4,048	89,300	89,350	4,190
77,350	77,400	3,623	80,350	80,400	3,765	83,350	83,400	3,908	86,350	86,400	4,050	89,350	89,400	4,193
77,400	77,450	3,625	80,400	80,450	3,768	83,400	83,450	3,910	86,400	86,450	4,053	89,400	89,450	4,195
77,450	77,500	3,628	80,450	80,500	3,770	83,450	83,500	3,913	86,450	86,500	4,055	89,450	89,500	4,198
77,500	77,550	3,630	80,500	80,550	3,772	83,500	83,550	3,915	86,500	86,550	4,057	89,500	89,550	4,200
77,550	77,600	3,632	80,550	80,600	3,775	83,550	83,600	3,917	86,550	86,600	4,060	89,550	89,600	4,202
77,600	77,650	3,635	80,600	80,650	3,777	83,600	83,650	3,920	86,600	86,650	4,062	89,600	89,650	4,205
77,650	77,700	3,637	80,650	80,700	3,780	83,650	83,700	3,922	86,650	86,700	4,065	89,650	89,700	4,207
77,700	77,750	3,639	80,700	80,750	3,782	83,700	83,750	3,924	86,700	86,750	4,067	89,700	89,750	4,209
77,750	77,800	3,642	80,750	80,800	3,784	83,750	83,800	3,927	86,750	86,800	4,069	89,750	89,800	4,212
77,800	77,850	3,644	80,800	80,850	3,787	83,800	83,850	3,929	86,800	86,850	4,072	89,800	89,850	4,214
77,850	77,900	3,647	80,850	80,900	3,789	83,850	83,900	3,932	86,850	86,900	4,074	89,850	89,900	4,217
77,900	77,950	3,649	80,900	80,950	3,791	83,900	83,950	3,934	86,900	86,950	4,076	89,900	89,950	4,219
77,950	78,000	3,651	80,950	81,000	3,794	83,950	84,000	3,936	86,950	87,000	4,079	89,950	90,000	4,221

2014 MARYLAND TAX TABLE

If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .	If your taxable net income is. . . At least	But less than	Your Maryland tax is . . .
90,000			**92,000**			**94,000**			**96,000**			**98,000**		
90,000	90,050	4,224	92,000	92,050	4,319	94,000	94,050	4,414	96,000	96,050	4,509	98,000	98,050	4,604
90,050	90,100	4,226	92,050	92,100	4,321	94,050	94,100	4,416	96,050	96,100	4,511	98,050	98,100	4,606
90,100	90,150	4,228	92,100	92,150	4,323	94,100	94,150	4,418	96,100	96,150	4,513	98,100	98,150	4,608
90,150	90,200	4,231	92,150	92,200	4,326	94,150	94,200	4,421	96,150	96,200	4,516	98,150	98,200	4,611
90,200	90,250	4,233	92,200	92,250	4,328	94,200	94,250	4,423	96,200	96,250	4,518	98,200	98,250	4,613
90,250	90,300	4,236	92,250	92,300	4,331	94,250	94,300	4,426	96,250	96,300	4,521	98,250	98,300	4,616
90,300	90,350	4,238	92,300	92,350	4,333	94,300	94,350	4,428	96,300	96,350	4,523	98,300	98,350	4,618
90,350	90,400	4,240	92,350	92,400	4,335	94,350	94,400	4,430	96,350	96,400	4,525	98,350	98,400	4,620
90,400	90,450	4,243	92,400	92,450	4,338	94,400	94,450	4,433	96,400	96,450	4,528	98,400	98,450	4,623
90,450	90,500	4,245	92,450	92,500	4,340	94,450	94,500	4,435	96,450	96,500	4,530	98,450	98,500	4,625
90,500	90,550	4,247	92,500	92,550	4,342	94,500	94,550	4,437	96,500	96,550	4,532	98,500	98,550	4,627
90,550	90,600	4,250	92,550	92,600	4,345	94,550	94,600	4,440	96,550	96,600	4,535	98,550	98,600	4,630
90,600	90,650	4,252	92,600	92,650	4,347	94,600	94,650	4,442	96,600	96,650	4,537	98,600	98,650	4,632
90,650	90,700	4,255	92,650	92,700	4,350	94,650	94,700	4,445	96,650	96,700	4,540	98,650	98,700	4,635
90,700	90,750	4,257	92,700	92,750	4,352	94,700	94,750	4,447	96,700	96,750	4,542	98,700	98,750	4,637
90,750	90,800	4,259	92,750	92,800	4,354	94,750	94,800	4,449	96,750	96,800	4,544	98,750	98,800	4,639
90,800	90,850	4,262	92,800	92,850	4,357	94,800	94,850	4,452	96,800	96,850	4,547	98,800	98,850	4,642
90,850	90,900	4,264	92,850	92,900	4,359	94,850	94,900	4,454	96,850	96,900	4,549	98,850	98,900	4,644
90,900	90,950	4,266	92,900	92,950	4,361	94,900	94,950	4,456	96,900	96,950	4,551	98,900	98,950	4,646
90,950	91,000	4,269	92,950	93,000	4,364	94,950	95,000	4,459	96,950	97,000	4,554	98,950	99,000	4,649
91,000			**93,000**			**95,000**			**97,000**			**99,000**		
91,000	91,050	4,271	93,000	93,050	4,366	95,000	95,050	4,461	97,000	97,050	4,556	99,000	99,050	4,651
91,050	91,100	4,274	93,050	93,100	4,369	95,050	95,100	4,464	97,050	97,100	4,559	99,050	99,100	4,654
91,100	91,150	4,276	93,100	93,150	4,371	95,100	95,150	4,466	97,100	97,150	4,561	99,100	99,150	4,656
91,150	91,200	4,278	93,150	93,200	4,373	95,150	95,200	4,468	97,150	97,200	4,563	99,150	99,200	4,658
91,200	91,250	4,281	93,200	93,250	4,376	95,200	95,250	4,471	97,200	97,250	4,566	99,200	99,250	4,661
91,250	91,300	4,283	93,250	93,300	4,378	95,250	95,300	4,473	97,250	97,300	4,568	99,250	99,300	4,663
91,300	91,350	4,285	93,300	93,350	4,380	95,300	95,350	4,475	97,300	97,350	4,570	99,300	99,350	4,665
91,350	91,400	4,288	93,350	93,400	4,383	95,350	95,400	4,478	97,350	97,400	4,573	99,350	99,400	4,668
91,400	91,450	4,290	93,400	93,450	4,385	95,400	95,450	4,480	97,400	97,450	4,575	99,400	99,450	4,670
91,450	91,500	4,293	93,450	93,500	4,388	95,450	95,500	4,483	97,450	97,500	4,578	99,450	99,500	4,673
91,500	91,550	4,295	93,500	93,550	4,390	95,500	95,550	4,485	97,500	97,550	4,580	99,500	99,550	4,675
91,550	91,600	4,297	93,550	93,600	4,392	95,550	95,600	4,487	97,550	97,600	4,582	99,550	99,600	4,677
91,600	91,650	4,300	93,600	93,650	4,395	95,600	95,650	4,490	97,600	97,650	4,585	99,600	99,650	4,680
91,650	91,700	4,302	93,650	93,700	4,397	95,650	95,700	4,492	97,650	97,700	4,587	99,650	99,700	4,682
91,700	91,750	4,304	93,700	93,750	4,399	95,700	95,750	4,494	97,700	97,750	4,589	99,700	99,750	4,684
91,750	91,800	4,307	93,750	93,800	4,402	95,750	95,800	4,497	97,750	97,800	4,592	99,750	99,800	4,687
91,800	91,850	4,309	93,800	93,850	4,404	95,800	95,850	4,499	97,800	97,850	4,594	99,800	99,850	4,689
91,850	91,900	4,312	93,850	93,900	4,407	95,850	95,900	4,502	97,850	97,900	4,597	99,850	99,900	4,692
91,900	91,950	4,314	93,900	93,950	4,409	95,900	95,950	4,504	97,900	97,950	4,599	99,900	99,950	4,694
91,950	92,000	4,316	93,950	94,000	4,411	95,950	96,000	4,506	97,950	98,000	4,601	99,950	100,000	4,696

Use the appropriate Maryland tax computation worksheet schedule (17A) below if your taxable net income is $100,000 or more.

Tax Rate Schedule I - Use if your filing status is Single, Married Filing Separately, or Dependent Taxpayer. Use the row in which your taxable net income appears.

Taxable Net Income If Line 21 of Form 502	**(a)** Enter the amount from Line 21 of Form 502	**(b)** Subtraction Amount	**(c)** Subtract Column (b) from (a) and enter here	**(d)** Multiplication Amount	**(e)** Multiply (c) by (d) enter here	**(f)** Addition Amount	**Maryland Tax** Add (e) to (f). Enter result here and on Line 22 of Form 502
At least $100,000 but not over $125,000	$	$ 100,000.00	$	x .0500	$	$ 4,697.50	$
Over $125,000 but not over $150,000	$	$ 125,000.00	$	x .0525	$	$ 5,947.50	$
Over $150,000 but not over $250,000	$	$ 150,000.00	$	x .0550	$	$ 7,260.00	$
Over $250,000	$	$ 250,000.00	$	x .0575	$	$ 12,760.00	$

Tax Rate Schedule II - Use if your filing status is Married Filing Joint, Head of Household, or Qualifying Widow(er) with Dependent Child. Use the row in which your taxable net income appears.

Taxable Net Income If Line 21 of Form 502	**(a)** Enter the amount from Line 21 of Form 502	**(b)** Subtraction Amount	**(c)** Subtract Column (b) from (a) and enter here	**(d)** Multiplication Amount	**(e)** Multiply (c) by (d) enter here	**(f)** Addition Amount	**Maryland Tax** Add (e) to (f). Enter result here and on Line 22 of Form 502
At least $100,000 but not over $150,000	$	$ 3,000.00	$	x .0475	$	$ 90.00	$
Over $150,000 but not over $175,000	$	$150,000.00	$	x .0500	$	$ 7,072.50	$
Over $175,000 but not over $225,000	$	$175,000.00	$	x .0525	$	$ 8,322.50	$
Over $225,000 but not over $300,000	$	$225,000.00	$	x .0550	$	$ 10,947.50	$
Over $300,000	$	$300,000.00	$	x .0575	$	$ 15,072.50	$

MARYLAND FORM

502AE

SUBTRACTION FOR INCOME DERIVED WITHIN ARTS AND ENTERTAINMENT DISTRICT(S)

ATTACH TO FORM 502 OR FORM 505.

14502W049

2014

Print using blue or black ink only.

Your first name and initial	Last name	Social Security Number	
Spouse's first name and initial	Last name	Social Security Number	
Present address (No. and street)	City or Town	State	ZIP code

PART A - Qualifying Residing Artist

1. Name of qualifying residing artist
2. Name of arts and entertainment district(s)
3. Address of residential real property owned or rented in Maryland
4. Trade name and business address in arts and entertainment district(s)
5. Nature of business conducted in arts and entertainment district(s)

PART B - Income Derived Within Arts and Entertainment District(s)

6. Source of income derived within arts and entertainment district(s) for which subtraction is being claimed	
7. Amount of subtraction claimed for income derived within arts and entertainment district(s) (Include this amount on line dd of Form 502SU or line dd of Form 505SU.)	

MARYLAND FORM

502AE

SUBTRACTION FOR INCOME DERIVED WITHIN ARTS AND ENTERTAINMENT DISTRICT(S) INSTRUCTIONS

2014

GENERAL INSTRUCTIONS

Who May File

A qualifying residing artist may claim a subtraction for income derived from the sale, publication, production or performance of an artistic work within an arts and entertainment district, if the artist created that artistic work within any arts and entertainment district.

The subtraction is only available to individuals. The subtraction is available to a single-member limited liability company whose member is an individual.

Required Attachments

You must attach to your Maryland return a completed Form 502AE.

Qualifying Guidelines

To qualify for the subtraction, you must be a qualifying residing artist. A qualifying residing artist means an individual who:

1. Owns or rents residential real property in Maryland;
2. Conducts a business in any arts and entertainment district; and,
3. Derives income from the sale, publication, production or performance within any arts and entertainment district of an artistic work that the individual created, wrote, composed or executed, either solely or with one or more other individuals, in any arts and entertainment district.

Artistic work - means an original and creative work, whether created, written, composed, or executed, that falls into one of the following categories:

1. A book or other writing;
2. A play or performance of a play;
3. A musical composition or the performance of a musical composition;
4. A painting or other picture;
5. A sculpture;
6. Traditional or fine crafts;
7. The creation of a film or the acting within a film;
8. The creation of a dance or the performance of a dance;
9. The creation of original jewelry or clothing design; or
10. Any product generated as a result of any of the categories listed above.

Artistic work does not include any piece or performance created or executed for industry-oriented or industry-related production such as a commercial or advertising copy.

Artistic work does not include tailoring services, clothing alterations or jewelry repair.

Arts and Entertainment District - means an area designated by the Secretary of the Department of Business and Economic Development as an arts and entertainment district.

SPECIFIC INSTRUCTIONS

In determining the amount of income allowed as a subtraction, the following rules shall apply:

Sale and Publication of Artistic Work

A. Income that an artist earns from the sale or publication of artistic work:

- Created within any arts and entertainment district and sold within any arts and entertainment district qualifies for the subtraction;
- Created outside any arts and entertainment district does not qualify for the subtraction; or
- Sold outside any arts and entertainment district does not qualify for the subtraction.

B. Income received by an artist from internet, mail order and catalog sales of artistic work shipped from within a district qualifies for the subtraction, if the artist created the artistic work within any district.

C. Income in the nature of royalties, licenses or other future revenues from the sale of reproduction or publishing rights **does not** qualify for the subtraction.

Production and Performance of Artistic Work

A. Income that an artist earns from a musical performance, from the performance of a play or dance, from the showing of a film produced within a district by the artist or from acting in a film:

- Within any district qualifies for the subtraction; or,
- Outside any district **does not** qualify for the subtraction.

B. Income that an artist earns from the creation or choreography of a play or dance, the composition of music or the production of a film:

- Within any district qualifies for the subtraction; or,
- Outside any district **does not** qualify for the subtraction.

C. Income derived by an artist from the internet broadcast of an artistic work from within a district qualifies for the subtraction, if the artist created the artistic work within a district.

D. Income in the nature of royalties, licenses or other future revenues from the creation or choreography of a play or dance, the composition of music or the production of a film **does not** qualify for the subtraction.

Part A - Qualifying Residing Artist

Line 1 - Enter the individual's name who is the qualifying residing artist.

Line 2 - Enter the official name(s) of the arts and entertainment district(s) in which the qualifying artist conducts a business.

Line 3 - Enter the Maryland address of the residential real property owned or rented by the qualifying residing artist. **Do not enter a mailing address, such as a post office box or rural box number**.

Line 4 - Enter the trade or business name, if any, and the business address in the arts and entertainment district(s). **Do not enter a mailing address, such as a post office box or rural box number.**

Line 5 - Provide a brief description of the artistic work and the business activities conducted in the arts and entertainment district(s).

Part B - Income Derived within Arts and Entertainment District(s)

Line 6 - Provide a brief description of the business transactions generating the income that qualifies for the subtraction.

Line 7 - Enter the amount of the income, to the extent included in federal adjusted gross income, derived within arts and entertainment district(s) that qualifies for the subtraction. Include this amount on line dd of Form 502SU or line dd of Form 505SU.

For more information, visit our Web site at **www.marylandtaxes.com** 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.

MARYLAND FORM 502B **Dependents' Information** (Attach to Form 502, 505 or 515.)

14502B049

2014

Print Using Blue or Black Ink Only.

Social Security Number		Spouse's Social Security Number
Your first name	Initial	Last name
Spouse's first name	Initial	Last name

Summary

1. Enter the total number of boxes checked below for Regular dependents (4) . . . . . ▶ 1. _____

2. Enter the total number of additional boxes checked below for dependents 65 or over (5). . . . . ▶ 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. _____

Dependents (If a dependent listed below is age 65 or over, please check both boxes 4 and 5.)

1. First name ▶ _____ Initial _____ Last name ▶ _____

2. Social Security Number ▶ _____ 3. Relationship _____ 4. ☐ Regular 5. ☐ 65 or over

1. First name ▶ _____ Initial _____ Last name ▶ _____

2. Social Security Number ▶ _____ 3. Relationship _____ 4. ☐ Regular 5. ☐ 65 or over

1. First name ▶ _____ Initial _____ Last name ▶ _____

2. Social Security Number ▶ _____ 3. Relationship _____ 4. ☐ Regular 5. ☐ 65 or over

1. First name ▶ _____ Initial _____ Last name ▶ _____

2. Social Security Number ▶ _____ 3. Relationship _____ 4. ☐ Regular 5. ☐ 65 or over

1. First name ▶ _____ Initial _____ Last name ▶ _____

2. Social Security Number ▶ _____ 3. Relationship _____ 4. ☐ Regular 5. ☐ 65 or over

MARYLAND FORM **502B** 2014

Dependents' Information

(Attach to Form 502, 505 or 515.)

14502B149

NAME _____ SSN _____

1. First name ▶ _____ Initial _____ Last name ▶ _____

2. Social Security Number ▶ _____ 3. Relationship _____ 4. ☐ Regular 5. ☐ 65 or over

1. First name ▶ _____ Initial _____ Last name ▶ _____

2. Social Security Number ▶ _____ 3. Relationship _____ 4. ☐ Regular 5. ☐ 65 or over

1. First name ▶ _____ Initial _____ Last name ▶ _____

2. Social Security Number ▶ _____ 3. Relationship _____ 4. ☐ Regular 5. ☐ 65 or over

1. First name ▶ _____ Initial _____ Last name ▶ _____

2. Social Security Number ▶ _____ 3. Relationship _____ 4. ☐ Regular 5. ☐ 65 or over

1. First name ▶ _____ Initial _____ Last name ▶ _____

2. Social Security Number ▶ _____ 3. Relationship _____ 4. ☐ Regular 5. ☐ 65 or over

1. First name ▶ _____ Initial _____ Last name ▶ _____

2. Social Security Number ▶ _____ 3. Relationship _____ 4. ☐ Regular 5. ☐ 65 or over

1. First name ▶ _____ Initial _____ Last name ▶ _____

2. Social Security Number ▶ _____ 3. Relationship _____ 4. ☐ Regular 5. ☐ 65 or over

MARYLAND FORM **502CR**

INCOME TAX CREDITS FOR INDIVIDUALS

Attach to your tax return.

14502C049

2014

Print Using Blue or Black Ink

Social Security Number		Spouse's Social Security Number
Your first name	Initial	Last name
Spouse's first name	Initial	Last name

Read Instructions for Form 502CR. Note: You must complete and submit pages 1 through 3 of this form to receive credit for the items listed.

PART A - TAX CREDITS FOR INCOME TAXES PAID TO OTHER STATES

If you were a part-year resident, you may not claim a credit for tax paid on nonresident income you subtracted on line 12 of Form 502.

If you are claiming a credit for taxes paid to more than one state, see instructions.

1. Enter your taxable net income from line 20, Form 502 (or Line 22, Form 504) . . . . . **1.**
2. Taxable net income in other state. Write on this line only the net income which is taxable in both the other state and Maryland. If you are taxed in the other state on income which is not taxable in Maryland, do not include that amount here. . . . . **2.**
   NOTE: When the tax in the other state is a percentage of a tax based on your total income regardless of source, you must apply the same percentage to your taxable income in the other state to determine the income taxable in both states.
3. Revised taxable net income (Subtract line 2 from line 1.) If less than zero, enter zero. . . . . **3.**
4. Enter the Maryland tax from line 22, Form 502 (or Line 23, Form 504). This is the Maryland tax based on your total income for the year . . . . . **4.**
5. Tax on amount on line 3. Compute the Maryland tax that would be due on the revised taxable net income by using the Maryland Tax Table or Computation Worksheet contained in the instructions for Forms 502 or 504. **Do not include the local income tax.** . . . . . **5.**
6. Tentative tax credit (Subtract line 5 from line 4.) If less than zero, enter zero. . . . . **6.**
7. State tax shown on the tax return filed with the state of (Enter 2-letter state code, code must be entered for credit to be allowed) ▶ ____ Enter the amount of your 2014 income tax liability (after deducting any credits for personal exemptions) to a state other than Maryland. Do not enter state tax withheld from your W-2 forms. **It is important that a copy of the tax return that was filed with the other state be attached to your Maryland return.** . . . . . **7.**
8. Credit for income tax paid to other state. Your credit for taxes paid to another state is the smaller of the tax actually paid (line 7) or the reduction in Maryland tax resulting from the exclusion of income in the other state (line 6). Write the smaller of line 6 or line 7 here and on Part H, line 1, page 3 . . . . . ▶ **8.**

PART B - CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES

1. Enter your federal adjusted gross income from line 1 of Form 502 or line 17, column 1 of Form 505 or Form 515 . . . . . **1.**
2. Enter your federal Child and Dependent Care Credit from federal Form 2441 . . . . . **2.**
3. Enter the decimal amount from the chart in the instructions that applies to the amount on line 1 . . . . . **3.** .
4. Multiply line 2 by line 3. Enter here and on Part H, line 2, page 3 . . . . . ▶ **4.**

PART C - QUALITY TEACHER INCENTIVE CREDIT

	Taxpayer A	Taxpayer B
1. Enter the Maryland public school system or a State or local correctional facility or qualified juvenile facility in which you are employed and teach	1. Name of Qualified Employer	1. Name of Qualified Employer
2. Enter amount of tuition paid to: ____ Name of Institution(s)	2.	2.
3. Enter amount of tuition reimbursement	3.	3.
4. Subtract line 3 from line 2	4.	4.
5. Maximum credit.	5. 1500 00	5. 1500 00
6. Enter the lesser of line 4 or line 5 here.	6.	6.

7. Total (Add amounts from line 6, for Taxpayers A and B) Enter here and on Part H, line 3, page 3. ▶ **7.**

MARYLAND FORM 502CR 2014

INCOME TAX CREDITS FOR INDIVIDUALS
Attach to your tax return.

14502C149

NAME _____ SSN _____

PART D - CREDIT FOR AQUACULTURE OYSTER FLOATS

1. Enter the amount paid to purchase an aquaculture oyster float(s)
Enter here and on Part H, line 4, page 3. This credit is limited. See Instructions. . . . . ▶ **1.** _____

PART E - LONG-TERM CARE INSURANCE CREDIT: (THIS IS A ONE-TIME CREDIT.)

Answer the questions and see instructions below before completing Columns A through E for each person for whom you paid long-term care insurance premiums.

Question 1 - Did the insured individual have long-term care insurance prior to July 1, 2000? . . . . . ☐ 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.

Complete Columns A through D only for insured individuals who qualify for credit. Enter in Column E the lesser of the amount of premium paid for each insured person or:

- $370 for those insured who are 40 or less, as of 12/31/14
- $500 for those insured who are over age 40, as of 12/31/14.

Add the amounts in Column E and enter the total on line 5 (total) and on Part H, line 5, page 3.

Column A Name of Qualifying Insured Individual	**Age**	**Column B** Social Security No. of Insured	**Column C** Relationship to Taxpayer	**Column D** Amount of Premium Paid	**Column E** Credit Amount
1.	▶	▶		▶	1.
2.	▶	▶		▶	2.
3.	▶	▶		▶	3.
4.	▶	▶		▶	4.
5. TOTAL					5.

PART F - CREDIT FOR PRESERVATION AND CONSERVATION EASEMENTS

		Taxpayer A		Taxpayer B
1. Enter the portion of the total current-year donation amount, and any carryover from prior year(s), attributable to each taxpayer	**1.**		**1.**	
2. Enter the amount of any payment received for the easement by each taxpayer during 2014.	**2.**		**2.**	
3. Subtract line 2 from line 1.	**3.**		**3.**	
4. Enter the amount from line 22 of Form 502; line 32c of Form 505; line 33 of Form 515; line 23 of Form 504 or $5,000, whichever is less. See instructions .	**4.**		**4.**	
5. Enter the lesser of line 3 or 4 here. (If you itemize deductions, see Instruction 14.). .	**5.**		**5.**	
6. Total (Add amounts from line 5 for Taxpayers A and B.). Enter here and on Part H, line 6, page 3 . . . . . ▶	**6.**			
7. Excess credit carryover. Subtract line 6 from the sum of lines 3A and 3B.	**7.**			

PART G - HEALTH ENTERPRISE ZONE PRACTITIONER TAX CREDIT ** MUST ATTACH REQUIRED CERTIFICATION

1. Credit (certified by the Department of Health and Mental Hygiene). Enter here and on Part H, line 7, page 3 . . . . . ▶ **1.** _____

MARYLAND FORM
502CR
2014

INCOME TAX CREDITS FOR INDIVIDUALS
Attach to your tax return.

14502C249

NAME _____ SSN _____

PART H - INCOME TAX CREDIT SUMMARY

1. Enter the amount from Part A, line 8 (If more than one state, see Instructions.) . . . . . 1. _____
2. Enter the amount from Part B, line 4 . . . . . 2. _____
3. Enter the amount from Part C, line 7 . . . . . 3. _____
4. Enter the amount from Part D, line 1 . . . . . 4. _____
5. Enter the amount from Part E, line 5 . . . . . 5. _____
6. Enter the amount from Part F, line 6. . . . . 6. _____
7. Enter the amount from Part G, line 1 . . . . . 7. _____
8. Total (Add lines 1 through 7.) Enter this amount on line 25 of Form 502; line 32 of Form 504; line 35 of Form 505 or line 36 of Form 515 . . . . . 8. _____

PART I - REFUNDABLE INCOME TAX CREDITS

1. Neighborhood Stabilization Credit. Enter the amount and attach certification. . . . . ▶ 1. _____
2. Sustainable Communities Tax Credit (See Instructions for Form 502S). Attach certification(s). . . . . ▶ 2. _____
3. Refundable Business Income Tax Credit (See Instructions for Form 500CR.) . . . . . **You must file your return electronically to claim a business income tax credit.**
4. IRC Section 1341 Repayment Credit. (See Instructions and Administrative Release 40.) Attach documentation. ▶ 4. _____
5. Flow-through Nonresident PTE tax (See Instructions for required attachments.) . . . . . ▶ 5. _____
6. Total. (Add lines 1 through 5.) Enter this amount on line 42 of Form 502, line 47 of Form 505 or line 54 of Form 515. . . . . 6. _____

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MARYLAND FORM
502CR
2014

INCOME TAX CREDITS FOR INDIVIDUALS INSTRUCTIONS

GENERAL INSTRUCTIONS

Purpose of Form. Form 502CR is used to claim personal income tax credits for individuals (including resident fiduciaries).

You may report the following tax credits on this form: the Credit for Income Taxes Paid to Other States, Credit for Child and Dependent Care Expenses, Quality Teacher Incentive Credit, Long-Term Care Insurance Credit, Credit for Preservation and Conservation Easements, Credit for Aquaculture Oyster Floats, the Health Enterprise Zone Practitioner Income Tax Credit, Sustainable Communities Tax Credit, the Neighborhood Stabilization Credit, Flow-Through Nonresident PTE Tax and IRC Section 1341 Repayment Credit. You must file Form 500CR electronically to claim a business income tax credit.

The Neighborhood Stabilization Credit, the Sustainable Communities Tax Credit and/or certain business tax credits from Form 500CR and the IRC Section 1341 Repayment Credit are refundable. All of the other credits may not exceed the state income tax.

Excess credit for preservation and conservation easements may be carried forward to the next tax year. Excess amounts of the other credits cannot be carried forward. **Note: Resident fiduciaries may use Form 502CR to claim only a credit for income taxes paid to other states or a Credit for Preservation and Conservation Easements.**

Name and Other Information. Type or print the name(s) as shown on Form 502, Form 505, Form 515 or Form 504 in the designated area. Enter the Social Security Number for each taxpayer.

When and Where to File. Form 502CR must be attached to the annual return (Form 502, 504, 505 or 515) and filed with the **Comptroller of Maryland, Revenue Administration Division, 110 Carroll Street, Annapolis, Maryland 21411-0001.**

PART A - CREDIT FOR INCOME TAXES PAID TO OTHER STATES

If you are a Maryland resident (including a resident fiduciary) and you paid income tax to another state, you may be eligible for a credit on your Maryland return. Nonresidents (filing Form 505, 515 or 504) are not eligible for this credit.

Find the state to which you paid a nonresident tax in one of the following groups. The instructions for that group will tell you if you are eligible for credit and should complete Part A of Form 502CR. You must file your Maryland income tax return on Form 502 and complete lines 1 through 22 of that form, or on Form 504 and complete lines 1 through 23. Then complete Form 502CR Parts A and H and attach to Form 502 or 504.

A completed, signed copy of the income tax return filed in the other state must also be attached to Form 502 or 504.

CAUTION: Do not use the income or withholding tax reported on the wage and tax statement (W-2 form) issued by your employer for the credit computation. Use the taxable income and the income tax calculated on the return you filed with the other state.

If you are claiming credit for taxes paid to more than one state, a separate Form 502CR must be completed for each state. Total the amount from each Form 502CR, Part A, line 8. Using only one summary section, record the total on Part H, line 1. Credit cannot be allowed for the local portion of the tax calculated on the return of the other state or on the Maryland return (line 29 of Form 502).

GROUP I - Nonreciprocal - Credit is taken on the Maryland resident return.

Alabama - AL
Arizona - AZ
Arkansas - AR
California - CA
Colorado - CO
Connecticut - CT
Delaware - DE
Georgia - GA
Hawaii - HI
Idaho - ID
Illinois - IL
Indiana - IN
Iowa - IA
Kansas - KS
Kentucky - KY
Louisiana - LA
Maine - ME
Massachusetts - MA
Michigan - MI
Minnesota - MN
Mississippi - MS
Missouri - MO
Montana - MT
Nebraska - NE
New Hampshire - NH
New Jersey - NJ
New Mexico - NM
New York - NY
North Carolina - NC
North Dakota - ND
Ohio - OH
Oklahoma - OK
Oregon - OR
Pennsylvania - PA (except wage income)
Rhode Island - RI
South Carolina - SC
Tennessee - TN
Texas - TX
Utah - UT
Vermont - VT
Virginia - VA (except wage income)
Washington, DC - DC (except wage income)
West Virginia - WV (except wage income)
Wisconsin - WI
Territories and Possessions of the United States
American Samoa - AS
Guam - GU
Northern Mariana Island - MP
Puerto Rico - PR
U.S. Virgin Islands - VI

A Maryland resident (including a resident fiduciary) having income from one of these states must report the income on the Maryland return Form 502 or 504. To claim a credit for taxes paid to the other state, complete Form 502CR and attach it and a copy of the other state's nonresident income tax return (not just your W-2 Form) to your Maryland return.

GROUP II - Reciprocal for wages, salaries, tips and commission income only.

Pennsylvania - PA
Virginia - VA
Washington, DC - DC
West Virginia - WV

Maryland has a reciprocal agreement with the states included in Group II. The agreement applies only to wages, salaries, tips and commissions. It does not apply to business income, farm income, rental income, gain from the sale of tangible property, etc. If you had such income subject to tax in these states, complete Form 502CR and attach it and a copy of the other state's nonresident income tax return (not just your W-2 Form) to your Maryland return.

If you had wages, plus income other than wages from a state listed in Group II, you should contact the taxing authorities in the other state to determine the proper method for filing the nonresident return.

GROUP III - No state income tax - No credit allowed.

Alaska - AK
Florida - FL
Nevada - NV
South Dakota - SD
Washington - WA
Wyoming - WY

You must report income from these states on your Maryland resident return. You cannot claim any credit for income earned in these states because you did not pay any income tax to the other state.

PART A – IMPORTANT NOTE FOR DUAL RESIDENTS

A person may be a resident of more than one state at the same time for income tax purposes. If you must file a resident return with both Maryland and another state, use the following rules to determine where the credit should be taken:

1. A person who is domiciled in Maryland and who is subject to tax as a resident of any of the states listed in Group I or II can claim a credit on the Maryland return (Form 502) using Part A of Form 502CR.
2. A person domiciled in any state listed in Group I or II who must file a resident return with Maryland must take the credit in the state of domicile.

PART A – SPECIAL INSTRUCTIONS

Members of Pass-through Entities - When a partnership, S corporation, limited liability company (LLC) or business trust files a composite return on behalf of its partners, shareholders or members with states in Groups I and II, Maryland resident partners, shareholders or members may claim a credit for their share of the tax paid. Attach a copy of the composite return filed with each of the other states. In lieu of the composite return, attach a statement(s) from the pass-through entity showing your share of the total income, your share of the taxable net income and your share of the tax liability in each of the other states. Complete a separate Form 502CR Part A for each state, entering your share of the taxable net income on line 2 and your share of the tax liability on line 7. Do not enter the amount of tax withheld on your behalf as shown on the Maryland Schedule K-1 or other statement issued to you by the pass-through entity. Total the amount from each Form 502CR, Part A, line 8. Using only one summary section, record the total on Part H, line 1. No credit is allowed for local taxes paid.

If the Maryland resident must file an individual nonresident return reporting the partnership, S corporation, LLC or business trust income, a separate Form 502CR must be completed for each state and submitted with a copy of the return filed with the other state.

For both composite returns and individual returns, no credit is available for taxes paid to states in Group III, or for taxes paid to cities or local jurisdictions.

Shareholders of S Corporations - Maryland resident shareholders can claim a credit for taxes paid by an S corporation to a state which does not recognize federal S corporation treatment. A copy of the corporation return filed in the other state is required to be attached to the Maryland return. A separate Form 502CR should be completed for each state showing the following information:

_____%	x _____	= _____
Stock ownership percentage	Corporation taxable income	Line 2, Part A, Form 502CR
_____%	x _____	= _____
Stock ownership percentage	Corporation tax	Line 7, Part A, Form 502CR

NOTE: A preliminary calculation using Form 502 must be made before calculating the credit on Form 502CR. Complete lines 1 through 22 on Form 502 to determine the amounts to be used for the 502CR computation.

The credit amount shown on line 8 of Part A, Form 502CR then must be included as an addition to income on line 5 of the Form 502 you will file.

D.C. Unincorporated Business Franchise Tax - Self-employed individuals and partners in a partnership who are subject to D.C. unincorporated business franchise tax may claim a credit on Form 502CR. A copy of the D.C. return is required for self-employed individuals and for partners, a K-1 or other statement from the partnership showing the partner's share of income and the partner's share of the D.C. tax.

Installment Sales in Another State - You may be eligible for credit for taxes paid to another state for gain recognized on installment, sales proceeds, even if the other state required the total be recognized in an earlier tax year. Credit is allowed against the state income tax only. The gain must have been deferred for federal tax purposes, but fully taxed in the year of the sale by another state that does not recognize the deferral. The credit allowed is the amount of the gain taxed in Maryland in the current year multiplied by the lesser of:

- the highest state tax rate used on your Maryland tax return

OR

- the tax rate imposed by the other state on the gain.

PART B - CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES

If you are eligible for a Child and Dependent Care Credit on your federal income tax return, Form 1040 or 1040A for tax year 2014, you may be entitled to a credit on your Maryland state income tax return. The credit starts at 32.5% of the federal credit allowed, but is phased out for taxpayers with federal adjusted gross incomes above $41,000 ($20,500 for individuals who are married, but file separate income tax returns). No credit is allowed for an individual whose federal adjusted gross income exceeds $50,000 ($25,000 for married filing separately). Use the chart below to determine the decimal amount to be entered on line 3 of Part B.

PART C - QUALITY TEACHER INCENTIVE CREDIT

If you are a qualified teacher, you may be able to claim a credit against your State tax liability for tuition paid to take graduate-level courses required to maintain certification. This credit applies to individuals who:

CREDIT FOR CHILD AND DEPENDENT CARE EXPENSES CHART

If your filing status is Married Filing Separately and your federal adjusted gross income is:		Decimal Amount	For all other filing statuses, if your federal adjusted gross income is:	
At Least	**But less than**		**At least**	**But less than**
$0-	**$20,501**	**.3250**	**$0**	**$41,001**
$20,501	$21,001	.2925	$41,001	$42,001
$21,001	$21,501	.2600	$42,001	$43,001
$21,501	$22,001	.2275	$43,001	$44,001
$22,001	$22,501	.1950	$44,001	$45,001
$22,501	$23,001	.1625	$45,001	$46,001
$23,001	$23,501	.1300	$46,001	$47,001
$23,501	$24,001	.0975	$47,001	$48,001
$24,001	$24,501	.0650	$48,001	$49,001
$24,501	$25,001	.0325	$49,001	$50,001
$25,001	or over	.0000	$50,001	or over

a. Currently hold a standard professional certificate or advanced professional certificate;

b. Are employed by a county/city board of education in Maryland, a state or local correctional facility, or a juvenile correctional facility as listed below in the note;

c. Teach in a public school or qualified facility and receive a satisfactory performance;

d. Successfully complete the courses with a grade of B or better; and

e. Have not been fully reimbursed by the state/county/city for these expenses.

Only the unreimbursed portion qualifies for the credit.

Each spouse that qualifies may claim this credit. Complete a separate column in the worksheet for each spouse.

NOTE: Qualified juvenile facilities are: the Alfred D. Noyes Children's Center; the Baltimore City Juvenile Justice Center; the Charles H. Hickey, Jr. School; the Cheltenham Youth Facility; the J. DeWeese Carter Center; the Lower Eastern Shore Children's Center; the Thomas J. S. Waxter Children's Center; the Victor Cullen Center; the Western Maryland Children's Center; and the youth centers.

INSTRUCTIONS

Line 1 Enter the name of the Maryland public school system or State or local correctional facility or qualified juvenile facility in which you are employed and teach.

Line 2 Enter the amount of tuition paid for graduate-level courses for each qualifying teacher and the name of the institution(s) to which it was paid.

Line 3 Enter the amount received as a reimbursement for tuition from your employer.

Line 5 The maximum amount of credit allowed is $1,500 for each qualifying individual.

Line 6 The credit is limited to the amount paid less any reimbursement up to the maximum amount allowed for each qualifying individual. Enter the lesser of line 4 or line 5.

Line 7 Enter the total of line 6, for Taxpayers A and B. Also enter this amount on Part H, line 3.

PART D - CREDIT FOR AQUACULTURE OYSTER FLOATS

A credit is allowed for 100% of the amounts paid to purchase new aquaculture oyster floats that are designed to grow oysters at or under an individual homeowner's pier. The devices must be buoyant and assist in the growth of oysters for the width of the pier. In the case of a joint return, each spouse is entitled to claim the credit, provided each spouse purchases or contributes to the purchase of a float. The credit amount is limited to the lesser of the individual's state tax liability for that year or the maximum allowable credit of $500. In the case of a joint return, each spouse must calculate his/her own state tax liability for limitation purposes.

PART E - LONG-TERM CARE INSURANCE CREDIT

A **one-time credit** may be claimed against the state income tax for the payment of qualified long-term care (LTC) insurance premiums as defined by the IRS (Publication 502) for a policy to insure yourself, or your spouse, parent, stepparent, child or stepchild, who is a resident of Maryland.

A credit may not be claimed if:

a. The insured was covered by LTC insurance prior to July 1, 2000;

b. The credit for the insured is being claimed in this year by another taxpayer;

c. The credit is being or has been claimed by anyone in any other tax year; or

d. The insured is a nonresident of Maryland.

The credit is equal to the LTC premiums paid with a maximum per insured of:

Amount	Age of Insured as of 12/31/14
$370	40 or less
$500	over 40 years

SPECIFIC INSTRUCTIONS

- Answer Questions 1 through 4. If you answered "yes" for any of the questions, no credit is allowed for that individual.
- Complete Columns A through D of the worksheet for each qualifying insured individual who qualifies for the credit. If more space is required, attach a separate statement.
- Enter in Column E the amount of premiums paid for each qualifying insured individual up to the maximum for that age group.
- Add the amounts in Column E and enter the total on line 5. Also enter this amount on Part H, line 5.

PART F - CREDIT FOR PRESERVATION AND CONSERVATION EASEMENTS

If you donated an easement to the Maryland Environmental Trust or the Maryland Agricultural Land Preservation Foundation to preserve open space, natural resources, agriculture, forest land, watersheds, significant ecosystems, viewsheds or historic properties, you may be eligible for a credit if:

1. the easement is perpetual;
2. the easement is accepted and approved by the Board of Public Works and
3. the fair market value of the property before and after the conveyance of the easement is substantiated by a certified real estate appraiser.

The credit is equal to the difference in the fair market values of the property reduced by payments received for the easement.

If the property is owned jointly by more than one individual, such as a married couple, **each individual owner is entitled to the credit based on their percentage of ownership**. Individual members of a pass-through entity are not eligible for this credit. The credit amount is limited to the lesser of the individual's state tax liability for that year or the maximum allowable credit of $5,000, per owner, who qualifies to claim the credit. Complete a separate column in the worksheet for each spouse. **In the case of a joint return,** each spouse must calculate their own state tax liability for limitation purposes. Use the rules for filing separate returns in Instruction 8 in the Resident booklet to calculate each spouse's Maryland tax. In the case of a fiduciary return, the fiduciary will complete the column for Taxpayer B only.

If the individual's allowable credit amount exceeds the maximum of $5,000, the excess may be carried forward for up to 15 years or until fully used. Complete lines 1-7 of Part F. If you itemize deductions, see Instruction 14 in the Resident booklet.

For line 1, enter the amount by which the fair market value of the property before the conveyance of the easement exceeds the fair market value after the conveyance as substantiated by a certified real estate appraiser, plus any carryover from the prior year.

The carryover amount can be found on Part F line 7 of Form 502CR for tax year 2013.

For additional information, contact the Maryland Environmental Trust at 410-514-7900, **www.dnr.state.md.us/met**, or the Maryland Agricultural Land Preservation Foundation at 410-841-5860.

PART G – HEALTH ENTERPRISE ZONE PRACTITIONER INCOME TAX CREDIT

If you are a qualified "Health Enterprise Zone (HEZ) Practitioner," you may be able to claim a credit against your State tax liability for income that you earned for practicing health care in a HEZ. To apply for certification, you must be a health care practitioner who is licensed or certified under the Maryland Health Occupations Article, and who provides:

1. Primary care, including obstetrics, gynecological services, pediatric services, or geriatric services;
2. Behavioral health services, including mental health or alcohol and substance abuse services; or
3. Dental services.

To be eligible to claim this tax credit, you must:

1. Be a HEZ practitioner who practices health care in a HEZ;
2. Demonstrate competency in cultural, linguistic, and health literacy in a manner determined by the Maryland Department of Health and Mental Hygiene (DHMH);
3. Accept and provide care for patients enrolled in the Maryland Medical Assistance Program and for uninsured patients; and
4. Meet any other criteria required by DHMH to be certified for this credit.

Eligibility for this tax credit is limited to funds budgeted. Applicants seeking certification will be approved on a first-come, first-served basis. To become certified, the HEZ practitioner may apply to the non-profit community organization or local government approved by DHMH. Go to DHMH website at: **dhmh.maryland.gov** for more information.

INSTRUCTIONS

Line 1 Enter on line 1 the amount of the tax credit certified by DHMH. This amount is also entered on Part H, line 7.

This credit is limited to the State tax. There is no carryover to another year. No credits may be earned for any tax year beginning on or after January 1, 2017.

If you have hired qualified employees to work in a HEZ, you may be entitled to a HEZ Hiring Tax Credit. This credit is computed on Maryland Business Tax Credit Form 500CR and requires DHMH certification. The credit may only be claimed on an electronically filed **amended** Maryland income tax return. You may download instructions from our Web site at **www.marylandtaxes.com.**

PART H - INCOME TAX CREDIT SUMMARY

This part is to summarize Parts A through G. If the total from Part H, line 8 exceeds the state tax, the excess will not be refunded.

PART I - REFUNDABLE INCOME TAX CREDITS

Line 1 NEIGHBORHOOD STABILIZATION CREDIT

If you live in the Hillendale, Northbrook, Pelham Woods or Taylor/Dartmouth areas of Baltimore County, you may qualify for this credit. Credit for homes purchased in Baltimore County must have been applied for by December 31, 2005.

After certification by Baltimore County, you may claim an income tax credit equal to the property tax credit granted by Baltimore County. Enter the amount on Part I, line 1 and attach a copy of the certification.

Line 2 SUSTAINABLE COMMUNITIES TAX CREDIT

See instructions for Form 502S.

Line 3 REFUNDABLE BUSINESS INCOME TAX CREDITS

NOTE: You must file your income tax return electronically to claim any of the refundable credits listed below:

See Business Tax Credit Form 500CR Instructions NEW for qualifications for the One Maryland Economic Development Tax Credit, the Biotechnology Investment Incentive Tax Credit, **the Cybersecurity Investment Incentive Tax Credit**, the Health Enterprise Zone Hiring Credit, the Small Business Research & Development Tax Credit, the Clean Energy Incentive Tax Credit and the Film Production Activity Tax Credit. You may download instructions from our Web site at **www.marylandtaxes.com.**

Line 4 IRC SECTION 1341 REPAYMENT CREDIT

If you repaid an amount this year reported as income on a prior year federal return that was greater than $3,000, you may be eligible for an IRC Section 1341 Repayment credit. Attach documentation. For additional information, see Administrative Release 40.

Line 5 FLOW-THROUGH NONRESIDENT PTE TAX

If you are the beneficiary of a trust or a Qualified Subchapter S Trust for which nonresident PTE tax was paid, you may be entitled to a credit for your share of that tax. Enter the amount on this line and attach both the Form 504 Schedule K-1 for the trust and a copy of the Form 510 Schedule K-1 issued to the trust by the PTE.

If you are a member of a PTE for which nonresident tax was paid, you may be entitled to a credit for your share of that tax. Enter the amount on this line and attach Form 510 Schedule K-1 issued to you and to the partnership, limited liability company, or S Corporation, by the PTE.

Line 6 Add lines 1 through 5. Enter the total on the appropriate line of the income tax form being filed.

MARYLAND FORM **502D**

PERSONAL DECLARATION OF ESTIMATED INCOME TAX

15502D049

2015

OR FISCAL YEAR BEGINNING _____ 2015, ENDING_____

YOU MAY FILE AND PAY YOUR ESTIMATED TAXES ELECTRONICALLY. VISIT US AT WWW.MARYLANDTAXES.COM AND LOOK FOR ONLINE SERVICES.

IN ADDITION TO MAKING A SINGLE ESTIMATED PAYMENT, YOU ALSO MAY CHOOSE TO SET UP FUTURE ESTIMATED PAYMENTS AT THE SAME TIME.

☐ CHECK HERE IF THIS IS A CHANGE OF ADDRESS

☐ CHECK HERE IF THIS IS A JOINT DECLARATION

Print Using Blue or Black Ink Only

Social Security Number		Spouse's Social Security Number	
Your First Name	Initial	Last Name	
Spouse's First Name	Initial	Last Name	
Number and Street			
City or Town	State	ZIP code	

For Office Use Only

ME	YE	EC	EC

IF YOU RECEIVE THE DECLARATION OF ESTIMATED PERSONAL INCOME TAX PACKET WHICH INCLUDES THE FOUR PREPRINTED VOUCHERS FOR SUBMITTING ESTIMATED PAYMENTS, USE THE PREPRINTED VOUCHERS INSTEAD OF THIS FORM OR **FILE ELECTRONICALLY**.

IF YOU DID NOT RECEIVE THE PACKET AND DO NOT ELECT TO FILE ELECTRONICALLY, USE THIS FORM TO REMIT ANY PAYMENT DUE AT THIS TIME. IF VOUCHERS ARE NEEDED FOR REMAINING INSTALLMENTS OF THE CURRENT TAX YEAR, CHECK HERE. ☐ ◀

IMPORTANT: Review the instructions before completing this form. If you are using this form for subsequent estimated payments and you previously have calculated the amounts you must pay for each quarter, you **do not** need to complete this worksheet.

ESTIMATED TAX WORKSHEET

STAPLE CHECK HERE

1. Total income expected in 2015 (federal adjusted gross income) . . . . . **1.** _____

2. Net modifications (See instructions.) . . . . . **2.** _____

3. Maryland adjusted gross income (line 1, plus or minus line 2) . . . . . **3.** _____

4. Deductions:

a. If standard deduction is used, see instructions.

b. If deductions are itemized, enter total of federal itemized deductions less state and local income taxes. . . . **4.** _____

5. Maryland net income (Subtract line 4 from line 3.) . . . . . **5.** _____

6. Personal exemptions (See instructions.) . . . . . **6.** _____

7. Taxable net income (Subtract line 6 from line 5.) . . . . . **7.** _____

8. Maryland income tax (See instructions.) . . . . . **8.** _____

9. Personal and business income tax credits . . . . . **9.** _____

10. Subtract line 9 from line 8 (If less than 0 enter 0.). . . . . **10.** _____

11. Local income tax or special nonresident income tax: Multiply line 7 by **.0** ___ ___ ___ (See instructions.) **11.** _____

12. Total 2015 Maryland and local income tax (Add lines 10 and 11.). . . . . **12.** _____

13. Maryland income tax to be withheld during the year 2015 . . . . . **13.** _____

14. Total estimated tax to be paid by declaration (Subtract line 13 from line 12.) . . . . . **14.** _____

15. Amount to be submitted with declaration (Divide line 14 by 4.) . . . . . **15.** _____

For payment by credit card see payment instructions.

ESTIMATED TAX PAID FOR 2015 WITH THIS DECLARATION (If filing and paying electronically or by credit card, do not submit this form.) . . . . . ▶ $		

File and pay your estimated tax online. Scan this code with your mobile phone or tablet's QR Reader. Free readers are available at your favorite APP store.

Make checks payable to and mail to:
COMPTROLLER OF MARYLAND
REVENUE ADMINISTRATION DIVISION
110 Carroll Street
Annapolis, Maryland 21411-0001
(It is recommended that you include your Social Security Number on check using blue or black ink.)

MARYLAND FORM **502D**

PERSONAL DECLARATION OF ESTIMATED INCOME TAX INSTRUCTIONS

2015

Purpose of declaration The filing of a declaration of estimated Maryland income tax is a part of the pay-as-you-go plan of income tax collection adopted by the State. If you have any income such as pensions, business income, lottery, capital gains, interest, dividends, etc., from which no tax is withheld, or wages from which not enough Maryland tax is withheld, you may have to pay estimated taxes. The law is similar to the federal law.

Who must file a declaration You must file a declaration of estimated tax if you are required to file a Maryland income tax return *and* your gross income would be expected to develop a tax of more than $500 in excess of your Maryland withholding.

You must file a declaration with payment in full within 60 days of receiving $500 or more of income from awards, prizes, lotteries or raffles, whether paid in cash or property if Maryland tax has not been withheld. A married couple may file a joint declaration.

When to file a declaration You must pay at least one-fourth of the total estimated tax on line 14 of this form on or before **April 15, 2015**. The remaining quarterly payments are due **June 15, 2015, September 15, 2015 and January 15, 2016**. You may pay the total estimated tax with your first payment, if you wish. If you are filing on a fiscal year basis, each payment is due by the 15th day of the 4th, 6th, 9th and 13th months following the beginning of the fiscal year.

Overpayment of tax If you overpaid your 2014 income tax (Form 502 or 505), you may apply all or part of the overpayment to your 2015 estimated tax. If the overpayment applied equals or exceeds the estimated tax liability for the first quarterly payment, you are not required to file the declaration. If the overpayment applied is less than the estimated tax liability, you should file the declaration and pay the balance of the first installment. Preprinted vouchers will be mailed to you for the remaining payments.

How to estimate your 2015 tax The worksheet is designed to develop an estimate of your 2015 Maryland and local income tax. Be as accurate as you can in forecasting your 2015 income. You may use your 2014 income tax as a guide, but if you will receive more income than you did in 2014, you must pay at least 110% of your prior year tax to avoid interest for underpayment of estimated tax. For the purpose of estimating, rounding all amounts to the nearest dollar is recommended.

Nonresidents who want to estimate 2015 Maryland taxes may use the Nonresident Estimate Tax Calculator at **www.marylandtaxes.com**.

Specific Instructions:

Line 1. Total income expected in 2015 is your estimated federal adjusted gross income.

Line 2. Net modifications. You must add certain items to your federal adjusted gross income. See Instruction 12 of the tax instructions. You may subtract certain items from federal adjusted gross income. See Instruction 13 of the tax instructions. Enter on this line the net result of additions and subtractions.

Line 4. Deductions. You may compute your tax using the standard deduction method or the itemized deduction method.

Standard deduction. Compute 15% of line 3.

If Filing Status 1, 3, 6: If the amount computed is less than $1,500, enter $1,500; if the amount is between $1,500 and $2,000, enter that amount; if the amount is more than $2,000, enter $2,000.

If Filing Status 2, 4, 5: If the amount computed is less than $3,000, enter $3,000; if the amount is between $3,000 and $4,000, enter that amount; if the amount is more than $4,000, enter $4,000.

Itemized deductions. Enter the total of federal itemized deductions less state and local income taxes.

Line 6. Personal exemptions. If your FAGI will be $100,000 or less, you are allowed:

a. $3,200 each for taxpayer and spouse.
b. $1,000 each for taxpayer and spouse if age 65 or over and/or blind.
c. $3,200 for each allowable dependent, other than taxpayer and spouse. The amount is doubled for allowable dependents age 65 or over.

If your FAGI will be more than $100,000, see chart below to determine the amount of exemption you can claim for items a and c above.

If Your federal AGI is		**If you will file your tax return**	
		Single or Married Filing Separately **Each Exemption is**	Joint, Head of Household or Qualifying Widow(er) **Each Exemption is**
$100,000 or less		**$3,200**	**$3,200**
Over	**But not over**		
$100,000	**$125,000**	**$1,600**	**$3,200**
$125,000	**$150,000**	**$800**	**$3,200**
$150,000	**$175,000**	**$0**	**$1,600**
$175,000	**$200,000**	**$0**	**$800**
In excess of $200,000		**$0**	**$0**

Line 8. Maryland income tax. Use the tax rate schedules below to compute your tax on the amount on line 7.

For taxpayers filing as Single, Married Filing Separately, or as Dependent Taxpayers. This rate also is used for taxpayers filing as Fiduciaries.

Tax Rate Schedule I

If taxable net income is: At least:	but not over:			**Maryland Tax is:**	
$0	$1,000			2.00%	of taxable net income
$1,000	$2,000	$20.00	plus	3.00%	of excess over $1,000
$2,000	$3,000	$50.00	plus	4.00%	of excess over $2,000
$3,000	$100,000	$90.00	plus	4.75%	of excess over $3,000
$100,000	$125,000	$4,697.50	plus	5.00%	of excess over $100,000
$125,000	$150,000	$5,947.50	plus	5.25%	of excess over $125,000
$150,000	$250,000	$7,260.00	plus	5.50%	of excess over $150,000
$250,000	--	$12,760.00	plus	5.75%	of excess over $250,000

MARYLAND FORM 502D

PERSONAL DECLARATION OF ESTIMATED INCOME TAX INSTRUCTIONS

2015

For taxpayers filing Joint Returns, Head of Household, or for Qualifying Widows/Widowers.

Tax Rate Schedule II

If taxable net income is: At least:	but not over:			**Maryland Tax is:**	
$0	$1,000			2.00%	of taxable net income
$1,000	$2,000	$20.00	plus	3.00%	of excess over $1,000
$2,000	$3,000	$50.00	plus	4.00%	of excess over $2,000
$3,000	$150,000	$90.00	plus	4.75%	of excess over $3,000
$150,000	$175,000	$7,072.50	plus	5.00%	of excess over $150,000
$175,000	$225,000	$8,322.50	plus	5.25%	of excess over $175,000
$225,000	$300,000	$10,947.50	plus	5.50%	of excess over $225,000
$300,000	--	$15,072.50	plus	5.75%	of excess over $300,000

Line 11. Local or special nonresident income tax. Maryland counties and Baltimore City levy an income tax on residents that is a percentage of taxable net income. The amount you entered on line 7 is your taxable net income. Multiply that amount by your local tax rate (see below) and enter on line 11.

Baltimore City	.0320
Allegany County	.0305
Anne Arundel County	.0256
Baltimore County	.0283
Calvert County	.0280
Caroline County	.0273
Carroll County	.0303
Cecil County	.0280
Charles County	.0303
Dorchester County	.0262
Frederick County	.0296
Garrett County	.0265
Harford County	.0306
Howard County	.0320
Kent County	.0285
Montgomery County	.0320
Prince George's County	.0320
Queen Anne's County	.0320
St. Mary's County	.0300
Somerset County	.0315
Talbot County	.0240
Washington County	.0280
Wicomico County	.0320
Worcester County	.0125
Nonresidents use	**.0125**

Filing a return instead of fourth payment Instead of making the fourth declaration payment on or before **January 15, 2016**, you may file your 2015 personal income tax return, provided you file it on or before **January 31, 2016** and pay in full with the return any balance of tax due.

Farmers and fishermen If your estimated gross income from farming or fishing is at least two-thirds of your total estimated gross income for the year, special provisions may apply. Your 2015 declaration and full payment of the estimated tax are due on or before **January 15, 2016**. You do not have to file the declaration if you file your complete tax return (Form 502 or 505) and pay the full amount of tax due on or before **March 1, 2016**.

Changes in income or exemptions Your situation may not require you to file a declaration on **April 15, 2015**. However, a large increase in income after that date may require you to file a declaration. If at any time during the year you need to amend your original declaration, simply increase or decrease the remaining payments.

Forms and information Declaration of estimated tax forms and any additional information may be obtained online at **www.marylandtaxes.com** or by emailing TAXFORMS@comp.state.md.us. You may also call 1-800-638-2937 or from Central Maryland 410- 260-7951.

Electronic filing You may file and pay your 2015 estimated taxes electronically. When you use our iFile program, we give you the ability to make a single estimated tax payment, as well as providing the convenience of scheduling all of your payments at one time. These scheduled payments will be deducted from your bank account on the dates that you specify. Visit us at **www.marylandtaxes.com** and look for **on-line services**.

ALTERNATIVE PAYMENT METHODS

For alternative methods of payment, such as a credit card, visit our Web site at **www.marylandtaxes.com.**

Payment by check or money order Make your check or money order payable to "Comptroller of Maryland." Use blue or black ink. Write the type of tax, year of tax, and tax being paid on your check. It is recommended that you include your Social Security Number on check. **DO NOT SEND CASH.**

Mailing instructions Mail your declaration of estimated tax to:

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

Penalties and interest If you are required by law to file a declaration of estimated tax for any tax year and you either (1) fail to file on the date prescribed, (2) **fail to pay the installment or installments when due** or (3) estimate a tax less than 90% of the developed tax shown on the return for the current taxable year and which estimate was less than 110% of the tax that was developed for the prior year, you will be subject to the penalties and interest as provided by law for the failure to file a return and the failure to pay a tax when due.

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MARYLAND FORM 502S

SUSTAINABLE COMMUNITIES TAX CREDIT

14502Z049

2014

Print using blue or black ink only.

Name of taxpayer(s)	Taxpayer Identification Number

☐ Check here if this credit is derived from an entity other than that shown above.
Enter the entity's Federal Employer Identification Number . . . . . .

- **YOUR MARYLAND RESTORATION AND QUALIFIED COSTS MUST BE CERTIFIED BY THE MARYLAND HISTORICAL TRUST (MHT).**
  Attach a copy of your approved Certification Application (Part 3) and Form 502S to your tax return.
- **REMINDER**: Do not send photographs to the Revenue Administration Division. All photographs are to be sent to the MHT at: 100 Community Place, Crownsville, Maryland 21032-2023.

For more information or to obtain applications, contact the MHT at 410-514-7628 or **www.mht.maryland.gov**

☐ Check here if a credit is being claimed for more than one property. See Special Instructions for Multiple Properties.

1. Enter MHT Project Number . . . . . .1.

Location of Property (Street Address, City, State, ZIP code)

_____

_____

2. Certified rehabilitation expenditures . . . . . .2. _____

3. Credit for certified rehabilitation expenditures (Multiply line 2 by 20% (.20) and enter on line 3.). . . . . .3. _____

4. Additional credit for certified rehabilitation of a high performance building. (If applicable, multiply line 2 by 5% (.05) and enter on line 4. Otherwise, enter 0.) . . . . . .4. _____

5. Total credit amount (Add lines 3 and 4. For commercial rehabilitations, enter the lesser of the total or $3,000,000. For all other rehabilitations, enter the lesser of the total or $50,000.) . . . . . .5. _____

6. Total credit amount less recaptures (Enter line 5 less any recaptures if applicable. If less than 0, enter negative amount. See Instructions.) . . . . . .6. _____

If you are filing Form 502 or Form 505, enter the amount from line 6 on line 2, Part I of Form 502CR.

If you are filing Form 504, enter the amount from line 6 on line 34 of Form 504.

Corporations and PTEs will claim this credit on line 1, Part Z of Form 500CR.

If negative, enter the negative amount on the appropriate form.

MARYLAND FORM
502S

SUSTAINABLE COMMUNITIES TAX CREDIT INSTRUCTIONS

2014

General Instructions

Corporations and pass-through entities must file electronically to claim or pass on a Sustainable Communities Tax Credit. See Instructions to Form 500CR, Part Z.

Purpose of Form

Form 502S is used to calculate allowable tax credits for the rehabilitation of certified historic structures located in Maryland and completed in the tax year which begins January 1, 2014 through December 31, 2014.

Certified Expenditures

To claim the credit, the certified rehabilitation must be certified by the Maryland Historical Trust (MHT) as a substantial rehabilitation. "Substantial rehabilitation" means expenditures exceeding $5,000 for single-family, owner-occupied residential property or a small commercial project. For all other property, "substantial rehabilitation" means the greater of the adjusted basis of the structure or $25,000. The same expenditures may not be used to qualify for a credit in any other tax year.

Allowable Credit

A credit for a percentage of the amount spent to rehabilitate a certified historic structure is provided on the form. Credit for rehabilitation may be refunded if the credit exceeds the State tax liability. A credit may not exceed $3,000,000 for commercial rehabilitations or $50,000 for all other rehabilitations including small commercial projects. Subject to MHT approval for postponement, commercial rehabilitation must be completed within 30 months from the date of issuance of the initial certificate.

An additional credit may be claimed for a commercial rehabilitation of a certified historic structure that is a **high performance building**. Small commercial projects do not qualify for this credit. "Small commercial project" means a rehabilitation of a structure primarily used for commercial, income producing **purposes**, if the qualified rehabilitation expenditures do not exceed $500,000 and the structure is located in a sustainable community. Small commercial project does not include a structure that is used solely for residential purposes.

Specific Instructions

Note: If credit is being claimed for multiple properties, see Special Instructions for Multiple Properties.

Line 1 – Enter the MHT project number and location of the property as shown on the Certification Application (Part 3).

Line 2 – Enter on line 2 the amount of certified expenditures for the property from the Certification Application (Part 3).

Line 3 – Multiply the expenditure on line 2 by 20% and enter the result.

Line 4 – If the expenditures are for the commercial rehabilitation of a certified structure that is a **high performance building**, multiply the expenditure on line 2 by 5% and enter the result. Otherwise, enter 0. (See **Allowable Credit.**).

Line 5 – Add lines 3 and 4. Enter the lesser of that total or the applicable maximum credit. The applicable maximum credit for a single-family, owner-occupied residence or small commercial project is $50,000. The applicable maximum credit for a commercial rehabilitation is $3,000,000.

Line 6 – Enter line 5 less the amount of any recaptures (See below.). If negative, enter the negative amount. Also, enter this amount on the appropriate line of the income tax form being filed: line 2, Part I of Form 502CR (Forms 502 or 505); line 34 of Form 504; or line 1, Part Z of Form 500CR (Corporation and PTE returns). If there is more than one property for which a credit is being claimed, see Special Instructions for Multiple Properties.

Special Instructions for Multiple Properties

If you are claiming a credit for multiple properties, complete lines 1-5 on a separate Form 502S for each property that is being claimed. Also, attach the required certification for each property that is being claimed. Total the amounts for line 5 of all the properties. On line 6, enter this total amount less the total recapture amounts for all properties. If negative, enter the negative amount.

Recaptures

For Commercial Rehabilitations. If within the first 5 years (starting with the first year the credit was claimed), work was performed that would disqualify a certification or the certified rehabilitation is disposed of, a portion of the credit is subject to recapture. A recapture must be made on the tax return for the tax year in which the disqualifying work or the disposal of a certified rehabilitation is done.

For Other Rehabilitations. If within the first 5 years (starting with the first year the credit was claimed), work was performed that would disqualify a certified rehabilitation for which a credit was claimed, a portion of the credit must be recaptured.

Calculation of the Recapture. The recapture is calculated as follows:

- In the first year, 100% of the credit must be recaptured.
- In the second year, 80% of the credit must be recaptured.
- In the third year, 60% of the credit must be recaptured.
- In the fourth year, 40% of the credit must be recaptured.
- In the fifth year, 20% of the credit must be recaptured.

No recapture is required for disqualifying work performed after the first 5 years or disposal after the first 5 years. Line 5 must be reduced by the amount of the recapture and entered on line 6.

Attachment of Forms

Attach your completed Form 502S along with a copy of the approved Certification Application (Part 3) to Form 502CR, Form 504, or Form 500CR. Failure to do so will result in the credit being disallowed.

Note: Non-profit organizations that have been certified as having a qualified rehabilitation, may claim this credit on Form 502S. Trusts should attach Form 502S to Fiduciary Form 504. 501(c)(3) corporations should complete the Form 502S section on their electronically-filed corporation income tax return.

For questions concerning certification, contact:

Maryland Historical Trust
100 Community Place
Crownsville, Maryland 21032-2023
410-514-7628
www.mht.maryland.gov

For questions concerning the credit calculation, visit our Web site at **www.marylandtaxes.com** 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.

MARYLAND FORM 502SU

SUBTRACTIONS FROM INCOME

ATTACH TO YOUR TAX RETURN.

14502S049

2014

Print Using Blue or Black Ink Only

Social Security Number		Spouse's Social Security Number
Your first name	Initial	Last name
Spouse's first name	Initial	Last name

Subtractions from income. Determine which subtractions from income apply to you. See Instruction 13 in Resident Booklet for more information.

a. Payments from a pension system to firemen and policemen for job-related injuries or disabilities (but not more than the amount included in your total income) . . . . . a. _____

b. Net allowable subtractions from income from pass-through entities not attributable to decoupling . . . . . b. _____

c. Net subtractions from income reported by a fiduciary. . . . . c. _____

d. Distributions of accumulated income by a fiduciary, if income tax has been paid by the fiduciary to the State (but not more than the amount included in your total income). . . . . d. _____

e. Profit (without regard to losses) from the sale or exchange of bonds issued by the State or local governments of Maryland. . . . . e. _____

f. Benefits received from a Keogh plan on which State income tax was paid prior to 1967. Attach statement . . . . . f. _____

g. Amount of wages and salaries disallowed as a deduction due to the work opportunity credit allowed under the Internal Revenue Code Section 51. . . . . g. _____

h. Expenses up to $5,000 incurred by a blind person for a reader, or up to $1,000 incurred by an employer for a reader for a blind employee . . . . . h. _____

i. Expenses incurred for reforestation or timber stand improvement of commercial forest land . . i. _____

j. The amount added to taxable income for the use of an official vehicle by a member of a state, county or local police or fire department. The amount is listed separately on your W-2. . . . . j. _____

k. Up to $6,000 in expenses incurred by parents to adopt a child with special needs through a public or nonprofit adoption agency; up to $5,000 for adoption of a child without special needs k. _____

l. Purchase and installation costs of certain enhanced agricultural management equipment. Attach a copy of the certification . . . . . l. _____

m. Deductible artist's contribution. Complete and attach Form 502AC. . . . . m. _____

n. Payment received under a fire, rescue, or ambulance personnel length of service award program that is funded by any county or municipal corporation of the State . . . . . n. _____

o. Value of farm products you donated to a gleaning cooperative. Attach a copy of the certification o. _____

p. Overseas military subtraction (Use worksheet from Instruction 13.) . . . . . p. _____

q. Unreimbursed vehicle travel expenses. Complete and attach Form 502V . . . . . q. _____

r. Amount of pickup contribution shown on Form 1099R from the State retirement or pension systems included in federal adjusted gross income . . . . . r. _____

s. Amount of interest and dividend income (including capital gain distributions) of a dependent child that is included in the parent's federal gross income under the Internal Revenue Code Section 1(g)(7). . . . . s. _____

t. Relocation and assistance payments received from the State of Maryland under Title 12 Subtitle 2 of the Real Property Article. . . . . t. _____

u. Up to $5,000 of military retirement income received by a qualifying individual during the tax year. See Instruction 13 on who is a qualifying individual. . . . . u. _____

v. The Honorable Louis L. Goldstein Volunteer Police, Fire, Rescue and Emergency Medical Services Personnel Subtraction Modification Program. Attach a copy of the certification. . . . . v. _____

w. Unreimbursed expenses incurred by a foster parent on behalf of a foster child. . . . . w. _____

xa. Up to $2,500 per contract purchased for advanced tuition payments made to the Maryland Prepaid College Trust. See Administrative Release 32. . . . . xa. _____

MARYLAND FORM 502SU 2014

SUBTRACTIONS FROM INCOME
ATTACH TO YOUR TAX RETURN.

14502S149

NAME _____ SSN _____

xb. Up to $2,500 per account holder per beneficiary of the total of all amounts contributed to investment accounts under the Maryland College Investment Plan and Maryland Broker-Dealer College Investment Plan. See Administrative Release 32. . . . . xb. _____

y. Any income that is related to tangible or intangible property that was seized, misappropriated or lost as a result of the actions or policies of Nazi Germany towards a Holocaust victim . . . . y. _____

z. Expenses incurred to buy and install handrails in an existing elevator in a qualified healthcare facility or other building in which at least 50% of the space is used for medical purposes . . . . z. _____

aa. Payments from a pension system to the surviving spouse or other beneficiary of a law enforcement officer or firefighter whose death arises out of or in the course of their employment . . . . . aa. _____

ab. Income from U.S. Government obligations (See Instruction 13.) . . . . . ab. _____

bb. 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 . . . . . bb. _____

cc. Net subtraction modification to Maryland taxable income when using the federal special 5-year carryback period for a net operating loss under federal law compared to Maryland taxable income without regard to federal provisions. Complete and attach Form 500DM. See Administrative Release 38.. . . . . cc. _____

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. Complete and attach Form 500DM. See Administrative Release 38 . . . . . cd. _____

dd. Income derived within arts and entertainment district(s) by a qualifying residing artist. Complete and attach Form 502AE . . . . . dd. _____

dm. Net subtraction modification from multiple decoupling provisions. Complete and attach Form 500DM . . . . . dm _____

dp. Net subtraction decoupling modification from a pass-through entity. Complete and attach Form 500DM. See Administrative Release 38 . . . . . dp. _____

ee. Amount received as a grant under the Solar Energy Grant Program administered by the Maryland Energy Administration but not more than the amount included in your total income . ee. _____

ff. Amount of the cost difference between a conventional on-site sewage disposal system and a system that utilizes nitrogen removal technology, for which the Department of Environment's payment assistance program does not cover. . . . . ff. _____

hh. Net subtraction to adjust phase out of exemptions as a result of including U.S. obligations in your adjusted gross income . . . . . hh. _____

ii. Interest on any Build America Bond that is included in your federal adjusted gross income. See Administrative Release 13 . . . . . ii. _____

jj. Gain resulting from a payment from the Maryland Department of Transportation as a result of the acquisition of a portion of the property on which your principal residence is located . . . . . jj. _____

kk. Qualified conservation program expenses up to $500 for an application approved by the Department of Natural Resources to enter into a Forest Conservation and Management Plan . . kk. _____

ll. Payment received as a result of a foreclosure settlement negotiated by the Maryland Attorney General . . . . . ll. _____

mm. Amount received by a claimant for noneconomic damages as a result of a claim of unlawful discrimination . . . . . mm. _____

nn. Amount of student loan indebtedness discharged due to total or permanent disability or death. Attach notice . . . . . nn. _____

oo. Amount of qualified principal residence indebtedness included in federal adjusted gross income that was allowable as an exclusion under the Mortgage Debt Relief Act of 2007, as amended . oo. _____

1. TOTAL. Add lines a through oo and enter this amount on line 13 of Form 502 with the appropriate code letters. . . . . **TOTAL** **1.** _____

MARYLAND FORM 502V

USE OF VEHICLE FOR CHARITABLE PURPOSES

Attach to your tax return.

14502V049

2014

Print using blue or black ink only.

Your first name and initial	Last name	Social Security Number
Spouse's first name and initial	Last name	Social Security Number
Qualifying Organization*		

* **Qualifying Organizations** are nonprofit volunteer fire companies and other organizations qualified under Section 170 of the Internal Revenue Code, whose **principal purpose or function** is to provide medical, health or nutritional care.

1. Total mileage incurred in providing qualifying services.. . . . . **1.** _____

2. Multiply line 1 by 56¢ (.56) and enter that amount here . . . . . **2.** $ _____

3. Reimbursement received for mileage on line 1 . . . . . **3.** $ _____

4. Amount included as an itemized deduction on your Maryland return (See Instructions.) . . . . . **4.** $ _____

5. Total Maryland deductions from mileage allowance (Add lines 3 and 4.). . . . . **5.** $ _____

6. Modifications for charitable vehicle expenses (Subtract line 5 from line 2.)
Enter on line q of Form 502SU or line q of Form 505SU . . . . . **6.** $ _____

USE OF VEHICLE FOR CHARITABLE PURPOSES INSTRUCTIONS

COMPUTATION OF SUBTRACTION

You may subtract from federal adjusted gross income unreimbursed automobile travel expenses incurred in connection with service as a volunteer for a nonprofit volunteer fire company or other "qualified" organization. A qualified organization is an organization defined by Section 170 of the Internal Revenue Code whose principal purpose or function is to provide medical, health or nutritional care.

You may subtract the unreimbursed vehicle expense incurred while providing assistance, other than providing transportation, to handicapped individuals, as defined in Section 190 of the Internal Revenue Code, who are enrolled as students in Maryland community colleges.

The charitable expense modification is 56 cents per mile to the extent this amount is unreimbursed.

The amount must be reduced by any reimbursement received for the charitable travel. The amount also must be reduced by any portion which is claimed as an itemized deduction on your Maryland income tax return for charitable vehicle expenses.

"Total Mileage" on line 1 of Form 502V should include the mileage traveled from home, performing the service and returning home. You should maintain the appropriate documentation.

For more information, visit our Web site at **www.marylandtaxes.com** 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.

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MARYLAND FORM
500CR

BUSINESS INCOME TAX CREDITS INSTRUCTIONS

2014

Electronic Format The paper version of Maryland Form 500CR is no longer available. You must file your Maryland return electronically to claim the business income tax credits available from Form 500CR.

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 will use Form 500CR, but **will use Form 508CR** as an attachment to Form MW508 (Annual Employer Withholding Reconciliation Return). See Administrative Release 34.

GENERAL INSTRUCTIONS

Purpose Maryland Form 500CR is used to claim the following business tax credits against corporation and individual income tax.

Tax Credit	Part
Bio-Heating Oil Tax Credit**	R
Biotechnology Investment Incentive Tax Credit**	L
Businesses That Create New Jobs Tax Credit	F
Cellulosic Ethanol Technology Research & Development Tax Credit**	S
Clean Energy Incentive Tax Credit**	N
Community Investment Tax Credit**	E
Commuter Tax Credit	M
Cybersecurity Investment Incentive Tax Credit **	H
Electric Vehicle Recharging Equipment Tax Credit **	V
Employer-Provided Long-Term Care Insurance Tax Credit	I
Enterprise Zone Tax Credit**	A
Film Production Activity Tax Credit**	U
First-Year Leasing Costs Tax Credit for Qualified Small Businesses**	J-II
Health Enterprise Zone Hiring Tax Credit**	B
Job Creation Tax Credit**	D
Maryland Disability Employment Tax Credit	C
Maryland Employer Security Costs Tax Credit**	J-I
Maryland Wineries and Vineyards Tax Credit**	T
Maryland-Mined Coal Tax Credit**	O
One Maryland Economic Development Tax Credit**	P
Oyster Recycling Tax Credit**	Q
Qualified Vehicle Tax Credit	G
Research and Development Tax Credits**	K
Sustainable Communities Tax Credit from Form 502S	Z

****Required Certification must be included with Form 500CR.**

Pass-through entities (PTEs) If the business is a PTE, an electronic Form 510 must be filed and the Form 500CR section must be completed through line 23, Part W, for the PTE to pass on these business tax credits to its members. The PTE must provide a Maryland Form 510 Schedule K-1 to each partner, shareholder, or member, or beneficiary with a statement showing their share of each credit in Parts W, Y and Z. In addition, if the PTE is passing on the Sustainable Communities Tax Credit, it must complete the Form 502S section and enter the amount on line 1 of Part Z. Required certification must be included.

If you are a PTE claiming the One Maryland Economic Development Tax Credit, refer to the instructions in Part P before completing the Maryland Form 510 Schedule K-1 for your members. There are additional reporting requirements unique to the One Maryland Credit.

PTE member Any credit from a PTE filing a fiscal year return is considered to be received by the member(s) on the last day of the PTE's fiscal year. The PTE member should claim the credit on the member's tax return for the same year as the PTE's fiscal year end. Even though the K-1 listing the credit may reflect the tax year for the beginning of the fiscal year, the credit is still claimed in the year in which the PTE's fiscal year ends.

Special Note for PTE Members: If you are a PTE member receiving a distributive or pro rata share of credits, the required certification will have a different Taxpayer Identification Number than you have listed on your return for yourself, or for the business. Be sure to check the box as you begin to enter Form 500CR information into your return. It is important that you provide the PTE's Federal Employer Identification Number (FEIN) to ensure your credit is not disallowed. Check the box on page 1 of Form 500CR to indicate that credits are from a PTE and enter the PTE's FEIN. Include the Maryland Form 510 Schedule K-1 from the PTEs showing your share of the credit and any credits passing through to you.

Note: Some state agencies will only provide certification to the parent of a corporation, which in turn passes the information down to its subsidiaries. It is important to identify FEINs and business names in this situation to avoid processing delays.

If credits are received from more than one entity, include a list of the other entities with names, FEINs, type of credit and the amount of credit for each entity providing credit information.

Exception: Credits received from PTEs If you have received distributive or pro rata share of tax credits reported on a Form 510 Schedule K-1, you do not need to complete the calculations for the credit. The amount which you enter in each section should be carried over to the appropriate fields in the Summary, Parts W, X or Y. In addition, PTE members that are corporations or PTEs should complete Part Z.

Credits claimed by both spouses on a joint return Only one Form 500CR is completed, which will combine the amounts for both spouses.

Other Information If a FEIN is to be used and has not been secured, enter "APPLIED FOR" followed by the date of application. If you have not applied for a FEIN, do so immediately.

Amended Returns You will need to file an electronic Maryland amended return to make changes affecting Form 500CR.

PART A - ENTERPRISE ZONE TAX CREDIT

General Requirements Businesses located in an enterprise zone may be eligible for tax credits based upon wages paid to qualifying employees. **For the purpose of claiming the credit, Enterprise zones include Regional Institution Strategic Enterprise (RISE) zones as defined in Section 5-1401(e) of the Economic Development Article.** For businesses located in a focus area (an area within an enterprise zone that is especially in need) the credit amounts are higher.

Businesses that own, operate, develop, construct or rehabilitate property intended for use primarily as single- or multi-family residential property are **not** eligible for the enterprise zone tax credit.

Qualifying employees are those employees who:

1. Are new employees or employees rehired after being laid off for more than one year;

2. Were employed at least 35 hours per week by the business for at least six months before or during the business entity's tax year for which a credit is claimed;
3. Spent at least one-half of their working hours in the enterprise zone on activities of the business resulting directly from its location in the enterprise zone;
4. Earn 150% or more of the federal minimum wage; and
5. Were hired by the business after the later of the date on which the enterprise zone was designated or the date on which the business entity located in the enterprise zone.

In addition, an employee may not have been hired to replace an individual employed by the business in that or the three previous tax years except an economically disadvantaged employee hired to replace a previously qualified economically disadvantaged employee, for whom the business received the corresponding first- or second-year credit in the immediately preceding tax year.

For information on the location of enterprise zones and focus areas and the standards which businesses must meet to qualify, contact:

Maryland Department of Business and Economic Development
Office of Finance Programs, Tax Incentives Group
401 E. Pratt St.
Baltimore, MD 21202
410-767-6438 or 410-767-4041
taxincentives@choosemaryland.org

Economically disadvantaged employees are those who are certified as such by:

Maryland Department of Labor, Licensing and Regulation
Division of Workforce Development and Adult Learning
1100 N. Eutaw Street
Baltimore, MD 21201
410-767-2047

That office will provide information relating to certification requirements for such employees.

Specific Requirements

Complete Parts A-I and A-II if the business is located in an enterprise zone but **not** in a focus area.

Complete Parts A-III and A-IV if the business is located in a focus area.

PART A-I - Credit for economically disadvantaged employees not located in a focus area. A credit is allowed for each new economically disadvantaged employee for a three-year period beginning with the year the employee was qualified. The credits are limited to the following amounts of wages paid to the economically disadvantaged employee: $3,000 in the first year, $2,000 in the second year and $1,000 in the third year. If the employee replaced a previously qualified economically disadvantaged employee, the credit for the new employee will be the same as would have been allowed for the replaced employee.

On line 1, Part A-I, enter the number of economically disadvantaged qualified employees not located in a focus area in their first year of employment in the "First Year" box. Also, enter the number of these qualified employees in their respective second and third year boxes.

On line 2, Part A-I, enter the credit equal to the wages paid to each first year employee up to a maximum of $3,000 per employee.

On line 3, Part A-I, enter the credit equal to the wages paid to each second year employee up to a maximum of $2,000 per employee.

On line 4, Part A-I, enter the credit equal to the wages paid to each third year employee up to a maximum of $1,000 per employee.

On line 5, Part A-I, enter the sum of lines 2 through 4.

PART A-II - Credit for other qualified employees not located in a focus area. A credit is allowed for each **new** qualified employee not located in a focus area not provided in Part A-I. The credit is limited to $1,000 of wages paid and is applicable **for only the first year** the employee was qualified.

On line 6, Part A-II, enter the number of first-year qualified employees who are not located in a focus area who were not claimed in Part A-I.

On line 7, Part A-II, enter the amount of wages for these employees up to a maximum of $1,000 per employee.

PART A-III - Credit for economically disadvantaged employees located in a focus area. A credit is allowed for each new economically disadvantaged employee for a three-year period beginning with the first year the employee was qualified.

The credits are limited to the following amounts of wages paid to the same economically disadvantaged employee: $4,500 in the first year, $3,000 in the second year and $1,500 in the third year. If the employee replaced a previously qualified economically disadvantaged employee, the credit for the new employee will be the same as would have been allowed for the replaced employee.

On line 8, Part A-III, enter the number of economically disadvantaged qualified employees located in a focus area in their first year of employment in the "First Year" box. Also, enter the number of these qualified employees in their respective second and third year boxes.

On line 9, Part A-III, enter the credit equal to the wages paid to each first year employee up to a maximum of $4,500 per employee.

On line 10, Part A-III, enter the credit equal to the wages paid to each second year employee up to a maximum of $3,000 per employee.

On line 11, Part A-III, enter the credit equal to the wages paid to each third year employee up to a maximum of $1,500 per employee.

On line 12, Part A-III, enter the sum of lines 9 through 11.

PART A-IV - Credit for other qualified employees located in a focus area. A credit is allowed for each new qualified employee located in a focus area not provided in Part A-III. The credit is limited to $1,500 of wages paid and is applicable for only the first year the employee was qualified.

On line 13, Part A-IV, enter the number of first-year qualified employees located in a focus area who were not claimed in Part A-III.

On line 14, Part A-IV, enter the amount of wages for these employees up to a maximum of $1,500 per employee.

PART A - Summary

Check the box if you are claiming a credit for a business located in a RISE zone as defined in Section 5-1401(e) of the Economic Development Article.

Add lines 5, 7, 12 and 14 and enter total on line 15, Part A.

Also the amount on line 15, Part A, becomes an addition modification. Whenever an Enterprise Zone Tax Credit is claimed, an addition modification must be made in the amount of the credit claimed.

This credit is not refundable and is applied only against the Maryland State income tax. To the extent the credit is earned in any year and it exceeds the State income tax, the business is entitled to an excess carryover of the credit until it is used, or the expiration of five years, whichever comes first.

Business must include certification with the return which shows the business is located in a Maryland enterprise zone.

Maryland has more than 30 enterprise zones. Counties and municipalities are responsible for certifying a business as eligible for the tax credits. Contact the county or municipal enterprise zone administrator for more information. Department of Business and Economic Development (DBED) has a list of jurisdictions with enterprise zones on its Web site. Go to **www.choosemaryland.org** to see the list of Maryland Enterprise Zones by Region.

PART B – HEALTH ENTERPRISE ZONE HIRING TAX CREDIT

General Requirements A Health Enterprise Zone (HEZ) Employer may be eligible for tax credits based on wages paid to qualified employees.

A "Health Enterprise Zone Employer" means a HEZ Practitioner, a for-profit entity, or a nonprofit entity that employs qualified employees and provides health care services in a HEZ.

A "Health Enterprise Zone Practitioner" is a health care practitioner who is licensed or certified under the Maryland Health Occupations Article and who provides:

- Primary care, including obstetrics, gynecological services, pediatric services, or geriatric services;
- Behavioral health services, including mental health or alcohol and substance abuse services; or,
- Dental services.

A "qualified employee" is a HEZ Practitioner, community health worker, or interpreter who:

(1) Provides direct support to a HEZ practitioner; and

(2) Expands access to services in a HEZ.

A qualified position is a full-time position of indefinite duration, which pays at least 150% of the federal minimum wage, is located in a HEZ, and is newly created as a result of the establishment or expansion of services in a HEZ and is filled. A qualified position does not include a position that is filled for a period of less than 12 months.

A HEZ Employer may claim a refundable credit of $10,000 for hiring a qualified employee in a qualified position in a HEZ, as certified by the Department of Health and Mental Hygiene (DHMH).

To be eligible for the credit, the HEZ Employer may create one or more qualified positions within a 24-month period. The $10,000 credit must be taken over a 24-month period, with half of the credit amount allowed beginning with the first year certified.

Recapture Provision If the qualified position is filled for a period of less than 24 months, the tax credit will be recaptured. The tax credit will be reduced on a prorated basis, based on the period of time the position was filled.

For information on the location of HEZs and the standards which HEZ Employers must meet to qualify, contact:

Maryland Department of Health and Mental Hygiene
Health Systems & Infrastructure Administration
201 West Preston Street
Baltimore, MD 21201
410-767-5612
raquel.samson@maryland.gov or
dhmh.hez@maryland.gov

Specific Requirements

Complete lines 1 through 6 in Part B of Form 500CR if the HEZ Employer is located in a HEZ.

Line 1: Enter the amount of qualified employees certified by the Department of Health and Mental Hygiene (DHMH) in the appropriate box(es).

Line 2: Enter $5,000 for each qualified employee certified by the DHMH in their first year of employment.

Line 3: Enter $5,000 for each qualified employee certified by the DHMH in their second year of employment.

Line 4: Enter the sum of lines 2 and 3.

Line 5: Enter the refund recapture amount, if applicable as a positive number.

Line 6: Subtract line 5 from line 4 and enter the result on line 6 and on line 4, Part Y. If the result is less than 0, enter as a negative amount.

Note: A copy of the DHMH certification must be included with your tax return when claiming this tax credit.

No credit may be earned for any tax year beginning on or after January 1, 2017.

A nonrefundable HEZ Practitioner Tax Credit is available on Maryland Form 502CR, Tax Credits for Individuals. Go to **www.marylandtaxes.com** to download a copy of that form.

For more information about the HEZ Hiring Tax Credit certification, contact: DHMH.

PART C - MARYLAND DISABILITY EMPLOYMENT TAX CREDIT

General Requirements Businesses that employ persons with disabilities, as determined by the Division of Rehabilitation Services (DORS) in the Maryland State Department of Education and/or by the Maryland Department of Labor, Licensing and Regulation (DLLR), may be eligible for tax credits for wages paid to, and for child care expenses and transportation expenses paid on behalf of, qualified employees.

Qualifying employees with a disability are those who are certified as such by the DORS (or by the DLLR for a disabled veteran).

For certification or for additional information, contact:

Maryland State Department of Education
Division of Rehabilitation Services
2301 Argonne Drive
Baltimore, MD 21218
1-888-554-0334 or 410-554-9442
www.dors.state.md.us
or,
Maryland Department of Labor, Licensing and Regulation
1100 N. Eutaw St., Room 201
Baltimore, MD 21201
410-767-2047

A "Qualified Employee" with a disability means an individual who:

1. Meets the definition of an individual with a disability as defined by the Americans with Disability Act;
2. Has a disability that presently constitutes an impediment to obtaining or maintaining employment or to transitioning from school to work; and,
3. Is ready for employment; or,
4. Is a veteran who has been discharged or released from active duty by the American Armed Forces for a service-connected disability.

An employee must not have been hired to replace a laid-off employee or to replace an employee who is on strike or for whom the business simultaneously receives federal or state employment training benefits.

Qualifying child care expenses are those expenses incurred by a business to enable a qualified employee with a disability to be gainfully employed.

Transportation expenses are those expenses incurred by a business entity to enable a qualified employee with a disability to travel to and from work.

Specific Requirements

PART C-I - Credit for employees with a disability hired. A credit is allowed for each new employee with a disability for a two-year period beginning with the year the employee was qualified. The credit for each disabled employee hired is equal to 30% of the first $6,000 of qualified first year wages and 20% of the first $6,000 of qualified second year wages.

The employer is not entitled to claim the credit until employment has continued for at least one full year unless the employee:

(a) Voluntarily leaves the employer;

(b) Becomes further disabled or death occurs; or,

(c) Is terminated for cause. The credit must be prorated for the portion of the year the employee worked unless the employee voluntarily left to take another job.

On line 1, Part C-I, enter the number of qualified employees in their first year of employment in the "First Year" box. Enter the number of qualified employees in their second year of employment in the "Second Year" box.

On line 2, Part C-I, enter the credit equal to 30% of the first $6,000 of wages paid to each first year qualified employee.

On line 3, Part C-I, enter the credit equal to 20% of the first $6,000 of wages paid to each second year qualified employee.

On line 4, Part C-I, enter the sum of lines 2 and 3.

PART C-II - Credit for Child Care and Transportation Expenses

An additional credit is allowed for expenses incurred by the employer for approved day care services for a child or children of a qualified employee, or for transportation expenses that are incurred to enable a qualified employee to travel to and from work.

A credit of up to $600 is allowed for the first year of employment and up to $500 for the second year. To verify if a child care center qualifies as an approved provider, contact the Department of Human Resources, Child Care Administrator for the county or city in which the child care center is located.

On line 5, Part C-II, enter the number of qualified employees in their first year of employment in the "First Year" box. Enter the number of qualified employees in their second year of employment in the "Second Year" box.

On line 6, Part C-II, enter the credit equal to a combined total of $600 in child care and transportation expenses per each first year qualified employee with a disability.

On line 7, Part C-II, enter the credit equal to a combined total of $500 in child care and transportation expenses per each second year qualified employee with a disability.

On line 8, Part C-II, enter the sum of lines 6 and 7.

PART C - Summary

On line 9, Part C, enter the sum of lines 4 and 8.

Also the amount on line 9, Part C, becomes an addition modification. Whenever this credit is claimed against the income tax, an addition modification must be made in the amount of the credit claimed.

This credit is not refundable and is applied only against the Maryland State income tax. To the extent the credit is earned in any year and it exceeds the State income tax, the business is entitled to an excess carryover of the credit until it is used, or the expiration of five years, whichever comes first.

PART D - JOB CREATION TAX CREDIT

General Requirements 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.

The business facility must be certified as having created at least 60 qualified positions, 30 high-paying qualified positions, or 25 qualified positions if the business facility established or expanded is in a State Priority Funding Area.

A qualified position is a full-time position which pays at least 150% of the federal minimum wage, is located in Maryland, is newly created as a result of the establishment or expansion of a business facility in a single location in the state and is filled. Qualified business entities are those certified as such by the Maryland Department of Business and Economic Development. A qualified employee is an employee filling a qualified position.

This credit is not refundable and is applied only against the Maryland State income tax. To the extent the credit is earned in any year and it exceeds the State income tax, the business is entitled to an excess carryover of the credit until it is used, or the expiration of five years after the credit was earned, whichever comes first.

Recapture Provision If, at any time during the three tax years after the year the credit was earned, the average number of qualified positions falls more than 5% below the average number of qualified positions during the year in which the credit was earned, a portion of the credit will be recaptured for the tax year in which this occurs.

The amount to be recaptured is the amount originally claimed multiplied by the percentage reduction in the number of qualified employees. The credit to be recaptured is reported on line 26, Part W of Form 500CR.

Certification must be included with the Form 500CR when claiming this credit.

For certification or for information on the standards that businesses must meet to qualify, contact:

Maryland Department of Business and Economic Development
Office of Finance Programs, Tax Incentives Group
401 E. Pratt St.
Baltimore, MD 21202
410-767-6438 or 410-767-4980
taxincentives@choosemaryland.org

Specific Requirements

PART D-I - Credit for employees of a qualified business. A credit is allowed for each newly created qualified filled position. The credit is the lesser of $1,000 multiplied by the number of filled qualified positions during the credit year or 2.5% of the wages paid for these positions for the credit year.

Part D-I reflects the calculation of the credit for employees of a qualified business that is not located in a Revitalization Area.

Enter the number of qualified positions for the current year on line 1, Part D-I.

Multiply line 1 by $1,000 and enter the result on line 2, Part D-I.

Enter on line 3, Part D-I, 2.5% of the wages paid for each of the qualified positions on line 1.

On line 4, Part D-I, enter the lesser of line 2 or line 3.

PART D-II - Credit for employees working in a Facility Located in a Revitalization Area. A credit is allowed for each newly-created qualified filled position located in a Revitalization Area. The credit is the lesser of $1,500 multiplied by the number of filled qualified positions or 5% of the wages paid for these

positions.

Part D-II reflects the calculation of the credit for employees of a qualified business working in a facility located in a Revitalization Area.

Enter the number of qualified positions working in a Revitalization Area for the current year on line 5, of Part D- II.

Multiply line 5 by $1,500 and enter the result on line 6, Part D-II.

Enter on line 7, Part D-II, 5% of the wages paid for each of the qualified positions on line 5.

On line 8, Part D-II, enter the lesser of line 6 or line 7.

PART D - Summary

The total credit will be taken over a two-year period. One-half of the credit will be allowed each year. The amount allowed for any credit year cannot exceed $1,000,000.

Enter the total credits calculated for the current year by taking the sum of line 4 and line 8 and entering the result on line 9, Part D.

On line 10, Part D, enter the lesser of line 9 or $1,000,000.

Calculate the current year credits available by multiplying the amount on line 10 by 50% and entering the result on line 11, Part D.

Enter on line 12, Part D, 50% of the amount of credits from the prior year.

Add lines 11 and 12 to obtain the amount of Job Creation Tax Credits that may be claimed this year. Enter the result on line 13, Part D.

No credits may be earned for any tax year beginning on or after January 1, 2020.

PART E - COMMUNITY INVESTMENT TAX CREDIT

Businesses or individuals who contribute to approved Community Investment Programs may be eligible for a credit against the Maryland State income tax. Contributions must be made to a nonprofit organization approved by the Department of Housing and Community Development (DHCD). The taxpayer must apply to and receive approval by the DHCD for each contribution for which a credit is claimed. The credit is limited to 50% of the approved contributions (including real property) not to exceed $250,000.

Note: A copy of the required approval from the DHCD must be included with Form 500CR.

Specific Instructions

Enter the amount of approved contributions on line 1, Part E.

Enter 50% of line 1 on line 2, Part E.

On line 3, enter the lesser of line 2 or $250,000.

Also, enter this amount on line 5, Part W.

This credit is not refundable and is applied only against the Maryland State income tax. To the extent the credit is earned in any year and it exceeds the State income tax, the individual or business is entitled to an excess carryover of the credit until it is used, or it expires five years after the credit was earned, whichever comes first.

For more information contact:

Department of Housing and Community Development
Division of Neighborhood Revitalization
10 N. Calvert St., Suite 444
Baltimore, MD 21202
410-209-5800
citc@mdhousing.org

PART F - BUSINESSES THAT CREATE NEW JOBS TAX CREDIT

To qualify, businesses must be located in Maryland and create new positions or establish or expand business facilities in the state. If a property tax credit (or an enhanced property tax credit) as defined in Section 9-230 of the Tax-Property Article is granted by the Mayor and City Council of Baltimore City or the governing body of a county or municipal corporation, certain businesses may be entitled to an income tax credit.

These credits are based on percentages of the property tax liability as certified by the State Department of Assessments and Taxation (SDAT).

Businesses certified by SDAT for the Businesses that Create New Jobs Property Tax Credit will enter the amount of income tax credit for which they have been certified on line 1, Part F.

Businesses certified by SDAT for the Businesses that Create New Jobs Enhanced Property Tax Credit will enter the amount of income tax credit for which they have been certified on line 2, Part F.

Enter the total of the certified amount by adding lines 1 and 2 and entering the result on line 3, Part F.

Also enter this amount on line 6, Part W.

This credit is not refundable and is applied only against the Maryland State income tax. To the extent the credit is earned in any year and it exceeds the State income tax, the individual or business is entitled to an excess carryover of the credit until it is used, or it expires five years after the credit was earned, whichever comes first.

Recapture Provision If, at any time during the three tax years after the year the credit was earned, the business fails to satisfy the thresholds to qualify for the credit, the credit must be recaptured. The income tax credit to be recaptured is reported on line 26, Part W, of Form 500CR and filed with the tax return for the tax year in which the business failed to satisfy the applicable thresholds.

For more information contact:

State Department of Assessments and Taxation
301 W. Preston Street
Baltimore, MD 21201-2395
410-767-1191
taxcredits@dat.state.md.us

PART G - QUALIFIED VEHICLE TAX CREDIT (TRACTOR-TRAILER VEHICLE REGISTRATION TAX CREDIT)

General requirements A credit is allowed for the expense of registering a qualified vehicle in Maryland. "Qualified vehicle" means a Class F (Tractor) vehicle described under § 13-923(a) of the Transportation Article that is titled and registered in Maryland. The credit may not exceed the lesser of $400 for each qualified vehicle or the State income tax for the tax year.

The credit is claimed on Part G, line 1, and is also entered on Business Tax Credit Summary, Part W, line 7.

Any unused credit amount for the tax year may not be carried forward to any other taxable year.

No credit may be earned for any tax year beginning on or after January 1, 2017.

PART H - CYBERSECURITY INVESTMENT INCENTIVE TAX CREDIT

General Requirements A credit is available for an investment in a qualified Maryland cybersecurity company (QMCC). The credit

is claimed by a QMCC. To qualify, a company can be an entity of any form (except a sole proprietorship) that is duly organized and existing under the laws of any jurisdiction for the purpose of conducting business for profit, and must be engaged primarily in the development of innovative and proprietary cybersecurity technology.

The QMCC must:

- Have its headquarters and base of operations in Maryland;
- Have not participated in the tax credit program for more than 1 prior fiscal year;
- Have been in active business no longer than 5 years;
- Have an aggregate capitalization of at least $100,000;
- Own or have properly licensed any proprietary technology;
- Have fewer than 50 full-time employees;
- Not have its securities publicly traded on any exchange;
- Be in good standing;
- Be current in the payment of all tax obligations to Maryland or any unit or subdivision of Maryland;
- Not be in default under the terms of any contract with, indebtedness to, or grant from Maryland or any unit or subdivision of Maryland; and
- Meet any other requirements of the Department of Business and Economic Development evidencing that the QMCC is a going concern primarily engaged in the development of innovative and proprietary cybersecurity technology.

The amount of the credit is 33% of the investment in the QMCC, not to exceed $250,000. The investment cannot include debt. The investment must be the contribution of money in cash or cash equivalents expressed in United States dollars, at risk of loss, to a QMCC in exchange for stock, a partnership or membership interest, or any other ownership interest in the equity of the QMCC, title to which the ownership interest shall vest in the qualified investor. "Qualified investor" means an individual or entity that is required to file an income tax return in any jurisdiction and invests at least $25,000 in a QMCC. However, the qualified investor may not, after making the investment, own or control more than 25% of the equity interest in the QMCC. See § 10-733 of the Tax-General Article.

The QMCC must apply for and receive final certification from DBED to claim the Cybersecurity Investment Incentive Tax Credit.

For questions on application and certification processes or for additional information on this credit program, contact:

Maryland Department of Business and Economic Development
Office of Finance Programs, Tax Incentives Group
401 E. Pratt St.
Baltimore, MD 21202
410-767-6438 or 410-767-7234
taxincentives@choosemaryland.org

Specific Requirements

The QMCC may claim the tax credit for the amount provided in the final certificate. If the credit exceeds the tax due, then a refund for the excess amount may be claimed. The credit cannot be claimed until the date of issuance of the final certificate. It must be claimed on the Maryland income tax return for the tax year in which the investment is made in the QMCC.

The final certificate received from DBED is required to be included with your return for the Cybersecurity Investment Incentive Tax Credit to be allowed. Complete Part H using the information provided in the final certificate and enter the amount of the approved investment on line 1.

On line 2, Part H, enter 33% of the approved investment.

Line 3, Part H, reflects the maximum dollar amount of credit per investment ($250,000) and no entry is made on this line.

On line 4, Part H, enter the lesser of line 2 or line 3.

On line 5, Part H, enter any applicable recapture amount. See more information below about recapture amounts.

On line 6, Part H, subtract line 5 from line 4. If the amount is less than zero, enter a negative amount.

Enter the amount from line 6, Part H, on line 7, Part Y.

Note: If you are claiming a credit for more than one investment, another separate Part H must be completed for each investment.

Total the amounts from line 6 from each separate Part H. Using only one summary section, combine the total on line 7, Part Y. To claim the total credit, you must complete a second Part H at the time you electronically file your income tax return.

Recapture of Credit The applicable recapture amount is calculated by multiplying the total amount of the credit claimed (or in the case of a sale, transfer, or other disposition of the ownership interest, the portion of the credit attributable to the ownership interest disposed of), by one of the following percentages:

- 100%, if the event requiring recapture of the credit occurs during the tax year for which the tax credit is claimed;
- 67%, if the event requiring recapture of the credit occurs during the first year after the close of the tax year for which the tax credit is claimed; or
- 33%, if the event requiring recapture of the credit occurs more than 1 year but not more than 2 years after the close of the tax year for which the tax credit is claimed. The amount of recapture is entered onto line 5, Part H.

The credit may also be subject to a recapture if the certificate is rescinded by DBED due to the QMCC failing to provide the required notice to DBED of having made the investment, or if DBED revokes the final certification due to false representations made in connection with the application for the certification.

Pass-through Entities If the credit is claimed by a QMCC that is a PTE, the members of the PTE may claim the distributive or pro rata shares of the credit amount subject to the $250,000 limitation. A PTE that earned the Cybersecurity Investment Incentive Tax Credit must electronically file the Maryland Form 510, Form 500CR and all other required attachments for members to be permitted to claim the credit. See Form 510 instructions.

For a member of the PTE to be allowed the credit, the member must complete the Form 500CR section of their electronically-filed Maryland return and include a copy of the final certification from DBED and Maryland Form 510 Schedule K-1 showing the allocated share of the credit amount.

PART I - EMPLOYER-PROVIDED LONG-TERM CARE INSURANCE TAX CREDIT

A credit is allowed for premiums paid by employers to provide long-term care insurance to their employees as part of their benefits package. The employer may claim a credit of 5% of the premiums

paid during the tax year or $100 for each Maryland employee covered by long-term care insurance provided, whichever is less, but cannot be more than $5,000.

Specific Instructions

On line 1, Part I, enter 5% of the long-term care insurance premiums paid as part of an employee benefit package.

On line 2, Part I, enter the number of employees within Maryland covered under the employee benefit package in the box provided.

Multiply this by $100 and enter the result on line 2.

On line 3, Part I, enter the lesser of line 1 or line 2.

On line 4, Part I, enter the lesser of line 3 or $5,000.

Also enter the amount from line 4, Part I, on line 9, Part W.

This credit is not refundable and is applied only against the Maryland State income tax. To the extent the credit is earned in any year and it exceeds the State income tax, the business is entitled to an excess carryover of the credit until it is used, or the expiration of five years after the credit was earned, whichever comes first.

PART J – MARYLAND EMPLOYER SECURITY CLEARANCE COST (ESCC) TAX CREDIT

A business may be eligible to claim credits against the State income tax for certain costs related to federal-based security contracting. For a business to be eligible, it must apply to and be certified by the Maryland Department of Business and Economic Development (DBED).

PART J-I – Credits for Sensitive Compartmented Information Facilities (SCIFs) and Security Clearance Administrative Expenses

A business may claim a credit against its Maryland State income tax for costs related to the construction or renovation of SCIF located in Maryland. The SCIF must be accredited by the appropriate federal agency. For costs related to a single SCIF, the credit is equal to the lesser of 50% of the costs or $200,000. For costs related to multiple SCIFs, the credit is the amount of costs up to $500,000 per calendar year.

Also, a business may claim a credit against its Maryland State income tax up to $200,000 per tax year for qualified security clearance administrative expenses.

Qualified expenses include:

- Processing application requests for federal security clearance;
- Maintaining, upgrading or installing computer systems in Maryland that are required to obtain federal security clearance; and,
- Training employees in the State to administer the clearance application process.

Whenever a credit is claimed against the income tax, an addition modification must be made in the amount of the credit claimed in Part J-I, line 3.

Claiming the Tax Credit

To claim the ESCC tax credit, a business must submit an application to DBED by September 15th following the tax year in which the related expenses and costs were incurred. By December 15th of that year, DBED will certify the approved amount for which the applicant will be required to file an electronic **amended** Maryland income tax return with the Comptroller of Maryland to claim the credit and include a copy of the DBED certification.

The business will enter the DBED-certified amount of construction and equipment costs incurred to construct or renovate SCIFs on line 1, Part J-I.

On line 2, Part J-I, the business will enter the amount of certified Security Clearance Administrative expenses, not to exceed $200,000.

Line 3, Part J-I, will reflect the sum of line 1 and line 2. This amount also is an addition modification on the tax return.

PART J-II – The First Year Leasing Costs Tax Credit for Qualified Small Business

A qualified small business also may claim a credit against its Maryland income tax up to $200,000 for costs for rental payments during the first year of a rental agreement for leasing spaces to perform security-based contracting work.

In Part J-II, a qualified small business will claim the amount of First Year Leasing Costs Tax Credit approved by DBED.

The total ESCC tax credit approved by DBED may not exceed $2 million for any calendar year. If the total amount of credits applied for by all businesses exceeds $2 million, the credits will be approved on a pro rata basis.

Excess credit may be carried forward until the excess amount is fully used.

No credits may be earned for any tax year beginning on or after January 1, 2017.

For more information, contact:

Maryland Department of Business and Economic Development
Office of Finance Programs, Tax Incentives Group
401 E. Pratt St.
Baltimore, MD 21202
410-767-6438 or 410-767-4041
taxincentives@choosemaryland.org

PART K - RESEARCH AND DEVELOPMENT TAX CREDITS

Businesses that incur qualified research and development expenses in Maryland may be entitled to tax credits. The total of research and development credits for all businesses may not exceed $9,000,000 per year.

PART K-I – Research and Development Tax Credits for Businesses Not Certified as a "Small Business"

There are two credits. The Basic Credit is 3% of the qualified Maryland research and development expenses paid during the tax year, up to a base amount. The Growth Credit is 10% of the Maryland research and development expenses paid during the tax year that **exceed** the base amount.

Certification must be obtained from the Maryland Department of Business and Economic Development (DBED) before the credit can be claimed. The credit must be taken for the tax year in which the expenses were incurred. Therefore, an electronic **amended return** may need to be filed. A copy of the certification from DBED must be included with the return.

Whenever this credit is claimed against the income tax, an addition modification must be made for the tax year in which the research and development expenses were paid.

Claiming the Tax Credit

The business will enter the DBED-certified Basic Credit (3%) on line 1, Part K-I.

On line 2, Part K-I, the business will enter the amount of the DBED-certified Growth Credit (10%).

Line 3, Part K-I, will reflect the sum of line 1 and line 2. This amount is carried to line 11, Part W. Also, this amount is an addition modification on the tax return.

PART K-II – Research and Development Tax Credits for Businesses Certified as a "Small Business"

If a business is certified to claim the Research and Development Tax Credit as a "Small Business," the credit is calculated in basically the same manner, but Part K-II is used.

A "Small Business" is defined as a for-profit corporation, limited liability company, partnership or sole-proprietorship with net book value assets totaling at the beginning or the end of the tax year for which the Maryland qualified research and development expenses are incurred, as reported on the balance sheet, less than $5,000,000.

Claiming the Tax Credit

The business will enter the DBED-certified Basic Credit (3%) on line 4, Part K-II.

On line 5, Part K-II, the business will enter the amount of the DBED-certified Growth Credit (10%).

Line 6, Part K-II, will reflect the sum of line 4 and line 5. This amount is carried to line 6, Part Y. Also, this amount is an addition modification on the tax return.

For certification and further information contact:

Maryland Department of Business and Economic Development
Office of Finance Programs, Tax Incentives Group
401 E. Pratt St.
Baltimore, MD 21202
410-767-6438 or 410-767-4980
taxincentives@choosemaryland.org

PART L - BIOTECHNOLOGY INVESTMENT INCENTIVE TAX CREDIT

General Requirements A credit is available for an investment in a qualified Maryland biotechnology company (QMBC). To qualify, a company can be any entity of any form (except a sole proprietorship) that is duly organized and existing under the laws of any jurisdiction for the purpose of conducting business for profit, and must be primarily engaged in the research, development, or commercialization of innovative and proprietary technology that comprises, interacts with, or analyzes biological material including biomolecules (DNA, RNA, or protein), cells, tissues or organs.

The QMBC must:

- Have its headquarters and base of operations in Maryland;
- Have fewer than 50 full-time employees;
- Have been in active business no longer than 10 years;
- Have been certified as a biotechnology company by DBED; and,
- Must not have any securities publicly traded on any exchange.

A QMBC includes:

- A company that has been in active business for up to 12 years, with DBED approval;
- For fiscal years 2012 and 2013 only, a company that has been in active business for up to 15 years; or,
- A company that has been in active business no longer than 10 years from the date the company first received a **qualified** investment.

The investor:

- Can be an individual or any entity (except a retirement plan), and must make an investment of at least $25,000 in a QMBC (but not own more than 25% of the equity interests in the company after making the investment);
- Must be required to file an income tax return in any jurisdiction; and,
- Must apply for and receive final certification from DBED to claim the Biotechnology Investment Incentive Tax Credit.

The amount of the credit is 50% of the investment in the qualified Maryland biotechnology company, not to exceed $250,000. The investment must be the contribution of money in cash or cash equivalents expressed in United States dollars, at risk of loss, to a QMBC in exchange for stock, a partnership or membership interest, or other ownership interest in the equity of the company title to which ownership shall vest in the qualified investor. The investment cannot include debt. See §10-725 of the Tax-General Article and Code of Maryland Regulations 24.05.03.

For questions on application and certification processes or for additional information on this credit program, contact:

Maryland Department of Business and Economic Development
Office of Finance Programs, Tax Incentives Group
401 E. Pratt St.
Baltimore, MD 21202
410-767-6438 or 410-767-7234
taxincentives@choosemaryland.org

Specific Requirements

The investor may claim the tax credit for the amount provided in the final certificate. If the credit amount exceeds the tax due, then a refund for the excess amount may be claimed. The credit cannot be claimed until the date of issuance of the final certificate. It must be claimed on the Maryland income tax return for the tax year in which the investor makes the investment in the QMBC.

Both the final certificate received from DBED and a statement of affidavit (see below) as prepared by the investor are required to be included with your return for the Biotechnology Investment Incentive Tax Credit to be allowed. Complete Part L using the information provided in the final certificate and enter the amount of the approved investment on line 1.

On line 2, Part L, enter 50% of the approved investment.

Line 3, Part L, reflects the maximum dollar amount of credit per investment ($250,000) and no entry is made on this line.

On line 4, Part L, enter the lesser of line 2 or line 3.

On line 5, Part L, enter any applicable recapture amount. See more information below about recapture amounts.

On line 6, Part L, subtract line 5 from line 4. If the amount is less than zero, enter a negative amount.

Enter the amount from line 6, Part L, on line 2, Part Y.

Note: If you are claiming a credit for more than one investment, another separate Part L must be completed for each investment.

Total the amount from line 6, from each separate Part L. Using only one summary section, combine the total on line 2, Part Y. To claim the total credit, you must complete a second Part L at the time you file your electronic income tax return.

Required Statement and Recapture of Credit The statement of affidavit must include the Taxpayer Identification Number and name of the investor, signature of the investor under penalties of perjury (or its authorized representative), and date.

The statement of affidavit must stipulate that if, within 2 years after the close of the tax year for which the credit is claimed, (1) the investor sells, transfers or disposes of the ownership interest in the QMBC, for which this tax credit was certified, or, (2) the QMBC ceases operating as an active business with its headquarters and base of operations in Maryland, the investor must notify the Comptroller by reporting the applicable recapture amount on the

investor's Maryland tax return for the tax year in which the event causing the recapture occurred.

The applicable recapture amount is calculated by multiplying the total amount of the credit claimed (or in the case of a sale, transfer or other disposition of the ownership interest, the portion of the credit attributable to the ownership interest disposed of), by one of the following percentages:

- 100%, if the event requiring recapture of the credit occurs during the tax year for which the tax credit is claimed;
- 67%, if the event requiring recapture of the credit occurs during the first year after the close of the tax year for which the tax credit is claimed; or,
- 33%, if the event requiring recapture of the credit occurs more than 1 year but not more than 2 years after the close of the tax year for which the tax credit is claimed. The amount of recapture is entered onto line 5, Part L.

An investor's credit also may be subject to a recapture if the certificate is rescinded by DBED due to the investor failing to provide the required notice to DBED of having made the investment, or if DBED revokes the final certificate due to false representations made in connection with application for the certification. See Code of Maryland Regulations 24.05.03 for rescission and revocation procedures.

Pass-through entities If the credit is earned by an investor that is a PTE, the members of the PTE may claim the distributive or pro rata shares of the credit amount subject to the $250,000 limitation. A PTE that earned the Biotechnology Investment Incentive Tax Credit must electronically file the Maryland Form 510, Form 500CR and all other required attachments for members to be permitted to claim the credit. See Form 510 instructions.

For a member of the PTE to be allowed the credit, the member must complete the Form 500CR section of their electronically-filed Maryland return and include the following: copies of the final certification from DBED and statement of affidavit; and Maryland Form Schedules K-1 showing the allocated share of credit amount.

PART M - COMMUTER TAX CREDIT

A credit is allowed for businesses that conduct or operate a trade or business in Maryland and provide commuter benefits for their employees.

The business must pay a portion of the cost of travel between the employee's home and the workplace. Qualified commuter benefits include the cost of transit instruments (tickets, passes, vouchers, fare cards, smartcards and tokens) used to transport an employee of the business to or from home and the workplace. The portion of the cost an employer pays to provide a "Guaranteed Ride Home" program or for a parking "Cash-Out" program for their employees also are qualified commuter benefits.

Travel must be on a qualified mass transit vehicle or system, or in a vanpool. The vanpool vehicle must seat at least 8 adults and be used primarily to transport employees between home and the workplace.

The credit is the lesser of 50% of the cost of providing commuter benefits or $50 per month for each employee.

Specific Instructions

On line 1, Part M, enter the amount of qualified commuter benefits paid on behalf of employees.

On line 2, Part M, enter 50% of the amount entered on line 1.

On line 3, Part M, enter the number of employees for which commuter benefits were paid.

On line 4, Part M, calculate the number of months covered by the employees (employee months) listed on line 3 by $50.

On line 5, Part M, enter the lesser of line 2 or line 4. This is the credit amount.

Enter the amount from line 5, Part M, to line 13, Part W.

The amount of this credit is limited to the Maryland State income tax on the return and is not carried forward to another tax year.

For more information contact:

Mass Transit Administration, Marketing Division
6 St. Paul St., 2nd Fl.
Baltimore, MD 21202-1614
410-767-8755
www.commuterchoicemaryland.com

PART N - CLEAN ENERGY INCENTIVE TAX CREDIT

This credit is allowed if a Maryland facility is originally placed in service or initially began co-firing, during the period of 1/1/2006 through 12/31/2015 and produces electricity during the tax year primarily using qualified energy resources derived from:

- Wind
- Open and Closed Loop Biomass
- Geothermal
- Solar
- Small Irrigation
- Municipal Solid Waste
- Qualified Hydropower

The credit is 0.85 cents for each kilowatt hour of electricity produced at a Maryland facility using qualified energy resources during the five-year period specified in the initial credit certificate. If the facility produces electricity from qualified energy resources co-fired with coal, the credit is 0.5 cents for each kilowatt hour of electricity produced during the five-year period, specified in the initial credit certificate.

You must obtain an initial credit certificate from Maryland Energy Administration before claiming this credit.

Specific Instructions

On line 1, Part N, enter in the box provided the number of kilowatt hours of electricity that **was not co-fired** with coal. Multiply this number by .0085. Enter the result on line 1, Part N.

On line 2, Part N, enter in the box provided the number of kilowatt hours of electricity that **was co-fired** with coal. Multiply this number by .005. Enter the result on line 2, Part N.

Enter the total of lines 1 and 2 on line 3, Part N.

On line 4, Part N, enter one-fifth of the amount stated on the initial credit certificate.

Enter the lesser of line 3 or line 4 on line 5, Part N. Also enter this amount on line 3, Part Y.

The credit claimed each year cannot exceed one-fifth of the maximum amount stated in the initial credit certificate. If the credit amount exceeds the tax due, a refund for the excess amount may be claimed.

For information concerning qualifications for the credit, contact:

Maryland Energy Administration
60 West St., Suite 300
Annapolis, MD 21401
410-260-7655
meainfo@energy.state.md.us

Note: A copy of the certification by the Maryland Energy Administration must be included.

PART O - MARYLAND-MINED COAL TAX CREDIT

A credit is allowed for a qualified cogenerator, small power producer or an electricity supplier (as defined under §1-101 of the Public Utilities Article) for the purchase of Maryland-mined coal. An electricity supplier may not have been a public utility before July 1, 1999. A cogenerator or an electricity supplier must not be subject to the public service company franchise tax. The credit is $3 for each ton of Maryland-mined coal purchased in the current tax year.

Specific Instructions

Enter on line 1, Part O, the number of tons of Maryland-mined coal purchased in the current year.

Multiply line 1 by $3 and enter the result on line 2, Part O, and also on line 15, Part W.

The credit is limited to the amount of Maryland State income tax on the return. No carryover of excess credits exists for this tax credit.

The amount of this credit must be certified by the State Department of Assessments and Taxation.

For more information contact:

State Department of Assessments and Taxation
301 W. Preston Street
Baltimore, MD 21201-2395
410-767-1191
taxcredits@dat.state.md.us

Note: A copy of the certification by the State Department of Assessments and Taxation must be included.

PART P - ONE MARYLAND ECONOMIC DEVELOPMENT TAX CREDIT

General requirements Credits may be claimed for eligible project costs and for eligible start-up costs incurred to establish, relocate or expand a business facility in a distressed Maryland county. To qualify for the credit for project costs, a minimum of $500,000 must be spent on eligible project costs. **At least 25 newly hired qualified employees must be employed for at least one year at the new or expanded facility.**

This credit may also be claimed by tax-exempt nonprofit organizations that are qualified business entities against their unrelated business taxable income.

If claiming a credit for multiple projects, complete a separate Part P for each project.

For information on distressed counties, qualified employees, eligible costs, and other requirements, businesses must satisfy to qualify for credit, contact:

Maryland Department of Business and Economic Development
Office of Finance Programs, Tax Incentives Group
401 E. Pratt St.
Baltimore, MD 21202
410-767-6438 or 410-767-4980
taxincentives@choosemaryland.org

Pass-through entities (PTEs), filing Maryland Form 510 with eligible project costs and eligible start-up costs must follow the additional instructions following Part P–IV Summary.

Note: For tax years beginning after December 31, 2010, a qualified business entity, which has been certified for the tax credit, may claim a prorated share of this credit, if: (1) the number of qualified positions falls below 25, but does not fall below 10, and (2) the qualified business entity has maintained at least 25 qualified positions for at least five years.

PART P-I - CALCULATION OF TAXABLE INCOME, WITHHOLDING, QUALIFIED EMPLOYEES AND TAX LIABILITY

Note: Part P-I has two columns. Column 1 is used by all qualified business entities, except PTE members. Column 2 is used by PTE members only and should reflect a member's distributive or pro rata share of the reported items, except lines 4a through 4d (see the instructions below for Part P-I, Section A). **PTEs complete only Sections A and C of Part P-I.**

Read the Special Instructions-I For Qualified Entities That Are Pass-Through Entities, following Part-IV Summary.

PTE members must read the Special Instructions-II For Members Of Qualified Business Entities That Are Pass-Through Entities **BEFORE** completing Part P-I.

Section A This section is used to separate the qualified business entity's Maryland taxable income from the project (the "project taxable income") from the Maryland taxable income not associated with the project (the "non-project taxable income"). Project taxable income is the income generated by or arising out of the eligible economic development project.

For taxpayers that are not PTE members, enter your Maryland taxable net income from your return on line 1.

For PTE members of a qualified business entity, enter your Maryland taxable net income from the PTE on line 1.

On line 2, enter your share of the Maryland taxable income from the project ("project taxable income") of the qualified business entity.

To calculate the project taxable income, proceed as follows:

1. If the project is a totally separate facility, then project income is figured by using separate accounting, reflecting only the gross income, deductions, expenses, gains, and losses directly attributable to the facility and overhead expenses apportioned to the facility.
2. If the project is an expansion to a previously existing facility, then figure net income attributable to the entire facility by using separate accounting reflecting only the gross income, deductions, expenses, gains, and losses directly attributable to the facility and overhead expenses apportioned to the facility and net income attributable to the project. Next, figure the project income by apportioning the entire facility income to the project.

Or,

3. If separate accounting method is shown to be not practicable, use an alternate method approved by the Comptroller of Maryland or the Maryland Department of Business and Economic Development (DBED).

Enter the non-project Maryland taxable income on line 3. This result is determined by subtracting line 2 from line 1. If less than 0, enter 0.

Enter on line 4a the number of qualified employees. This number is not allocated or pro-rated; a PTE would report this same number on Maryland Form 510 Schedule K-1 to all PTE members.

A qualified employee is an employee filling a qualified position. Generally, this is a position that is full-time and of indefinite duration, is paid at least 150% of the federal minimum wage, is

located in a qualified distressed Maryland county, and is newly created as a result of the establishment of a business facility.

Note: If the number of employees entered on line 4a is fewer than 10, do not continue. You are not eligible to claim the tax credit for this year.

Enter a "Yes" or a "No" to the question on line 4b, whether the qualified business entity had maintained at least 25 qualified positions for at least five years. If the answer is "No" **AND** the number of employees entered on line 4a is fewer than 25, a credit may not be claimed for this year.

Enter in the box on line 4c the tax year the project was put into service.

Calculate the prorate factor on line 4d. If line 4a is greater than or equal to 25, enter 1.000000.

A PTE will report the same numbers and information that appear on lines 4a through 4d of its Form 500CR to its members using Maryland Form 510 Schedule K-1. Do not report the distributive share of this information on the K-1.

Enter on line 5 the amount of Maryland income tax the qualified business entity was required to withhold during this tax year from the wages of qualified employees under §10-908 of the Tax-General Article.

If you are a PTE, skip Section B. Continue to Section C. All other taxpayers complete Part B.

Section B This section is used to calculate the qualified business entity's total State tax liability, and to separate the State tax liability on project taxable income (the amount computed on line 2, Section A) and the State tax liability on non-project taxable income (the amount on line 3, Section A).

Enter on line 6:

- The total tax liability from line 14 of Maryland Corporation Form 500;
- The total tax liability from line 22 less any amounts from lines 23 though 25 of Form 502 (if you are **not a PTE member** of a qualified business entity); or,
- The total tax liability from line 32c less any amounts from lines 33 though 35 of Form 505 (if you are **not a PTE member** of a qualified business entity).

If you are a **PTE member** of a qualified business entity, multiply the amount on line 1, Section A, by the highest rate used to calculate the tax on your Maryland tax return. Enter this amount on line 6.

Enter on line 7a, Section B, the State tax on the amount of income reported on line 2, Section B. Corporations multiply this income by 8.25%. Individuals may use the highest tax rate used to calculate tax on their individual returns if they have no other reasonable basis for determining the tax amount.

PTE members of qualified business entities must multiply the amount on line 2 by the highest rate used to calculate the tax on their Maryland tax returns. Enter this amount on line 7a.

This section also reflects the application of the prorate factor to the tax liabilities computed on line 7a and 8a, when a qualified business entity has between 10 and 24 employees, but has had at least 25 qualified employees for at least five years since they have been eligible for this tax credit.

Multiply the tax amount entered on line 7a by the prorate factor on line 4d and enter the result on line 7b.

Calulate the tax on non-project income by subtracting line 7a from line 6 and enter the result on line 8a. If the amount is less than 0, enter 0.

Multiply the amount of tax calculated on line 8a by the prorate factor on line 4d and enter the result on line 8b.

Section C

Note: PTE members will enter the distributive or pro rata share of the total eligible project and start-up costs as stated on their Maryland Form 510 Schedule K-1 when completing Column 2.

Project costs Eligible project costs are the costs and expenses that a qualified business entity incurs to acquire, construct, rehabilitate, install, or equip the eligible economic development project.

Enter on line 9, the total eligible project costs for the eligible economic development project.

Enter on line 10 the lesser of the amount reported on line 9 or $5,000,000. The total eligible project costs must be at least $500,000, and cannot exceed $5,000,000.

Start-up costs Eligible start-up costs to furnish and equip a new or expanding location for ordinary business functions and those expenses for moving costs, separation costs, and any other expenses directly related to a move from an existing non-Maryland location to a location in a qualified distressed Maryland county.

Enter on line 11, the total eligible start-up costs to establish or expand a business facility in a qualified distressed county.

Enter on line 12, the lesser of the amount reported on line 11 or $500,000. The total amount of eligible start-up costs cannot exceed $500,000.

Enter on line 13, the number of qualified employees employed at the new or expanded business facility (from line 4a, Part P-I) multiplied by $10,000.

PTEs stop here. PTEs do not complete the remainder of Part P.

PART P-II - CREDITS AGAINST TAX LIABILITY AND TAX ON INCOME FROM THE PROJECT

Beginning with Part P-II, the computation returns to one column and is used by all taxpayers eligible to claim this credit except for PTEs.

Part P-II is used to calculate the credits that can be claimed for the project credit and the start-up credit during nonrefundable tax years for the One Maryland Economic Development Tax Credit.

The nonrefundable tax years consist of the initial tax year and any carryover years. During this period, these credits are limited up to a certain amount of the entity's State tax liability.

A carryover credit may be claimed for the project tax credit against the State income tax on the project taxable income until the earlier of the full amount of excess eligible project costs is used, or until the 14th tax year following the tax year in which the eligible economic project is placed in service. A carryover credit may be claimed for the start-up tax credit against State income tax until the earlier of the full amount of the excess eligible startup costs, or until the 14th tax year following the tax year in which the entity locates in a qualified distressed county.

Part P-II also is used to calculate a certain nonrefundable portion of the project credit and the nonrefundable start-up credit that may be claimed during the tax years when these credits may have refundable portions.

Section A - Project Costs Tax Credit

On line 14, enter the sum of the amount of the project credits allowed for the eligible project costs in the initial tax year (the first tax year in which this credit was claimed), prior carryover tax years, and any refundable tax year amounts.

On line 15, subtract line 14 from line 10 and enter the result. If the result is 0 or less, enter 0.

The amount on line 15 is the amount of remaining excess eligible project costs that are available to be claimed by the qualified business entity as a project credit for this tax year. The project credit

that may be claimed in Part P-II is limited up to the amount of your Maryland **State income tax** liability on the project taxable income.

Enter on line 16 the amount of the Maryland State income tax liability attributable to income from the project (line 7b).

Enter on line 17, the lesser of line 15 or line 16. This amount is the "Credit against tax on income from the project."

Section B - Start-up Costs Tax Credit

On line 18, enter the sum of the amount of the start-up credits allowed in the initial tax year, prior carryover tax years, and any refunds (these are the amounts claimed as refunds for the start-up credit during the tax years when this credit becomes a refundable credit).

On line 19, subtract line 18 from line 12 and enter the result. If the result is 0 or less, enter 0.

The amount calculated on line 19 is the excess amount available to be claimed by the qualified business entity as a start-up credit.

On line 20, enter the lesser of line 13 or line 19. The start-up credit is equal to the lesser of the amount on line 19 or line 13 (qualified employees multiplied by $10,000).

On line 21, subtract line 17 from line 6 and enter the result. If the result is 0 or less, enter 0.

On line 22, enter the lesser of line 20 or line 21.

The start-up credit that may be claimed in Part P-II is limited to the qualified business entity's Maryland State income tax liability. If a project credit was claimed in Part P-II, then the amount of the start-up credit on line 22 is limited to the remaining Maryland State income tax liability after taking the nonrefundable project credit (line 21).

PART P-III - REFUNDABLE ONE MARYLAND ECONOMIC DEVELOPMENT TAX CREDIT

Generally, at any time after the 4th tax year but before the expiration of the 15th tax year after the project was placed in service or the business locates to a qualified distressed county, the business may apply the excess to the entity's total Maryland State income tax liability and may request a refund of any excess credit.

If the majority of the qualified positions are paid at least 250% of the federal minimum wage, then the refundable years will begin after the 2nd tax year rather than the 4th tax year.

Section A - Project Costs

The refundable portion of the project credit for the tax year is calculated after the nonrefundable portions of the credit are claimed.

The refundable portion is calculated by subtracting the amount allowed as the nonrefundable portion of this credit (line 17, Part P-II) claimed for this tax year from the remaining available project credit amount (line 15, Part P-II).

Subtract line 17, Part P-II, from line 15, Part P-II, and enter result on line 23, Part P-III. If the result is 0 or less, enter 0.

This amount is the remaining excess eligible project costs for the eligible economic development project. This project credit amount is applied against the remaining, available State income tax liability.

This section is used to calculate the portion of the nonrefundable tax credit that is allowed against the State income tax on non-project taxable income during the refundable tax years of the One Maryland Economic Development Tax Credit.

On line 24, re-enter the amount of the tax on non-project income that you had previously entered on line 8b, Part P-I.

Subtract line 17 and line 22 from line 6 and enter the result on line 25, Part P-III. If the result is 0 or less, enter 0. This is the amount of tax available for application of the tax credit.

On line 26, calculate the credit against non-project income by entering the lesser of lines 23, 24, or 25.

Enter the tentative refund amount on line 27, Part P-III. This amount is calculated by subtracting line 26 from line 23. If the result is 0 or less, enter 0.

The tentative refund is the amount, if any, by which any unused excess project credit amount exceeds the State income tax liability.

The refundable portion is limited to the amount of Maryland income tax withheld during this tax year from the wages of qualified employees (line 5).

On line 28, Part P-III, re-enter the amount of Maryland income tax required to be withheld from the qualified employees. This is the amount that you entered on line 5, Part P-I.

On line 29, enter the refund from project costs allowable this year. Calculate this amount by subtracting line 26 from line 28 (if less than 0, you will use 0) and enter that result or line 27, whichever is less.

Section B - Start-up Costs

The refundable portion of the startup credit is calculated after the nonrefundable portion of this credit is claimed.

Subtract line 22 from line 20 and enter the result on line 30, Part P-III. If the result is 0 or less, enter 0. This is the tentative refund amount for start-up costs.

On line 31, Part P-III, re-enter the amount of Maryland income tax required to be withheld from the qualified employees. This is the amount that you entered on line 5, Part P-I.

The tentative refund is the amount of the remaining excess start-up credit. The refundable portion of the start-up credit is limited to the amount of Maryland income tax withheld during this tax year from the wages of qualified employees (line 5).

Enter the refund from start-up costs allowable this year. Calculate this amount by entering the lesser of line 30 or line 31.

PART P-IV - SUMMARY

Complete the summary of credit amounts claimed for the project credits and start-up credit for the One Maryland Economic Development Tax Credit.

Enter on line 35 the nonrefundable portions of the project and start-up costs credits from lines 33 and 34. This is the total nonrefundable One Maryland Economic Development Tax Credit.

This amount should also be entered on line 16, Part W. Add lines 36 and 37 and enter this amount on line 38. This is the total refundable One Maryland Economic Development Tax Credit.

This amount should also be entered on line 1, Part Y.

Note: A copy of the final credit certification from the Department of Business and Economic Development must be included.

SPECIAL INSTRUCTIONS-I FOR QUALIFIED BUSINESS ENTITIES THAT ARE PASS-THROUGH ENTITIES (PTEs)

A qualified business entity that is a PTE (partnership, LLC, S corporation, or business trust) must complete the Form 500CR section of the electronic PTE income tax return, Form 510.

PTEs must provide the following information on Form 500CR if they are eligible for the One Maryland Economic Development Tax Credit:

1. Maryland taxable income;
2. Maryland taxable income from the project;
3. Non-project taxable income;
4. Number of qualified employees;

5. If the number of employees is fewer than 25 employees, a PTE must state whether or not the qualified business entity had 25 filled qualified positions for at least five years from the time they have been eligible for the credit;
6. The tax year the project was put into service;
7. Amount of Maryland income tax required to be withheld from these qualified employees;
8. Total eligible project costs;
9. $5,000,000 maximum;
10. Total eligible start-up costs;
11. $500,000 maximum.

Therefore, a PTE must complete Sections A and C of Part P-I. The distributive or pro rata portion of these items must be furnished to each member of the PTE on the member's respective Maryland Form 510 Schedule K-1. The PTE also must indicate on the Schedule K-1 whether or not the PTE is a qualified business entity which would be entitled to pass on a refundable credit or whether the credit is nonrefundable only. The PTE must provide a copy of the final certification to each member.

SPECIAL INSTRUCTIONS-II FOR MEMBERS OF QUALIFIED BUSINESS ENTITIES THAT ARE PASS-THROUGH ENTITIES

Based on the Maryland Form 510 Schedule K-1, a member then may file the applicable Maryland income tax return, completing the Form 500CR section of their electronic Maryland income tax return, to claim the One Maryland Economic Development Tax Credit. The member should complete Part P of Form 500CR in its entirety to compute the credit amounts and claim any of the credits allowed for the tax year.

For the sections in Part P-I, the member would only complete Column 2.

The PTE member (the member of the qualified business entity) must limit the amounts claimed for the project credit and start-up credit to the distributive or pro rata portion of the PTE's taxable income as reported on Maryland Form 510 Schedule K-1.

The PTE member computes the tax on the member's share of the PTE's Maryland taxable income (line 1) using the highest rate actually used on the member's return and enter the result on line 6. The PTE member then will enter on line 7a that portion of line 6 which is attributable to the member's share of project taxable income. The tax on non-project income on line 8a is calculated by taking the tax calculated on line 7a, prorating it further on line 7b, and then subtracting line 7a from line 6; if the amount on line 8a is less than 0, enter 0. Line 8a also is further prorated by the factor on line 4b, to arrive at line 8b.

All amounts (except for line 13) entered in Section C of Part P-I, should reflect the PTE member's share of items as reported on the Maryland Form 510 Schedule K-1.

For Parts P-II, P-III, and P-IV, the PTE member should follow the preceding instructions for the respective parts.

Note: The member must include a copy of the PTE's final credit certification to claim the credit.

PART Q – OYSTER SHELL RECYCLING TAX CREDIT

An individual or corporation may claim a credit against the State income tax in an amount equal to $1 for each bushel of oyster shells recycled during the tax year. The credit may not exceed $750 per taxpayer.

Any unused credit amount for the tax year may not be carried forward to any other tax year.

To claim the credit, an individual or corporation must submit certification from the Maryland Department of Natural Resources, which verifies the amount of oyster shells recycled during the year.

This credit is claimed on line 1, Part Q, and also is entered on line 17, Part W, Business Tax Credit Summary.

No credit may be earned for any tax year beginning on or after January 1, 2018.

For additional information, contact:

Maryland Department of Natural Resources
Tawes State Office Building
580 Taylor Avenue
Annapolis, MD 21401
410-260-8300

PART R - BIO-HEATING OIL TAX CREDIT

An individual or corporation may claim a credit against the State income tax in an amount equal to 3¢ per gallon of bio-heating oil purchased for space or water heating. The credit may not exceed $500 per taxpayer.

Any unused credit amount for the tax year may not be carried forward to any other tax year.

To claim the credit, an individual or corporation shall apply to the Maryland Energy Administration (MEA) for an initial credit certificate for the number of gallons of bio-heating oil purchased for space or water heating. This credit is claimed on line 1, Part R, and also is entered on line 18, Part W, Business Income Tax Summary.

No credit may be earned for any tax year beginning on or after January 1, 2018.

For additional information, contact:

Maryland Energy Administration
60 West St., Suite 300
Annapolis, MD 21401
410-260-7655
meainfo@energy.state.md.us

Note: A copy of the certification by the Maryland Energy Administration must be included.

PART S - CELLULOSIC ETHANOL TECHNOLOGY RESEARCH AND DEVELOPMENT TAX CREDIT

An individual or corporation may claim a credit against the State income tax in an amount equal to 10% of the qualified research and development (R&D) expenses paid or incurred by the individual or corporation during the tax year. By September 15 of the calendar year following the end of the tax year in which the expenses were paid or incurred, an individual or corporation may apply to the Department of Business and Economic Development (DBED) for the credit allowed. By December 15 of the same calendar year, DBED will certify the amount of the tax credit approved. The total amount of credits approved by DBED for any tax year may not exceed $250,000.

To claim the approved credit, an individual or corporation must file an **electronic** amended income tax return for the tax year in which the qualified R&D expenses were paid or incurred.

The amount of the approved credit is entered onto line 1, Part S, and on line 19, Part W, Business Tax Credit Summary. Also, this amount is an addition modification on the tax return.

The individual or corporation must include a copy of the DBED certification of the approved credit amount to the amended income tax return. Any credit in excess of the State income tax may be carried forward to succeeding tax years until the earlier of the full amount of the excess is used, or the expiration of the 15th

tax year after the tax year in which the qualified R&D expenses were paid or incurred.

No credits may be earned for any tax year beginning on or after January 1, 2017.

For more information, contact:

Maryland Department of Business and Economic Development
Office of Finance Programs, Tax Incentives Group
401 E. Pratt St.
Baltimore, MD 21202
410-767-6438 or 410-767-4980
taxincentives@choosemaryland.org

PART T – MARYLAND WINERIES AND VINEYARDS TAX CREDIT

Businesses may claim a credit against the State income tax for qualified capital expenses made in connection with the establishment of new wineries or vineyards, or the capital improvements made to existing wineries or vineyards in Maryland.

The business may apply for tax credit in an amount equal to but not more than 25% of incurred costs. The total amount of credits awarded to each business depends on the amount of eligible expenses and costs incurred with a limit of $500,000 for all businesses that apply. If the total amount of credits applied for exceeds $500,000 in a year, the credit will be prorated among the certified applicants.

"Qualified Capital Expenses" are all expenditures made by the business for the purchase and installation of equipment or agricultural materials for use in the production of agricultural products at a vineyard or in a winery. A list of a number of expenses that may be considered is available on the Department of Business and Economic Development's (DBED) Web site at **www.choosemaryland.org**.

Utilities, labor costs, service costs, repair costs, maintenance costs, construction costs, and general supplies are NOT eligible expenses.

A business must be certified as a qualified business entity that is eligible for the tax credit. Applications for certification are available from the DBED Web site. The business must submit an application, report of expenses and supporting documents to DBED by September 15 of the calendar year following the end of the tax year in which the expenses were incurred. DBED will review the application package and will certify the amount of tax credit the taxpayer may claim by December 15th of the same year.

The business must file an **electronic** amended tax return with the Comptroller of Maryland for the year in which the expenses were incurred and include the certification from DBED.

This credit is claimed on line 1, Part T, and also is entered on line 20, Part W, Business Tax Credit Summary.

If the Wineries and Vineyards Tax Credits exceed the State income tax imposed for that year, the credits may be carried forward for 15 years.

No credit may be earned for any tax year beginning on or after July 1, 2018.

For additional information, contact:

Maryland Department of Business and Economic Development
Office of Finance Programs, Tax Incentives Group
401 E. Pratt St.
Baltimore, MD 21202
410-767-6438 or 410-767-4041
taxincentives@choosemaryland.org

PART U - FILM PRODUCTION ACTIVITY TAX CREDIT

A qualified film production entity may claim a credit against the State income tax for film production activities in the state in an amount equal to the amount stated in the final tax credit certificate approved by the Department of Business and Economic Development (DBED).

If the tax credit allowed exceeds the total tax otherwise payable by the qualified film production entity for that tax year, the qualified film production entity may claim a refund in the amount of the excess.

To claim the credit, before beginning a film production activity, a qualified film production entity shall apply with DBED for an initial credit certificate for the estimated production costs. To qualify as a film production entity, the estimated total direct costs incurred in Maryland must exceed $500,000. The credit claimed cannot exceed the amount stated in the final certificate.

Enter on line 1, Part U, the amount of tax credit certified by DBED. This amount is also entered on line 5, Part Y.

No credit may be earned for any fiscal year beginning on or after July 1, 2016.

For additional information, contact:

Catherine Batavick, Deputy Director
Maryland Film Office
Maryland Department of Business and Economic Development
401 E. Pratt St., 14th Floor
Baltimore, MD 21202
410-767-6342
cbatavick@choosemaryland.org

Note: A copy of the certification by DBED must be included.

PART V - ELECTRIC VEHICLE RECHARGING EQUIPMENT TAX CREDIT

An individual or corporation may claim a credit against the State income tax in an amount equal to 20 percent of the cost of any qualified electric vehicle recharging equipment placed in service by the taxpayer during the tax year. The credit may not exceed $400 for each individual recharging system or the State income tax for the tax year.

Any unused credit amount for the tax year may not be carried forward to any other tax year.

To claim the credit, an individual or corporation shall apply with the Maryland Energy Administration (MEA) for initial credit certificate for the number of individual recharging systems.

Note: Special Rules for 2014

The Electric Vehicle Recharging Equipment Tax Credit expired effective July 1, 2014. The credit may not be claimed for purchases of electric vehicle recharging equipment on or after that date. Individuals or corporations who made purchases of electric vehicle recharging equipment on or after that date may qualify for a rebate under a program administered by MEA.

For additional information, contact:

Maryland Energy Administration
60 West Street, Suite 300
Annapolis, MD 21401
410-260-7655
meainfo@energy.state.md.us

Note: A copy of the certification(s) by Maryland Energy Administration must be included.

PART W - BUSINESS TAX CREDIT SUMMARY

This part is used to summarize all available nonrefundable tax credits reported on this form. If the total credits available in a particular tax year exceed the State income tax developed for that year, the excess may not be refunded.

Taxpayers will enter their respective current year credits in lines 1 through 22 of Part W, with the following exceptions:

- No entry is to be made on lines 2, 8, 12, 14 and 21 because the credits to which they relate are refundable credits and will be claimed on Part Y.

Enter on line 23, the total of the credits listed on lines 1 through 22.

Enter on line 24 the carryover of excess credits unable to be used on last year's return. This amount comes from line 7, Part X, from 2013 Form 500CR.

Add lines 23 and 24 and enter the result on line 25. This is the tentative tax credit.

On line 26, enter the amount of recaptured tax credits (See instructions for Parts D and F).

Subtract line 26 from line 25 and enter the result on line 27.

On line 28, Part W, enter the State income tax from your return. Corporations will enter line 14 of Form 500 on line 28, Part W. Individuals will enter line 22 less amounts from lines 23 through 25 from Form 502 on line 28, Part W, or line 32c less any amounts from lines 33 through 35 from Form 505.

On line 29, enter the lesser of line 27 or 28.

An addition to income is required for credits from Parts A, C, J-I, K-I, K-II, S and any credit carried over and claimed in the current year from the Employment Opportunity Tax Credit. These additions are comprised of lines 1, 3, 10a, 11 and 19 from Part W; and line 6 from Part Y. The totals of these amounts including any credit claimed in the current year from the Employment Opportunity Tax Credit are included on line 7f of Form 500, line 5 of Form 502, and line 19 of Form 505. Pass-through entities will report the distributive or pro rata share of any of these items as additions on the Maryland Form 510 Schedule K-1 issued to members.

PART X - EXCESS CREDIT CARRYOVER CALCULATION

Most credits may not exceed the Maryland income tax liability, but may be carried forward for a specified number of successive tax years or until fully applied. It is your responsibility to maintain a record of credits for which you qualify, credits that have been taken in prior years, and the amount of each credit that may be carried forward. To assist you, we have provided a table with the number of years for which each credit may be carried forward.

PART Y - REFUNDABLE BUSINESS INCOME TAX CREDITS

Part Y is used to report the refundable portion of business income tax credits:

On line 1, enter the One Maryland Economic Development Tax Credit from line 38, Part P-IV.

On line 2, enter the Biotechnology Investment Incentive Tax Credit from line 6, Part L.

On line 3, enter the Clean Energy Incentive Tax Credit from line 5, Part N.

On line 4, enter the Health Enterprise Zone Hiring Tax Credit from line 6, Part B.

On line 5, enter the Film Production Activity Tax Credit from line 1, Part U.

On line 6, enter the Small Business Research and Development Tax Credit from line 6, Part K-II.

On line 7, enter the Cybersecurity Investment Incentive Tax Credit from line 6, Part H.

On line 8, enter the total of all of the business income tax credits from lines 1 through 7.

If you are filing Form 502 or Form 505, enter this amount on line 8 and on Part I, line 3 of Form 502CR.

If line 8 is less than 0, enter the result on the appropriate return as a negative number.

If you are filing Form 500 or Form 510, continue to Part Z.

PART Z – CORPORATION AND PASS-THROUGH ENTITY (PTE) REFUNDABLE TAX CREDIT SUMMARY

Part Z is used by corporations and PTEs to summarize the refundable portion of business income tax credits.

On line 1, enter the amount from Line 6 of Maryland Form 502S -- Sustainable Communities Tax Credit.

On line 2, enter the refundable business income tax credits from Part Y, line 8. If this number is less than 0, enter as a negative number.

Add lines 1 and 2 and enter the amount on line 3. If this number is less than 0, enter as a negative number. This is the total refundable business income tax credit. If you are filing Maryland Form 500, enter this amount on Form 500, line 15d.

Note: If you are filing Form 510, you will **not** report the total amount from line 8 to your members.

A PTE will report on Maryland Form 510 Schedule K-1 the distributive or pro rata share of each tax credit to its members.

Reminder: One Maryland Economic Development Tax Credit requires additional entries on Maryland Form 510 Schedule K-1.

Part	Credit	No carry-over	5 years	7 years	10 years	14 years	15 years	Until Fully Used
A	Enterprise Zone Tax Credit		X					
B	Health Enterprise Zone Hiring Tax Credit	X						
C	Maryland Disability Employment Tax Credit		X					
D	Job Creation Tax Credit		X					
E	Community Investment Tax Credit		X					
F	Businesses That Create New Jobs Tax Credit		X					
G	Qualified Vehicle Tax Credit	X						
H	Cybersecurity Investment Incentive Tax Credit	X						
I	Employer-Provided Long-Term Care Insurance Tax Credit		X					
J-I	Maryland Employer Security Clearance Costs Tax Credit							X
J-II	First-Year Leasing Costs Tax Credit for Qualified Small Business							X
K-I	Research and Development Tax Credit*			X				
K-II	Research and Development Tax Credits for Businesses Certified as a "Small Business"	X						
L	Biotechnology Investment Incentive Tax Credit	X						
M	Commuter Tax Credit	X						
N	Clean Energy Incentive Tax Credit	X						
O	Maryland-Mined Coal Tax Credit	X						
P	One Maryland Economic Development Tax Credit					X		
Q	Oyster Shell Recycling Tax Credit	X						
R	Bio-Heating Oil Tax Credit	X						
S	Cellulosic Ethanol Technology Research & Development Tax Credit						X	
T	Maryland Wineries and Vineyards Tax Credit						X	
U	Film Production Activity Tax Credit	X						
V	Electric Vehicle Recharging Equipment Tax Credit	X						

* The carryforward period for unused Research and Development Tax Credits from tax years prior to 2005 remains 15 years. The same credit cannot be applied against more than one type of tax by the same taxpayer.

Expired Tax Credits

The following credits have expired, but are eligible for the following carryover periods to the extent that the credit exceeds the tax.

Part	Credit	No carry-over	5 years	7 years	10 years	14 years	15 years	Until Fully Used
	Employment Opportunity Tax Creditt		X					
	Green Building Tax Credit				X			
	Long-Term Employment of Qualified Ex-Felons Tax Credit		X					
	Work-Based Learning Tax Credit		X					

MARYLAND FORM **500UP**

UNDERPAYMENT OF ESTIMATED INCOME TAX BY CORPORATIONS AND PASS-THROUGH ENTITIES

(ATTACH TO FORMS 500 OR 510.)

14500U049

2014

TAX YEAR BEGINNING **2014, ENDING**

Name as shown on Forms 500 or 510	Federal Employer Identification Number (9 digits)

IMPORTANT: REVIEW THE INSTRUCTIONS BEFORE COMPLETING THIS FORM.

EXCEPTIONS WHICH AVOID INTEREST AND PENALTY

NO INTEREST OR PENALTY IS DUE AND THIS FORM SHOULD NOT BE FILED IF:

A. The tax developed for the current tax year is $1,000 or less; or,

B. Four payments of not less than 25% of the required estimated tax were filed on or before the 15th day of the 4th, 6th, 9th and 12th months of the tax year and total either (1) 90% of the tax developed for the current tax year or (2) 110% of the tax that was developed for the prior tax year; or,

C. If the entity has a short tax period of less than 4 months.

CALCULATION OF INTEREST AND PENALTY

1.	Tax for current tax year (line 14 of Form 500 or line 15 of Form 510) less any Business Tax Credits or Sustainable Communities Tax Credits (or credit for tax paid on behalf of nonresident entities by a pass-through entity)	1.	
2.	Enter 90% of the amount on line 1	2.	
3a.	Tax for prior tax year (line 14 of prior year Form 500 or line 15 of Form 510) less any Business Tax Credits or Sustainable Communities Tax Credits.	3a.	
3b.	Multiply line 3a by 110%	3b.	
4.	Estimated tax required (Enter lesser of line 2 or line 3b.)	4.	

	DUE DATES OF INSTALLMENT PERIODS			
	15th day 4th month	15th day 6th month	15th day 9th month	15th day 12th month
5. Installment periods	1st Period	2nd Period	3rd Period	4th Period
6. Estimated payments required per installment period (See Instructions.)				
7. Estimated tax paid per installment period on or before the due date indicated and prior year's overpayment applied to estimated tax				
8. Underpayment per installment period (Subtract line 7 from line 6.)				
9. Interest factors (See Instructions.)				
10. Interest per installment period (Multiply line 8 by factors on line 9.)				

11.	Total interest (Add all amounts on line 10.)	11.	
12.	Penalty (See Instructions.)	12.	
13.	Total interest and penalty (Add lines 11 and 12.). Also enter this amount on line 18 of Form 500 or line 18 of Form 510	13.	

MARYLAND FORM **500UP**

UNDERPAYMENT OF ESTIMATED INCOME TAX BY CORPORATIONS AND PASS-THROUGH ENTITIES INSTRUCTIONS

2014

GENERAL INSTRUCTIONS

Purpose of Form Form 500UP is used by a corporation or a pass-through entity to calculate the amount of interest and penalty for failure to pay the required amount of estimated income tax when due.

NOTE: Form 500UP is not required. The Maryland Revenue Administration Division will calculate the interest and penalty and notify the entity of any balance due.

General Requirements Every corporation or pass-through entity 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. 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. **Corporations may not use the annualization method.**

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 payment 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. However, if the entity has a short tax period of less than 4 months, it does not have to pay estimated tax nor file Form 500UP.

Maryland law provides for the accrual of interest and imposition of penalty for failure to pay the required amount of estimated tax when due.

When and Where to File File Form 500UP by the original or extended due date for filing the Form 500 – Corporation Income Tax Return or Form 510 – Pass-Through Entity Income Tax Return. If used, Form 500UP must be attached to Form 500 or Form 510 and filed with the Comptroller of Maryland, Revenue Administration Division, 110 Carroll Street, Annapolis, Maryland 21411-0001.

SPECIFIC INSTRUCTIONS

Name and Other Information Type or print the name as shown on Form 500 or Form 510 in the designated area. Enter the Federal Employer Identification Number (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.

Tax Year or Period Enter the beginning and ending dates in the space provided at the top of Form 500UP. The form used for filing must reflect the preprinted tax year in which the corporation's tax year begins.

Calculation of Interest and Penalty Enter the amounts as required for lines 1 through 13.

Instructions for Line 6: The first period extends from the beginning of the entity's fiscal year to the last day of the third month. The second period extends from the beginning of the fiscal year to the last day of the sixth month. The third period extends from the beginning of the fiscal year to the last day of the ninth month. The fourth period extends from the beginning of the fiscal year to the last day of the twelfth month. Therefore, enter 1/4 of the estimated tax required on line 4 in the first column of line 6, 1/2 in the second column, 3/4 in the third column and an amount equal to line 4 in the fourth column. For Pass-Through Entities (PTE), see specific instructions.

Instructions for Line 7: Enter all payments made by the due date of the fourth quarterly estimated tax payment in the appropriate column according to the instructions for line 6. That is, all payments made by the 15th day of the fourth month of the entity's fiscal year should be entered in the first column. All payments made by the 15th day of the sixth month (including those shown in the first column) should be entered in the second column. All payments made by the 15th day of the ninth month should be entered in the third column and all payments made by the fourth quarter due date should be entered in the fourth column.

Instructions for Line 9: The interest factors for calendar year corporations or S corporations are: 1st period – .0217; 2nd period – .0325; 3rd period – .0325; 4th period – .0325. The interest factors for calendar year partnerships or limited liability companies are 1st period – .0217; 2nd period – .0325; 3rd period – .0433; 4th period – .0325.

The factors represent the interest rate for the portion of the year between the due date of each quarter and the due date of the next quarter. The rate is 1/12 of 13% for each month or part of a month from the due date. If your estimated tax payment was not timely, but was paid earlier than the due date of the next quarter, adjust the factor as follows: count the number of months from the due date that the payment was late. Treat a partial month as one month. Divide that number by twelve and multiply it by the 13% annual rate. Apply this adjusted factor to the underpaid amount on line 8.

Instructions for Line 12: Penalty for underpayment of estimated tax is due for any quarter where timely payments are less than 50% of one-quarter of the annual estimated tax required (line 4). Calculate the penalty by adding the underpayments in all applicable quarters (do not use cumulative amounts from line 8) and multiplying the total by 10%. Enter the result on line 12.

Pass-Through Entities The due dates of estimated payments and annual returns for S corporations are the same as the due dates for corporations. For other PTEs, the due date, for the fourth quarterly payment is the 15th day of the month following the close of the tax year (January 15 for calendar year filers) and the due date for the annual return is the 15th day of the fourth month following the close of the tax year (April 15 for calendar year filers). These differences will cause variations in the interest factors.

Partnerships and limited liability companies electing to annualize must allocate to each period (and enter on line 6) a payment amount based on the income received between the dates for each installment period. If the interest calculated on line 11 is zero because the income was not received evenly throughout the year, enter code number "**301**" in one of the boxes marked "code number" on the front of Form 510, and attach this form to the return.

MARYLAND FORM
EL101

e-File DECLARATION FOR ELECTRONIC FILING

141010049

2014

Keep this form for your records. Do not send this form to the State of Maryland unless requested to do so. See Instructions on Page 2.

Taxpayer's first name and middle initial	Last name	SSN/Taxpayer Identification Number	
Spouse's first name and middle initial	Last name	SSN/Taxpayer Identification Number	
Present address (number and street)	City or town	State	ZIP code

Part I Tax Return Information (whole dollars only)

1. Amount of overpayment to be applied to 2015 estimated tax . . . . . 1. _____ **00**
2. Amount of overpayment to be refunded to you . . . . . **REFUND** . . . 2. _____ **00**
3. Total amount due (Pay in full by April 15, 2015. See instructions.) . . . . . 3. _____ **00**

If you file your Maryland Income tax return electronically by 4/15/15, you have until 4/30/15 to make your electronic payment.

Direct deposit or direct debit options are not eligible for Amended returns.

Part II Taxpayer Declaration and Signature Authorization

Check appropriate box to consent to: ☐ Direct Deposit of refund or ☐ Electronic Funds Withdrawal (direct debit)

1. Amount to be withdrawn from/deposited in first account . . . . . 1. _____
   Routing number (9-digit) ___ ___ ___ ___ ___ ___ ___ ___ ___ ☐ Checking ☐ Savings
   Account number ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___
   Direct Debit Settlement Date ____/____/____ (Enter the date you want your payment withdrawn from your account.)
2. Amount to be deposited in second account. . . . . 2. _____
   Routing number (9-digit) ___ ___ ___ ___ ___ ___ ___ ___ ___ ☐ Checking ☐ Savings
   Account number ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___
3. Amount to be deposited in third account . . . . . 3. _____
   Routing number (9-digit) ___ ___ ___ ___ ___ ___ ___ ___ ___ ☐ Checking ☐ Savings
   Account number ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___

4a. ☐ I consent that my refund be directly deposited as designated above and declare the information shown is correct. The State of Maryland is not responsible for a lost refund if I enter the incorrect account information. If I have filed a joint return, this is an irrevocable appointment of the other spouse as an agent to receive the refund. By consenting, I also agree to disclose to the Maryland State Treasurer's Office certain income tax information including name, amount of refund and bank information. This disclosure is necessary to effect direct deposit.

4b. ☐ I authorize the State of Maryland and its designated financial agent to initiate an electronic funds withdrawal payment **(direct debit)** to the financial institution account indicated on above for payment of my Maryland and local taxes owed, and the financial institution to debit the entry to this account. Upon confirmation of consent during the filing of my state return, this authorization is to remain in full force and effect, and I may not terminate the authorization. I also authorize the financial institutions involved in the processing of this electronic payment of taxes to receive confidential information necessary to answer inquiries and resolve issues related to the payment.

4c. ☐ I do not want direct deposit of my refund or an electronic funds withdrawal (direct debit) of my balance due.

Under penalties of perjury, I declare that I have compared the information contained on my electronic return with the information that I provided to my electronic return originator or entered on-line and that the name(s), address and amounts described above agree with the amounts shown on the corresponding lines of my 2014 Maryland electronic income tax return. To the best of my knowledge and belief, my return is true, correct and complete. I consent that my return, including accompanying schedules and statements, be sent to the Maryland Revenue Administration Division by my electronic return originator or by my electronic return software provider.

Sign Here ➤ Taxpayer's signature _____ Date _____ ➤ Spouse's signature (If joint return, both must sign.) _____ Date _____

Wait ten (10) days after the receipt of a valid acknowledgement before calling 410-260-7701 from Central Maryland, or 1-800-218-8160 from elsewhere, about your refund.

Part III Declaration of Electronic Return Originator (paid preparer)

I declare that I have reviewed the taxpayer's return and that the entries on this form are complete and correct to the best of my knowledge. I have obtained the taxpayer's signature before submitting the return to the Maryland Revenue Administration Division, have provided the taxpayer with a copy of all forms and information to be filed with the Maryland Revenue Administration Division, and have followed all other requirements described in the Handbook for Electronic Filers of Maryland Income Tax Returns. This declaration is to be retained at the site of the electronic return originator.

Electronic Return Originator Use Only

Originator's signature ➤	Date	EFIN
Firm's name (or yours if self-employed) and address ➤	ZIP code	Phone

DO NOT MAIL

MARYLAND FORM
EL101

e-File DECLARATION FOR ELECTRONIC FILING

2014

Purpose of Form EL101

Form EL101 is the signature document for an e-Filed return filed by an online electronic transmitter or Electronic Return Originator (ERO). It also serves as a declaration document regarding consent for: direct deposit of refund, electronic funds withdrawal (direct debit) for a liability and for a return to be electronically filed. This form should be completed for all Maryland e-Filed returns and retained by the taxpayer and ERO for 3 years from the return due date or Maryland received date, whichever is later. **Do not send this form to the State of Maryland unless specifically requested to do so.**

ERO Responsibilities

The ERO must:

1. Enter the name(s) and Social Security Number(s) of the taxpayer(s) at the top of the form. Do not use the ERO's address.
2. Complete Part I using the amounts from the taxpayer's 2014 tax return.
3. If the taxpayer(s) elected to have direct deposit of their refund, or electronic funds withdrawal (direct debit) for all or part of their liability, check the appropriate box in Part II. The taxpayer(s) should check with their financial institution to make sure their deposit or debit will be accepted and to get the correct routing and account numbers. For direct debit only account (1) should be used.
4. After completing the form through Part II, give the taxpayer(s) Form EL101 for review and signature(s). This can be done in person, by mail or by secure e-mail.
5. The originator (paid preparer) must sign Form EL101 and include their Electronic Filer Identification Number (EFIN) and firm name and address. An electronically transmitted income tax return will be considered incomplete unless and until a correctly completed Form EL101 is signed by the taxpayer(s) and/or by the ERO if applicable. If a joint return is filed, both taxpayers must sign. The taxpayer(s) must sign the completed EL101 before the electronic record is transmitted.
6. If the ERO makes changes to the electronic return after EL101 has been signed by the taxpayer(s), but before the return is transmitted, the originator must have the taxpayer(s) sign a corrected Form EL101. See the 2014 Maryland Personal MeF e-File Handbook.
7. Provide a completed copy of Form EL101 to the taxpayer(s) for their records.
8. A copy of Form EL101 with applicable attachments must be retained for 3 years at the site of the ERO. The ERO must make a copy of Form EL101 available to the State of Maryland if specifically requested to do so by the Revenue Administration Division.

Taxpayer Responsibilities

Taxpayer(s) must:

1. Verify the accuracy of the prepared income tax return, including direct deposit and direct debit information if applicable.
2. Sign and date Form EL101 authorizing electronic transmission of the state income tax return, even if the return is filed from a personal computer and the federal PIN is used as electronic signature on the state return.
3. Retain a copy of the Form EL101 along with a copy of the state income tax return for a period of 3 years from the return due date or Maryland received date, whichever is later.
4. Make a copy of the Form EL101 available to the State of Maryland if formally requested to do so by the Revenue Administration Division.

The Form EL101 should not be mailed to Maryland Revenue Administration Division unless specifically requested to do so.

MARYLAND FORM

MW508

2015

Annual Employer Withholding Reconciliation Return

DUE DATE: February 28, 2016

155080049

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

Make check payable to Comptroller of MD - WH Tax

Name: _____

Address: _____

_____

FEIN: __ __ __ __ __ __ __ __ __ ▶ _____
OFFICE USE ONLY

NAICS Code: __ __ __ __ __ __ ◀

CR#: __ __ __ __ __ __ __ __ ◀

Enter the total gross Maryland payroll for the calendar year		

▶ ☐ CHECK THE BOX IF THIS IS A PARTIAL FILING OF W-2(s) and/or 1099(s).

Check here if you will be submitting additional ☐ W-2(s) and/or ☐ 1099(s).

			TOTAL	
1.	Enter total number of a) W-2 and/ or b) 1099 Forms. (ATTACH PAPER COPY.) ▶	a) W-2 b) 1099 Form		
2.	Enter total withholding tax you reported on Forms MW506 for this year. ▶			
3.	Enter total state and local tax shown on W-2/1099 (COMBINE TOTAL IF YOU HAVE BOTH FORMS.) ▶	a) W-2 b) 1099 Form		
3c.	Enter total withholding tax paid.			
3d.	Enter total tax-exempt credit (MW508CR MUST BE ATTACHED TO ALLOW CREDIT.)			
4.	Amount due with return (Subtract lines 3c and 3d from line 3. If this amount is zero or greater, enter here. Otherwise, go to line 5.) ▶			
5.	Overpayment (If line 3 minus lines 3c and 3d is less than zero, enter the difference here as a positive number.)			
6.	Amount of overpayment on line 5 to be applied as a credit to your account. ▶			
7.	Amount of overpayment on line 5 to be refunded to you. ▶			

Instructions for Filing

Send this form accompanied with the STATE copy of Form W-2/1099 for each person for whom wages/annuities has been paid. Keep a copy for your records. Your name, FEIN, Maryland withholding Central Registration Number, and telephone number must be on all documents to assure proper credit and prevent posting errors. Send your completed reconciliation to: **Comptroller of Maryland, Revenue Administration Division, 110 Carroll Street, Annapolis, MD 21411-0001**.

Paper filers must reconcile their accounts by completing Form MW508, Employer's Annual Withholding Reconciliation Return, and submit it in the same packet as the W-2/1099 forms. **Magnetic Media/Electronic filers do not need to file a paper Form MW508.** The MW508 will be included in the data received.

If you are submitting 25 or more W-2 forms, you are required to file electronically by one of three options. You may use our free bFile Bulk Upload Application that allows you to upload a text file in the modified EFW2 format; use our free bFile File Withholding Reconciliation Application that allows you to manually key data from your MW508 and up to 250 W-2 forms; or you may send the modified EFW2 format file by CD or 3 1/2 inch diskette. Copies of W-2 forms on media will not be accepted. Note: Tax Year 2015 (Calendar Year 2016) is the last year that you may file using magnetic media for both 1099's and W-2's. The bFile applications and the Maryland magnetic media/electronic specifications can be accessed online at **www.marylandtaxes.com** or by telephone at 410-260-7150.

Under the CR number box, enter the total gross Maryland payroll for the calendar year 2015 in the box provided.

Line 1. Enter the number of W-2 and 1099 forms attached in box 1a and 1b, and the combined total in box 1 Total.

Line 2. Enter total Maryland withholding tax reported for the year.

Line 3. Enter the total amount of state and local tax shown on Form(s) W-2 and 1099 in box 3a and 3b. Then enter the combined total in box 3 Total.

Line 3c. Enter total amount of withholding tax paid this year.

Line 3d. Enter total eligible business tax credits if you are a tax-exempt organization. You must attach Maryland Form MW508CR to calculate and take the credit.

Line 4. Amount Due. (Subtract lines 3c and 3d from line 3. If this amount is zero or greater, enter here; otherwise, go to line 5.)

Line 5. Overpayment (If line 3 minus lines 3c and 3d combined is less than zero, enter the difference here as a positive number.)

Line 6. Enter the amount of line 5 you wish to have applied as a credit.

Line 7. Enter the amount of line 5 you wish to have refunded. (Line 6 plus line 7 cannot exceed line 5.)

I declare under the penalties of perjury that this return (including any accompanying schedules and statements) has been examined by me and to the best of my knowledge is a true, correct and complete return.

SIGNED: _____ TITLE: _____

PHONE: _____ DATE: _____

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MARYLAND FORM

MW508CR

BUSINESS INCOME TAX CREDITS

To be used by non-profit 501(c)(3) organizations only. ATTACH TO YOUR MW508.

15508C049

2015

Print using blue or black ink

Federal Employer Identification Number	Central Registration Number

Name as shown on Form MW508

PART C - MARYLAND DISABILITY EMPLOYMENT TAX CREDIT

PART C - I CREDIT FOR EMPLOYEES WITH A DISABILITY

1. Number of qualified employees. First year ____ Second year ____
2. Credit for first year (30% of first $6,000 of wages paid to each employee) 2
3. Credit for second year (20% of first $6,000 of wages paid to each employee) 3
4. Total (Add lines 2 and 3.). 4

PART C - II CREDIT FOR CHILD CARE AND TRANSPORTATION EXPENSES

5. Number of qualified employees. First year ____ Second year ____
6. Credit for first year (limited to a combined total of $600 in child care and transportation expenses per qualified employee with a disability) 6
7. Credit for second year (limited to a combined total of $500 in child care and transportation expenses per qualified employee with a disability) 7
8. Total (Add lines 6 and 7.). 8

PART C - SUMMARY

9. Total Maryland Disability Employment Tax Credit for the current tax year (Add lines 4 and 8.). 9

PART M - COMMUTER TAX CREDIT

1. Amount of commuter benefits paid 1
2. Enter 50% of line 1 2
3. Number of employees for which commuter benefits were paid 3
4. Multiply the number of employee-months ____ by $50 4
5. Enter the lesser of line 2 or line 4 5

PART W - BUSINESS TAX CREDIT SUMMARY

1. Total Maryland Disability Employment Tax Credit from Part C, line 9 1
2. Total Commuter Tax Credit from Part M, line 5 2
3. Total (Add lines 1 and 2.) Enter on line 3d of Form MW508 3

BUSINESS INCOME TAX CREDITS INSTRUCTIONS

To be used by non-profit 501(c)(3) organizations only. ATTACH TO YOUR MW508.

GENERAL INSTRUCTIONS

Purpose MW508CR is used to claim the following business tax credits against employer withholding tax (tax-exempt organizations only). The paper version of Form 500CR has been discontinued. Form MW508CR has been created to allow employers who are tax-exempt under IRC 501(c)(3) to claim a business tax credit against the Maryland withholding tax. See Administrative Release 34 for more information.

Tax Credit	Part
Commuter Tax Credit*	M
Maryland Disability Employment Tax Credit*	C

***Tax-exempt organizations** For application of these credits against employer withholding tax, complete and attach Form MW508CR to Form MW508 (Annual Employer Withholding Reconciliation Return). See Administrative Release 34.

Tax Year or Period Use this form to accompany the 2014 Form MW508.

When and Where to File Form MW508CR must be attached to the annual return (Form MW508) and filed with the **Comptroller of Maryland, Revenue Administration Division, 110 Carroll Street, Annapolis, Maryland 21411-0001.**

PART C - MARYLAND DISABILITY EMPLOYMENT TAX CREDIT

General Requirements Businesses that employ persons with disabilities, as determined by the Division of Rehabilitation Services (DORS) in the Maryland State Department of Education and/or by the Maryland Department of Labor, Licensing and Regulation (DLLR) may be eligible for tax credits for wages paid to, and for child care expenses and transportation expenses paid on behalf of, qualified employees.

Qualifying employees with a disability are those who are certified as such by the DORS (or by the DLLR for a disabled veteran).

For certification or for additional information, contact:

Maryland State Department of Education
Division of Rehabilitation Services
2301 Argonne Drive
Baltimore, MD 21218
1-888-554-0334 or 410-554-9442
www.dors.state.md.us

or,

Maryland Department of Labor, Licensing and Regulation
1100 N. Eutaw St., Room 201
Baltimore, MD 21201
410-767-2047

A "Qualified Employee" with a disability means an individual who:

1. meets the definition of an individual with a disability as defined by the Americans with Disability Act;
2. has a disability that presently constitutes an impediment to obtaining or maintaining employment or to transitioning from school to work; and
3. is ready for employment; or
4. is a veteran who has been discharged or released from active duty by the American Armed Forces for a service-connected disability.

This credit may not be claimed if the Employment Opportunity Tax Credit has been claimed for that employee. In addition, an employee must not have been hired to replace a laid-off employee or to replace an employee who is on strike or for whom the business simultaneously receives federal or state employment training benefits.

Qualifying child care expenses are those expenses incurred by a business to enable a qualified employee with a disability to be gainfully employed.

Transportation expenses are those expenses incurred by a business entity to enable a qualified employee with a disability to travel to and from work.

Specific Requirements

Part C-I Credit for employees with a disability hired A credit is allowed for each new employee with a disability for a two-year period beginning with the year the employee was qualified. The credit for each disabled employee hired is equal to 30% of the first $6,000 of qualified first year wages and 20% of the first $6,000 of qualified second year wages.

The employer is not entitled to claim the credit until employment has continued for at least one full year unless the employee: (a) voluntarily leaves the employer, (b) becomes further disabled or death occurs or (c) is terminated for cause. The credit must be prorated for the portion of the year the employee worked unless the employee voluntarily left to take another job.

Part C-II Credit for Child Care and Transportation Expenses An additional credit is allowed for expenses incurred by the employer for approved day care services for a child or children of a qualified employee, or for transportation expenses that are incurred to enable a qualified employee to travel to and from work. A credit of up to $600 is allowed for the first year of employment and up to $500 for the second year. To verify if a child care center qualifies as an approved provider, contact the Department of Human Resources, Child Care Administrator for the county or city in which the child care center is located.

Part C-Summary Add lines 4 and 8.

PART M - COMMUTER TAX CREDIT

A credit is allowed for businesses that conduct or operate a trade or business in Maryland and provide commuter benefits for their employees.

The business must pay a portion of the cost of travel between the employee's home and the workplace. Qualified commuter benefits include the cost of transit instruments (tickets, passes, vouchers, fare cards, smartcards and tokens) used to transport an employee of the business to or from home and the workplace. The portion of the cost an employer pays to provide a "Guaranteed Ride Home" program or for a parking "Cash-Out" program for their employees also are qualified commuter benefits.

Travel must be on a qualified mass transit vehicle or system, or in a vanpool. The vanpool vehicle must seat at least 8 adults and be used primarily to transport employees between home and the workplace.

The credit is the lesser of 50% of the cost of providing commuter benefits or $50 per month for each employee.

For more information contact:

Mass Transit Administration, Marketing Division
6 St. Paul Street, 2nd Floor
Baltimore, MD 21202-1614
410-767-8755
www.commuterchoicemaryland.com

PART W - BUSINESS TAX CREDIT SUMMARY

This part is used to summarize all available tax credits reported on this form. If the total credits available in a particular tax year exceed the withholding tax developed for that year, the excess may not be refunded.

MARYLAND FORM 202

SALES AND USE TAX RETURN

142020000

July 2014 - June 2015

$

CHECK HERE IF:

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

☐ **FINAL RETURN (attach completed Form 202FR)**

	Enter Sales/Rentals/ Purchases	Enter Amount of Tax or Interest Due
1. Gross sales (taxable and non-taxable) ► 1.	00	
2. Sales subject to 6% rate 2a.	00 ► 2.	
3. Car and motorcycle rentals subject to 11.5% rate 3a.	00 ► 3.	
4. Truck rentals subject to 8% rate 4a.	00 ► 4.	
5. Add Lines 3 and 4 and enter the total tax due on short-term rentals ► 5.		
6. Sales of alcoholic beverages subject to 9% rate 6a.	00 ► 6.	
7. Add Lines 2, 5 and 6 and enter the total on this line 7.		
8. If timely – enter discount (see instructions). Maximum $500.00 8.		
9. Subtract Line 8 from Line 7 and enter the difference on this line 9.		
10. Taxable purchases subject to the 6% rate 10a.	00 ► 10.	
11. Taxable purchases of alcoholic beverages subject to the 9% rate 11a.	00 ► 11.	
12. Total taxes due (add Lines 9, 10 and 11). **If the total is zero, see instructions.** ► 12.		
13. Refund due (see instructions) ► 13.		
14. **Subtract** Line 13 from Line 12 and enter the difference on this line 14.		
15. **If late:** a. Compute penalty at 10% of Line 14 15a.		
b. Compute interest at 1.08% per month from the due date of the return 15b.		
Add Lines 15a and 15b and enter the total 15.		
16. Sales and Use Tax balance due (add Lines 14 and 15) 16.		
17. a. Prepaid Wireless E 9-1-1 Fee (.60 per transaction) ► 17a.		
b. Enter discount (see instructions) ► 17b.		
c. Total E 9-1-1 Fee due 17c.		
18. Total balance due (add Lines 16 and 17c.) ► 18.		
19. Amount enclosed – Make payable to Comptroller of Maryland – SUT ► 19.		

Under penalties of perjury, I declare that I have examined this return and to the best of my knowledge and belief it is true, correct and complete.

Taxpayer or Agent's signature

Date

MARYLAND FORM 202

SALES AND USE TAX RETURN INSTRUCTIONS

Line 1 **Gross sales** Enter the total amount of all your taxable and non-taxable sales and rentals of tangible personal property and of your taxable services. Do not include any tax collected in this figure.

Line 2 **Sales subject to 6% rate**

In box 2a Enter the amount of sales that are subject to tax at the 6% rate

Note If the gross sales on Line 1 include sales of modular homes or gross receipts from vending machine sales; or if you are a marina which sells dyed diesel fuel; or if you are a hotel: please see the applicable sales tax information at **www.marylandtaxes.com** to determine the appropriate percentage of sales to use in computing the 6% tax.

In box 2 Enter the actual amount of the sales and use tax you collected or should have collected on sales subject to the 6% tax rate, less any tax which you properly refunded to your customers for cancelled sales.

Line 3 **Car and motorcycle rentals subject to 11.5% rate**

In box 3a Enter the amount of short-term car and motorcycle rentals subject to tax at the 11.5% rate.

In box 3 Enter the actual amount of tax you collected or should have collected on your car and motorcycle rental receipts, less any tax which you properly refunded to your customers for cancelled sales.

Line 4 **Truck rentals subject to 8% rate**

In box 4a Enter the amount of short-term truck rentals subject to tax at the 8% tax rate.

In box 4 Enter the actual amount of tax you collected or should have collected on your truck rental receipts, less any taxes you properly refunded to your customers for cancelled sales.

Line 5 **Tax Due on Short-Term Rentals** Enter the sum of the tax shown in boxes 3 and 4.

Line 6 **Sales of alcoholic beverages subject to 9% rate**

In box 6a Enter the amount of sales of alcoholic beverages that are subject to tax at the 9% rate.

In box 6 Enter the actual amount of tax you collected or should have collected on the sales of alcoholic beverages, less any taxes you properly refunded to your customers for cancelled sales.

Line 7 **Add Lines 2, 5 and 6 and enter the total on this line**

Line 8 **Timely discount** If Line 7 is $6,000 or less, multiply that amount by .012. If Line 7 is greater than $6,000, multiply that amount by .009 and add $18.00. The discount may not exceed $500 for each return. A vendor who files or is eligible to file a consolidated return is allowed a maximum discount not to exceed $500 for all returns. A discount cannot be taken if the return is filed and paid after the due date.

Line 9 **Subtract Line 8 from Line 7 and enter the difference on this line**

Line 10 **Purchases subject to 6% rate**

In box 10a Enter the amount of purchases, rentals, or use of personal property, subject to the 6% rate.

In box 10 Enter the amount of tax due on your purchases, rentals, or use of personal property, taxable to you at the 6% rate upon which the proper amount of Maryland tax has not been paid, including your purchases of merchandise for resale which you have converted to your own use.

Line 11 **Purchases of alcoholic beverages subject to 9% rate**

In box 11a Enter the amount of purchases of alcoholic beverages subject to the 9% rate.

In box 11 Enter the amount of tax due on your purchases of alcoholic beverages taxable to you at the 9% rate upon which the proper amount of Maryland tax has not been paid, including your purchases of alcoholic beverages for resale which you have converted to your own use.

Line 12 **Total taxes due** Add the amounts shown on Lines 9, 10 and 11 and enter the total on this line. **If the total is zero, do not mail this return. File by calling 410-260-7225 or file electronically.**

Line 13 **Refund due** If you are entitled to a refund of previously paid taxes of $1,000 or less you may claim it on this line. If the refund exceeds $1,000, you must pay the full amount due on Line 12 with this return and file a separate refund application, Form 205, available at **www.marylandtaxes.com**. You may not claim an amount greater than the amount on Line 12; you may claim the excess amount on Line 13 of your next return or file a Form 205, Sales and Use Tax Refund Application.

Line 14 **Subtract Line 13 from Line 12 and enter the difference on this line**

Line 15 **If late**

In box 15a If this return with payment for taxes due is not filed by its due date, you must include a penalty of 10% of the tax due on Line 14 plus interest.

In box 15b Interest is payable at a rate of 1.08% per month or fraction of a month of the amount on Line 14.

In box 15 Add lines 15a and 15b and enter the total on line 15.

Line 16 **Sales and Use Tax balance due** Add the amounts shown on Lines 14 and 15 and enter the total on this line.

Line 17 **Prepaid Wireless E 9-1-1 Fee**

Effective July 1, 2013, 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 more information on the Prepaid Wireless E 9-1-1 Fee go to **www.marylandtaxes.com**.

In box 17a Multiply each Prepaid Wireless E 9-1-1 retail transaction by .60 and enter the amount in this box.

In box 17b Multiply the amount from box 17a by .03 and enter the amount in this box.

In box 17c Subtract the amount on Line 17b from Line 17a and enter the amount in this box.

Line 18 **Total balance due** Add the amounts shown on Lines 16 and 17c and enter the total on this line.

Line 19 **Amount enclosed** Enter the amount of check or money order enclosed. Make check or money order payable to Comptroller of Maryland – SUT.

Make checks payable and mail to:

Comptroller of Maryland - SUT
Revenue Administration Division
PO Box 17405
Baltimore, Maryland 21297-1405

Write CR (central registration) number on check using blue or black ink.

Pre-addressed return labels are provided at the back of this packet for your convenience.

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MARYLAND FORM 500 **CORPORATION INCOME TAX RETURN**

145000049

2014
$

OR FISCAL YEAR BEGINNING **2014, ENDING**

Print using blue or black ink.

Name		
Number and street		
City / town	State	ZIP code
Federal Employer Identification No. (9 digits)	Do not write in this space ME ▶	
FEIN Applied for date	YE ▶	
Date of Organization or Incorporation (MMDDYY) ▶	Business Activity Code No. (6 digits) ▶	

CHECK HERE IF: ☐ NAME OR ADDRESS HAS CHANGED ☐ INACTIVE CORPORATION ☐ FIRST FILING OF THE CORPORATION ☐ FINAL RETURN

▶ ☐ THIS TAX YEAR'S BEGINNING AND ENDING DATES ARE DIFFERENT FROM LAST YEAR'S DUE TO AN ACQUISITION OR CONSOLIDATION.

SEE CORPORATION INSTRUCTIONS. ATTACH A COPY OF THE FEDERAL INCOME TAX RETURN THROUGH SCHEDULE M2.

1 a Federal Taxable Income (Enter amount from Federal Form 1120 line 28 or Form 1120-C line 25c.)
See Instructions. Check applicable box:
☐ 1120 ☐ 1120-REIT ☐ 990T
☐ Other:_____ IF 1120S, FILE ON FORM 510 . . . . . **1 a** _____

b Special Deductions (Federal Form 1120 line 29b or Form 1120-C line 26b.) . **1 b** _____

c Federal Taxable Income before net operating loss deduction (Subtract line 1b from 1a.) . . . . . ▶ **1c** _____

STAPLE CHECK HERE

MARYLAND ADJUSTMENTS TO FEDERAL TAXABLE INCOME
(All entries must be positive amounts.)

ADDITION ADJUSTMENTS

2 a Section 10-306.1 related party transactions . . . . . ▶**2a** _____

b Decoupling Modification Addition adjustment
(Enter code letter(s) from instructions.) . . . . . ☐☐☐☐ . . ▶ **b** _____

c Total Maryland Addition Adjustments to Federal Taxable Income (Add lines 2a and 2b.) . . . . . **2c** _____

SUBTRACTION ADJUSTMENTS

3 a Section 10-306.1 related party transactions . . . . . ▶**3a** _____

b Dividends for domestic corporation claiming foreign tax credits
(Federal form 1120/1120C Schedule C line 15). . . . . ▶ **b** _____

c Dividends from related foreign corporations
(Federal form 1120/1120C Schedule C line 13 and 14) . . . . . ▶ **c** _____

d Decoupling Modification Subtraction adjustment
(Enter code letter(s) from instructions.) . . . . . ☐☐☐☐ . . ▶ **d** _____

e Total Maryland Subtraction Adjustments to Federal Taxable Income
(Add lines 3a through 3d.) . . . . . **3e** _____

4 Maryland Adjusted Federal Taxable Income before NOL deduction is applied
(Add lines 1c and 2c, and subtract line 3e.) . . . . . **4** _____

5 Enter Adjusted Federal NOL Carry-forward available from previous tax years (including FDSC Carry forward) on a separate company basis (Enter NOL as a positive amount.) . . . . . ▶ **5** _____

6 Maryland Adjusted Federal Taxable Income (If line 4 is less than or equal to zero, enter amount from line 4.)
(If line 4 is greater than zero, subtract line 5 from line 4 and enter result.
If result is less than zero, enter zero.) . . . . . **6** _____

MARYLAND ADDITION MODIFICATIONS
(All entries must be positive amounts.)

7 a State and local income tax . . . . . ▶ **7a** _____

b Dividends and interest from another state, local or federal tax exempt obligation . . . . . ▶ **b** _____

c Net operating loss modification recapture
(Do not enter NOL carryover. See instructions.). . . . . ▶ **c** _____

d Domestic Production Activities Deduction . . . . . ▶ **d** _____

e Deduction for Dividends paid by captive REIT . . . . . ▶ **e** _____

f Other additions (Enter code letter(s) from
instructions and attach schedule.) . . . . . ☐☐☐☐ . . ▶ **f** _____

g Total Addition Modifications (Add lines 7a through 7f.) . . . . . **7g** _____

MARYLAND FORM 500 2014

CORPORATION INCOME TAX RETURN

145000149

Name FEIN

MARYLAND SUBTRACTION MODIFICATIONS
(All entries must be positive amounts.)

8 a Income from US Obligations . . . . . ▶**8a** _____

b Other Subtractions (Enter code letter(s) from instructions and attach schedule.) . . . . . ☐☐☐☐ . . ▶ **b** _____

c Total Subtraction Modifications (Add lines 8a and 8b.) . . . . . **8c** _____

NET MARYLAND MODIFICATIONS

9 Total Maryland Modifications (Subtract line 8c from 7g. If less than zero, enter negative amount.) . . . **9** _____

10 Maryland Modified Income (Add lines 6 and 9.) . . . . . **10** _____

APPORTIONMENT OF INCOME
(To be completed by multistate corporations whose apportionment factor is less than 1, otherwise skip to line 13.)

11 Maryland apportionment factor (from page 3 of this form) (If factor is zero, enter .000001.) . . . . . ▶**11** __.__ __ __ __ __ __

12 Maryland apportionment income (Multiply line 10 by line 11.) . . . . . **12** _____

13 Maryland taxable income (from line 10 or line 12, whichever is applicable.) . . . . . **13** _____

14 Tax (Multiply line 13 by 8.25%.) . . . . . **14** _____

15 a Estimated tax paid with Form 500D, Form MW506NRS and/or credited from 2013 overpayment . . . . . ▶**15a** _____

b Tax paid with an extension request (Form 500E) . . . . . ▶ **b** _____

c Nonrefundable business income tax credits from Part W. (See instructions for Form 500CR.) . . . . . **You must file this form electronically to claim business tax credits from Form 500CR.**

d Refundable business income tax credits from Part Z. (See instructions for Form 500CR.) . . . . . **You must file this form electronically to claim business tax credits from Form 500CR.**

e The Sustainable Communities Tax Credit is claimed on line 1 of Part Z on Form 500CR. Check here ☐ if you are a non-profit corporation.

f Nonresident tax paid on behalf of the corporation by pass-through entities (Attach Maryland Schedule K-1.) . . . . . ▶ **f** _____

g Total payments and credits (Add lines 15a through 15f.) . . . . . **15g** _____

16 Balance of tax due (If line 14 exceeds line 15g, enter the difference.) . . . . . ▶ **16** _____

17 Overpayment (If line 15g exceeds line 14, enter the difference.) . . . . . ▶ **17** _____

18 Interest and/or penalty from Form 500UP _____ or late payment interest _____ **Total** . . . . ▶ **18** _____

19 Total balance due (Add lines 16 and 18, or if line 18 exceeds line 17 enter the difference.) . . . . . **19** _____

20 Amount of overpayment to be applied to estimated tax for 2015 (not to exceed the net of line 17 less line 18) . . . . . ▶ **20** _____

21 Amount of overpayment TO BE REFUNDED (Add lines 18 and 20, and subtract the total from line 17.) . . . . . ▶ **21** _____

DIRECT DEPOSIT OF REFUND (See instructions.) **Be sure the account information is correct.**

To comply with banking rules, check here ▶ ☐ if this refund will go to an account outside the United States. If checked, see instructions.

22 For the direct deposit option, complete the following information clearly and legibly:

a Type of account: ▶ ☐ checking ☐ savings

b Routing number (9 Digits) ▶ ___ ___ ___ ___ ___ ___ ___ ___ ___

c Account number ▶ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___

INFORMATIONAL PURPOSES ONLY (LINES 23 & 24)

23 NOL generated in Current Year - Carryforward 20 Years and back 2 Years (If line 6 is less than zero, enter on line 23.) . . . . . **23** _____

24 NAM generated in Current Year - Carried Forward/Back with the Loss on Line 23 per Section 10-205(e) (If line 6 is less than zero AND line 9 is greater than zero, enter the amount from line 9 on line 24.) . . . . . **24** _____

MARYLAND FORM 500 2014

CORPORATION INCOME TAX RETURN

145000249

Name FEIN

SCHEDULE A – COMPUTATION OF APPORTIONMENT FACTOR

(Applies only to multistate corporations. See instructions.)

NOTE: Special apportionment formulas are required for rental/leasing, financial institutions, transportation and manufacturing companies.

		Column 1 TOTALS WITHIN MARYLAND	Column 2 TOTALS WITHIN AND WITHOUT MARYLAND	Column 3 DECIMAL FACTOR (Column 1 ÷ Column 2 rounded to six places)
1A. Receipts	a. Gross receipts or sales less returns and allowances			
	b. Dividends			
	c. Interest			
	d. Gross rents			
	e. Gross royalties			
	f. Capital gain net income			
	g. Other income (Attach schedule.)			
	h. Total receipts (Add lines 1A(a) through 1A(g), for Columns 1 and 2.)			___.___ ___ ___ ___ ___
1B. Receipts	Enter the same factor shown on line 1A, Column 3. Disregard this line if special apportionment formula used			___.___ ___ ___ ___ ___
2. Property	a. Inventory			
	b. Machinery and equipment			
	c. Buildings			
	d. Land			
	e. Other tangible assets (Attach schedule.)			
	f. Rent expense capitalized (multiplied by eight)			
	g. Total property (Add lines 2a through 2f, for Columns 1 and 2.)			___.___ ___ ___ ___ ___
3. Payroll	a. Compensation of officers			
	b. Other salaries and wages			
	c. Total payroll (Add lines 3a and 3b, for Columns 1 and 2.)			___.___ ___ ___ ___ ___

4. Total of factors (Add entries in Column 3.) ___.___ ___ ___ ___ ___

5. Maryland apportionment factor Divide line 4 by four for three-factor formula, or by the number of factors used if special apportionment formula required. (If factor is zero, enter .000001 on line 11 page 2.) ___.___ ___ ___ ___ ___

SCHEDULE B – ADDITIONAL INFORMATION REQUIRED (Attach a separate schedule if more space is necessary.)

1. Telephone number of corporation tax department: _____

If a multistate operation, provide the following:

2. Address of principal place of business in Maryland (if other than indicated on page 1): _____
3. Brief description of operations in Maryland: _____
4. Has the Internal Revenue Service made adjustments (for a tax year in which a Maryland return was required) that were not previously reported to the Maryland Revenue Administration Division? ☐ Yes ☐ No

   If "yes", indicate tax year(s) here:_____and submit an amended return(s) together with a copy of the IRS adjustment report(s) under separate cover.
5. Did the corporation file employer withholding tax returns/forms with the Maryland Revenue Administration Division for the last calendar year? ☐ Yes ☐ No
6. Is this entity part of a federal consolidated filing? ▶ ☐ Yes ☐ No
7. Is this entity a multistate corporation that is a member of a unitary group? ▶ ☐ Yes ☐ No
8. Is this entity a multistate manufacturer with more than 25 employees? If so, complete and attach Form 500MC to your Form 500. ▶ ☐ Yes ☐ No

SIGNATURE AND VERIFICATION: Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements and to the best of my knowledge and belief it is true, correct and complete. If prepared by a person other than taxpayer, the declaration is based on all information of which the preparer has any knowledge.

Check here ☐ if you authorize your tax preparer to discuss this return with us.

Officer's signature _____ Date _____ ▶ Preparer's PTIN (required by law) _____ Preparer's signature _____

Officer's Name and Title _____

Preparer's name, address and telephone number _____

Make checks payable and mail to:
Comptroller of Maryland, Revenue Administration Division
110 Carroll Street
Annapolis, Maryland 21411-0001
(Write FEIN on check using blue or black ink.)

COM/RAD-001

▶ ☐☐☐ CODE NUMBERS (three digits per box)

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MARYLAND FORM **500**

CORPORATION INCOME TAX RETURN INSTRUCTIONS

2014

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 Sustainable Communities 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 a 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.

  Also, manufacturing corporations with more than 25 employees should complete Form 500MC if apportionment is used. All three (3) factors must be completed on page 3 of Form 500 for the purpose of completing Form 500MC.

2 WHEN AND WHERE TO FILE

File Form 500 by the 15th day of the 3rd 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, Maryland 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. For more information, see Administrative Releases 18 and 38.

The federal net operating loss deduction effectively is allowed for the Maryland filing by using federal taxable income. The federal provisions for carryback and carryover 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. The State of Maryland decoupled from the 5-year carryback provisions. 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 more information, refer to Administrative Release 38.

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.com.** 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 13%.

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 3rd 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.com**.

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 both a capital loss carryback and carryover. Any carryover effectively is allowed when reporting federal taxable income on the Maryland return. The carryback deduction is not allowed on the Maryland return and must be added to federal taxable income.

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 re-

tail 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, go to our Web site at **www.marylandtaxes.com.**

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 forms 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 5-year carryback 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. See Administrative Release 38.

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 5-year carryback 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. See Administrative Release 38.

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 Business Research & Development Tax Credit, Maryland Employer Security Clearance Costs Tax Credit (do not include Small Business First-Year Leasing Costs Tax Credit), and Cellulosic Ethanol Technology Research and Development Tax Credit. Also, the amount of carryover claimed in the current tax year for the expired Maryland Employment Opportunity Tax Credit is added to income.

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 result. If negative, enter as a negative number.

LINE 10 - MARYLAND MODIFIED INCOME

Add lines 6 and 9. Enter 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 3 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.
- **CELLULOSIC ETHANOL TECHNOLOGY RESEARCH AND DEVELOPMENT TAX CREDIT.** Businesses and individuals may claim a credit of up to 10% of the qualified research and development expenses incurred in Maryland for technology that is used to develop cellulosic biomass for conversion to ethanol fuel.
- **SECURITY CLEARANCE COSTS TAX CREDIT.** Businesses which incur costs certified by the Department of Business and Economic Development 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.

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

- **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 and start-up costs to establish, relocate or expand a business in a distressed 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.
- **BIO-HEATING OIL TAX CREDIT.** Businesses and individuals may claim a credit of 3 cents for each gallon of bio-heating oil purchased for space or water heating with a maximum credit of $500.
- **ELECTRIC VEHICLE RECHARGING EQUIPMENT TAX CREDIT.** An individual or a corporation may be certified to claim a credit for a certain amount of cost for electric vehicle recharging equipment that is placed into service during the tax year in which the credit is claimed.
- **FIRST YEAR LEASING COSTS TAX CREDIT FOR A QUALIFIED SMALL BUSINESS.** 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 Department of Business and Economic Development.
- **OYSTER SHELL RECYCLING TAX CREDIT.** An individual or business may claim a credit in an amount of $1 for each bushel of oyster shells recycled during the taxable year with a maximum credit of $750.
- NEW **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
- **WINERIES AND VINEYARDS TAX CREDIT.** Businesses and individuals may claim a credit of 25% of qualified capital expenses, approved by the Department of Business and Economic Development, made in connection with the establishment of new wineries or vineyards or capital improvements to existing wineries or vineyards.

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 for up to 50% of the amount contributed during the tax year to a qualified Maryland biotechnology company, subject to certain maximum amounts.
- **HEALTH ENTERPRISE ZONE HIRING TAX CREDIT.** A Health Enterprise Zone practitioner may be eligible to claim a refundable credit of $10,000 ($5,000 per year) for hiring a qualified employee in a Health Enterprise Zone, as certified by the Department of Health and Mental Hygiene (DHMH).
- **ONE MARYLAND ECONOMIC DEVELOPMENT TAX CREDIT.** Businesses may claim credits for project and start-up costs to establish, relocate or expand a business in a distressed 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 the estimated total direct costs incurred in this State for those activities exceed $500,000.

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.

- **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.".

NEW

- **CYBERSECURITY INVESTMENT INCENTIVE TAX CREDIT.** A credit may be claimed for up to 33% of the amount invested in a qualified Maryland cybersecurity company, subject to certain maximum amounts.

For additional information regarding any of the Business income tax credits, see the Business Tax Credits Form 500CR Instructions available at **www.marylandtaxes.com.**

- **SUSTAINABLE COMMUNITIES 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 Z 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 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.

If Form 500 is filed late, calculate interest on the amount of tax that was not paid by the original due date. Interest is due at an annual rate of 13% or 1.08% per month or part of a month that tax is paid after the due date of the return.

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 2015

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.

CAUTION

Check with the financial institution to make sure the direct deposit will be accepted and to get the correct routing and account numbers. **The State of Maryland is not responsible for a lost refund if you enter the wrong account information.**

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 in these areas on Page 3 of Form 500.

9 SIGNATURE AND VERIFICATION

An authorized officer must sign and date Form 500 at the bottom of Page 3 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.com** 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.com** 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 double-weighted receipts. The sum of the property factor, payroll factor and twice the receipts factor is divided by four 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: Double-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.

In addition, manufacturing corporations with more than 25 employees should complete Form 500MC if apportionment is used.

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.

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MARYLAND FORM **500D**

CORPORATION DECLARATION OF ESTIMATED INCOME TAX

15500D049

2015

OR FISCAL YEAR BEGINNING **2015, ENDING**

Print Using Blue or Black Ink

Federal Employer Identification Number (9 digits)		
Name		
Number and street		
City or town	State	ZIP code

For Office Use Only

ME	YE	EC	EC

USE THIS FORM TO REMIT ANY PAYMENT DUE AT THIS TIME. IF FORMS ARE NEEDED TO MAKE ADDITIONAL INSTALLMENTS FOR THE CURRENT TAX YEAR, SEE THE INSTRUCTIONS FOR MORE INFORMATION.

IMPORTANT: Review the instructions before completing this form. If you are using this form to make subsequent estimated payments, you **do not** need to complete this worksheet if you previously have calculated the amounts you need to pay for each quarter.

ESTIMATED TAX WORKSHEET

STAPLE CHECK HERE

1. Taxable income expected for the tax year or period BEGINNING in 2015	1		
2. Estimated income tax due for the year (8.25% of line 1, reduced by any tax credits). . .	2		
3. Estimated tax due per quarter (line 2 divided by four)	3		

ESTIMATED TAX PAID FOR 2015 WITH THIS DECLARATION . . . . . ▶ $		

Make checks payable to and mail to:
COMPTROLLER OF MARYLAND
REVENUE ADMINISTRATION DIVISION
110 Carroll Street
Annapolis, Maryland 21411-0001
(Write Federal Employer Identification Number on check using blue or black ink.)

MARYLAND FORM 500D CORPORATION DECLARATION OF ESTIMATED INCOME TAX INSTRUCTIONS

2015

Purpose of Form Form 500D is used by a corporation to declare and remit estimated income tax.

Corporations expected to be subject to estimated tax requirements should use Form 500D to remit any payment due.

NOTE: Do not use this form to remit estimated tax for Form 510 or to remit employer withholding tax.

General Requirements 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. The total estimated tax payments for the year must be at least 90% of the tax developed for the current year or 110% of the tax that was developed for the prior year to avoid interest and/or penalty. At least 25% of the total estimated tax must be remitted by each of the installment due dates. The annualization method for calculating estimated tax is not permitted for corporations.

In the case of a short tax period, the total estimated tax payment 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. However, if the corporation has a short tax period of less than 4 months, it does not have to pay estimated tax nor file Form 500D.

Maryland law provides for the accrual of interest and imposition of penalty for failure to pay any tax when due.

If it is necessary to amend the estimate, recalculate the amount of estimated tax required using the estimated tax worksheet provided. Adjust the amount of the next installment to reflect any previous underpayment or overpayment. The remaining installments must be at least 25% of the amended estimated tax due for the year.

Consolidated returns are not allowed under Maryland law. Affiliated corporations that file a consolidated federal return must file separate Maryland declarations for each member corporation.

When to File File Form 500D on or before the 15th day of the 4th, 6th, 9th and 12th months following the beginning of the tax year or period. In addition to payments with Form 500D, the corporation may partially or fully apply any overpayment from the prior year Form 500 – Maryland Corporation Income Tax Return to the estimated tax obligation for this year.

Tax Year or Period Enter the beginning and ending dates of the tax year in the space provided.

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

Name, Address and Other Information Type or print the required information in the designated area.

Enter the 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 Federal Employer Identification Number (FEIN). If the 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.

Payment Instructions Enter the amount of estimated tax paid in the space provided. Include a check or money order made payable to Comptroller of Maryland. All payments must indicate the FEIN, type of tax and tax year beginning and ending dates. **DO NOT SEND CASH.**

You may pay your estimated tax using one of the following methods:

1) **Electronic Funds Transfer** Taxpayers must register before using this method. To obtain a registration form, visit **www.marylandtaxes.com** or call 410-260-7980. If payment is made by electronic funds transfer, do not mail Form 500D; retain for company's records.

2) **Filing Electronically** using Modernized Electronic Filing method (software provider must be approved by the IRS and Revenue Administration Division). **If filed electronically, do not mail Form 500D; retain it with company's records.**

   Taxpayers making payments of $10,000 or more must use one of these two electronic methods. If you need to make additional payments for the current tax year, you may file electronically, or, you can go to **www.marylandtaxes.com** and download another Form 500D.

3) **Mailing Instructions** Mail payment and completed Form 500D to:

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

MARYLAND FORM 500E

APPLICATION FOR EXTENSION TO FILE CORPORATION INCOME TAX RETURN

14500E049

2014

OR FISCAL YEAR BEGINNING **2014, ENDING**

Print Using Blue or Black Ink

Federal Employer Identification Number (9 digits)		
Name		
Number and street		
City or town	State	ZIP code

For Office Use Only

ME	YE	EC	EC

IF NO TAX IS DUE WITH THIS EXTENSION, DO NOT MAIL THIS PAPER FORM, INSTEAD FILE THE EXTENSION AT: www.marylandtaxes.com OR CALL 410-260-7829 FROM CENTRAL MARYLAND OR 1-800-260-3664 FROM ELSEWHERE TO TELEFILE THIS FORM.

INSTRUCTIONS FOR TAX PAYMENT WORKSHEET

Line 1 – **Tax liability** Enter the total amount of income tax the corporation is expected to owe. Use Form 500 as a worksheet.

Line 2 – **Estimated tax payments** Enter the total amount of Maryland estimated tax paid with Form 500D for the tax year. Include any overpayment from the prior period that was credited to the current tax year.

Line 3 – **Allowable tax credits** Enter the allowable tax credits from Form 500CR or 502S or tax paid on the corporation's behalf by a pass-through entity.

Line 4 – **Total payments and credits** Add lines 2 and 3 and enter the total on line 4.

Line 5 – **Tax due** Subtract line 4 from line 1 and enter the result on line 5. This is the tax to be paid with the application for extension.

TAX PAYMENT WORKSHEET

1. Tax liability expected for the current tax year. . . . . 1. _____
2. Estimated tax payments and amount credited from the prior period.. . . . . 2. _____
3. Allowable tax credits. . . . . 3. _____
4. Total payments and credits. Add lines 2 and 3 and enter here.. . . . . 4. _____
5. **Tax due** – Subtract line 4 from line 1.. . . . . 5. _____

TAX PAID WITH THIS EXTENSION (If filing and paying electronically, do not mail this form.) . . . . . ▶$		

IF NO TAX IS DUE WITH THIS EXTENSION, DO NOT MAIL THIS PAPER FORM UNLESS IT IS THE FIRST FILING OF THE ENTITY, INSTEAD FILE THE EXTENSION AT: www.marylandtaxes.com OR CALL 410-260-7829 FROM CENTRAL MARYLAND OR 1-800-260-3664 FROM ELSEWHERE TO TELEFILE THIS FORM.

Make checks payable to and mail to:
COMPTROLLER OF MARYLAND
REVENUE ADMINISTRATION DIVISION
110 Carroll Street
Annapolis, Maryland 21411-0001
(Write federal employer identification number on check using blue or black ink.)

MARYLAND FORM **500E**

APPLICATION FOR EXTENSION TO FILE CORPORATION INCOME TAX RETURN INSTRUCTIONS

2014

Purpose of Form Maryland law provides for an extension of time to file the corporation income tax return (Form 500), but not to pay the tax due. Use Form 500E to remit any tax that may be due. Also use Form 500E if this is the first filing of the corporation even if no tax is due.

Note: Do not use this form to extend the time for filing a Form 510 or to remit employer withholding tax.

General Requirements Extensions are allowable for up to seven months from the original due date. An automatic seven-month extension will be granted if Form 500E is filed by the original due date.

- **If no tax is due -** File the extension online, telefile or use Form 500E if this is the first filing of the corporation.
- **If tax is due -** Make full payment by electronic funds transfer or by using Form 500E if paying by check or money order.

Consolidated returns are not allowed under Maryland law. Affiliated corporations that file a consolidated federal return must file a separate Maryland extension for each member corporation.

Do not mail the Form 500E if, after completing the Tax Payment Worksheet, no additional tax is due. Instead, you may telefile or file on our Web site unless this is the first filing of the corporation. However, if an unpaid liability is disclosed when the return is filed, penalty and interest charges may be due in addition to the tax.

When to file File Form 500E by the 15th day of the third month following the close of the tax year or period, or, by the original due date required for filing the federal income tax return.

Name, Address and Other Information Type or print the required information in the designated area.

Enter the federal employer identification number (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 name exactly as specified in the Articles of Incorporation, or as amended, and continue with any "Trading As" (T/A) name, if applicable.

Tax Year or Period Enter the beginning and ending dates of the tax year in the space provided if the tax year is other than a calendar year.

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

How to file Complete the Tax Payment Worksheet on page 1.

If line 5 is zero, file in one of the following ways:

1) **Telefile –** Request an automatic extension by calling 410-260-7829 from Central Maryland or 1-800-260-3664 from elsewhere to telefile this form. Please have the form available when making the call.

Note: Telefile service is available 24 hours a day, 7 days a week. Calling during non-peak hours will make it easier to file.

2) **Internet –** File the extension at **www.marylandtaxes.com**, and look for Online Services/Services for Business. **If filed by Internet, do not mail 500E; retain it with the company's records.**

3) **Filing electronically** using Modernized Electronic Filing method (software provider must be approved by the IRS and Revenue Administration Division). **If filed electronically, do not mail 500E; retain it with company's records.**

4) **First filing of corporation** – Mail Form 500E.

If line 5 shows an amount due, file in one of the following ways:

1) **Electronic Funds Transfer –** Taxpayers must register before using this method. To obtain a registration form, visit **www.marylandtaxes.com** or call 410-260-7980. **If payment is made by electronic funds transfer, do not mail; retain for company's records.**

2) **Filing electronically** using Modernized Electronic Filing method (software provider must be approved by the IRS and Revenue Administration Division). **If filed electronically, do not mail 500E; retain it with company's records.**

Taxpayers making payments of $10,000 or more must use one of these two electronic methods.

3) Payment by check or money order – Complete Form 500E and mail to:

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

Payment Instructions Include a check or money order made payable to **Comptroller of Maryland**. All payments must indicate the FEIN, type of tax and tax year beginning and ending dates. **DO NOT SEND CASH.**

MARYLAND FORM **500X**

AMENDED CORPORATION INCOME TAX RETURN

14500X049

2014

OR FISCAL YEAR BEGINNING **2014, ENDING**

CURRENT NAME AND ADDRESS			NAME AND ADDRESS ON ORIGINAL RETURN (IF DIFFERENT FROM CURRENT)		
Name			Name		
Number and street			Number and street		
City or town	State	ZIP code	City or town	State	ZIP code
Federal Employer Identification Number (9 digits)			Federal Employer Identification Number (9 digits)		

IF FILING TO CLAIM A NET OPERATING LOSS, CHECK THE APPROPRIATE BOX . . . . . ☐ Carryback ☐ Carryforward
Attach copies of the federal form for the loss year and Form 1139.

PART A – Income, Adjustments, Modifications and Apportionment

		Column A As originally reported or as previously adjusted	Column B Net change increase or (decrease)	Column C Corrected amount
1a. Federal Taxable Income (Form 500, line 1c.)	**1a.**			
1b. Total Maryland Addition Adjustments to Federal Taxable Income (Form 500, line 2c.)	**1b.**			
1c. Total Maryland Subtraction Adjustments to Federal Taxable Income (Form 500, line 3e.)	**1c.**			
2a. Maryland adjusted Federal Taxable Income before NOL is applied (Add lines 1a and 1b, subtract line 1c.)	**2a.**			
2b. Adjusted Federal NOL carryback/carryforward.	**2b.**			
3. Maryland adjusted Federal Taxable Income (If 2a is less than or equal to zero, enter amount from line 2a; otherwise subtract line 2b from 2a. If less than zero, enter 0.)	**3.**			
4a. Total Maryland addition modifications (Form 500, line 7g.) .	**4a.**			
4b. Total Maryland subtraction modifications (Form 500, line 8c.) .	**4b.**			
5. Maryland modified income (Add lines 3 and 4a, subtract line 4b.).	**5.**			

APPORTIONMENT OF INCOME

(To be completed by multistate corporations whose apportionment factor is less than 1; otherwise skip to line 8.)

6. Maryland apportionment factor (from Part C on page 2.) .	**6.**	•	•	•
7. Maryland apportioned income (Multiply line 5 by line 6.)	**7.**			
8. Maryland taxable income (from line 5 or line 7, whichever is applicable)	**8.**			
9. TAX (Multiply line 8 by 8.25%.)	**9.**			

PART B – Payments, Credits, Balance Due or Overpayment

10a. Estimated tax paid and/or credit from prior year	**10 a.**			
b. Tax paid with an extension request	**b.**			
c. Nonrefundable Business tax credits from Form 500CR, Part W	**You must file your return electronically to claim a business income tax credit.**			
d. Refundable Business tax credits from Form 500CR, Part Z.	**You must file your return electronically to claim a business income tax credit.**			
e. Nonresident tax paid on behalf of the corporation by pass-through entities (Attach Maryland Schedule K-1) . . .	**e.**			
f. Total payments and credits (Add lines 10a through 10e.)	**f.**			
11. Balance due (If line 9 exceeds line 10f, enter the difference.)	**11.**			
12. Overpayment (If line 10f exceeds line 9, enter the difference.)	**12.**			
13a. Tax paid with original return, plus additional tax paid after it was filed (Do not include any interest or penalty.)	**13 a.**			
b. Prior overpayment (Total all refunds previously issued.)	**b.**			
14. **REFUND DUE** (If line 11 is less than line 13a, subtract line 11 from line 13a.) (If line 13b is less than line 12, subtract line 13b from line 12.) (Add line 12 to line 13a.) **REFUND** .	**14.**			
15. **BALANCE DUE** (If line 11 is more than line 13a, subtract line 13a from line 11.) (Add line 11 to line 13b.) (If line 12 is less than line 13b, subtract line 12 from line 13b.)	**15.**			
16. Interest and/or penalty charges (See instructions.)	**16.**			
17. **TOTAL AMOUNT DUE** (Add line 15 and line 16.) . . . . . **PAY IN FULL WITH THIS RETURN**	**17.**			

IMPORTANT NOTE: READ THE INSTRUCTIONS AND COMPLETE PAGE 2.

COM/RAD 066

MARYLAND FORM **500X** 2014

AMENDED CORPORATION INCOME TAX RETURN

14500X149

Name _____ FEIN _____

PART C – Computation of Apportionment Factor

(Applies only to multistate corporations. See instructions.)
NOTE: Special apportionment formulas are required for rental/leasing, financial institutions, transportation and manufacturing companies. Multistate manufacturers with more than 25 employees should complete Form 500MC. See instructions.

		Column 1 TOTALS WITHIN MARYLAND	Column 2 TOTALS WITHIN AND WITHOUT MARYLAND	Column 3 DECIMAL FACTOR (Column 1 ÷ Column 2 rounded to six places)
1A. Receipts	a. Gross receipts or sales less returns and allowances . . ▶		▶	
	b. Dividends			
	c. Interest			
	d. Gross rents			
	e. Gross royalties			
	f. Capital gain net income			
	g. Other income (Attach schedule.)			
	h. Total receipts (Add lines 1A(a) through 1A(g), for Columns 1 and 2.) . . . . . ▶		▶	__.__ __ __ __ __ __ ◀
1B. Receipts	Enter the same factor shown on line 1A, Column 3. Disregard this line if special apportionment formula used.			__.__ __ __ __ __ __
2. Property	a. Inventory			
	b. Machinery and equipment			
	c. Buildings			
	d. Land			
	e. Other tangible assets (Attach schedule.)			
	f. Rent expense capitalized (Multiplied by eight.)			
	g. Total property (Add lines 2a through 2f, for Columns 1 and 2.) . . . . . ▶		▶	__.__ __ __ __ __ __ ◀
3. Payroll	a. Compensation of officers			
	b. Other salaries and wages			
	c. Total payroll (Add lines 3a and 3b, for Columns 1 and 2.) ▶		▶	__.__ __ __ __ __ __ ◀

4. Total of factors (Add entries in Column 3.) . . . . . __.__ __ __ __ __ __

5. Maryland apportionment factor Divide line 4 by four for three-factor formula, or by the number of factors used if special apportionment formula required. (If factor is zero, enter 000001 on line 6, page 1.) . . . . . __.__ __ __ __ __ __

Is this corporation a member of a consolidated group for federal purposes? . . . . . ☐ **Yes** ☐ **No**

Is an amended federal return being filed? If yes, ATTACH COMPLETE COPY. . . . . . ☐ **Yes** ☐ **No**

Has the original federal return been changed or corrected by the Internal Revenue Service? If yes, ATTACH COPY OF THE DATED REPORT OF ADJUSTMENTS. . . . . . ☐ **Yes** ☐ **No**

Was an extension of time requested to file the original return? If yes, enter the date the return was filed _____ . . . . . ☐ **Yes** ☐ **No**

Was a Consent to Extend the Time to Assess Tax form filed with the Internal Revenue Service? If yes, ATTACH COPY OF FORM. . . . . . ☐ **Yes** ☐ **No**

Check here ☐ and be sure to include Page 3 of your return to provide an **Explanation of Changes to Income, Modifications, Apportionment Factor and Credits.**

Signature And Verification: Under penalties of perjury, I declare that I have examined this return (including attachments) and, to the best of my knowledge and belief, it is true, correct and complete. (Declaration of preparer other than the taxpayer is based on all information of which preparer has any knowledge.) Check here ☐ if you authorize your preparer to discuss this return with us.

Officer's signature _____ Date _____ Preparer's PTIN (required by law) _____ Preparer's Signature _____

Title _____ Telephone No. _____ Preparer's name, address and telephone number _____

Make checks payable and mail to:
Comptroller of Maryland, Revenue Administration Division
110 Carroll Street
Annapolis, MD 21411-0001
(Write federal employer identification number on check using blue or black ink.)

COM/RAD 066

Name _____ FEIN_____

PART D – Explanation of Changes to Income, Modifications, Apportionment Factor and Credits. Enter the line reference for which a change is being made and give the reason for each change below. Show the computation in detail and attach schedules as necessary.

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MARYLAND FORM **500X**

AMENDED CORPORATION INCOME TAX RETURN INSTRUCTIONS

For tax years beginning in 2014

2014

PURPOSE OF FORM. You must file your Maryland Amended Form 500X electronically to claim, or change information related to, business income tax credits from Form 500CR (including Maryland Form 502S, Sustainable Communities Tax Credit.)

Form 500X is used by a corporation to correct an error in a previously filed 2014 return (Form 500- Corporation Income Tax Return) or to claim a net operating loss (NOL) deduction.

Form 500X may not be used to correct the amount of payments. To correct payment amounts, submit a letter of request that indicates the corporate name, Federal Employer Identification Number (FEIN), type of tax and tax year beginning and ending dates. Explain the basis for the request and attach copies of canceled checks and/or other documents as necessary to verify the amounts claimed.

WHEN AND WHERE TO FILE. Generally, Form 500X must be filed within 3 years from the date the original return was due or filed. A return filed before the due date is considered to have been filed on the date it was due. The following exceptions apply:

- A claim for refund filed within 3 years after the date of filing the return is limited to the amount paid within the 3 years (including extensions) before you filed the claim.
- A claim for refund filed after 3 years, but within 2 years from the date the tax was paid is limited to the amount paid within the 2 years immediately before filing the claim.
- A claim for refund based on a federal NOL carryback must be filed within 3 years after the due date (including extensions) of the return for the tax year of the NOL.
- If the Internal Revenue Service (IRS) issues a final determination of adjustments that would result in an increase to Maryland taxable income, file Form 500X within 90 days after the final determination.
- If the IRS issues a final report of adjustments that would result in a decrease to Maryland taxable income, file Form 500X within 1 year after the final adjustment report or the final court decision, if appealed.
- If the claim for refund or credit for overpayment resulted from a final determination made by an administrative board or an appeal of a decision of an administrative board, that is more than 3 years from the date of filing the return or more than 2 years from the time the tax was paid, the claim for refund must be filed within 1 year of the date of the final decision of the administrative board or final decision of the highest court to which an appeal of the administrative board is taken.

Note: Changes made as part of an amended return are subject to audit for up to three years from the date the amended return is filed. For more information regarding refund limitations, see Administrative Release 20.

The amended return must be filed with the:

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

INFORMATION ON INCOME TAX PROVISIONS. Refer to the instructions for 2014 Form 500 for information regarding applicable Maryland income tax provisions.

NET OPERATING LOSS DEDUCTIONS. The NOL for Maryland purposes is the **federal net operating loss**. No modification of the federal NOL is allowed under Maryland income tax law except in the case of a foreign source dividend subtraction. For more information about foreign source dividend subtractions, refer to Administrative Release 18.

A corporation included in a consolidated federal filing must use its separate federal NOL. An NOL should be entered on line 2b on Form 500X but may not be used to reduce line 3 to less than zero. Generally, the carryback of an NOL does not change the previously reported addition or subtraction modifications in a carryback year.

The federal provisions for carryback and carryforward apply for purposes of the Maryland return **unless** you are following certain provisions of the Internal Revenue Code (IRC) from which the State of Maryland has decoupled, including certain special depreciation allowances and 5-year carryback provisions. 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 more information, refer to Administrative Release 38.

An addition modification may be required in a carryback or carryforward year if the total Maryland addition modifications exceed the total Maryland subtraction modifications **in the loss year (NAM or net operating loss modification recapture).** The required addition modification represents a recapture of the excess additions over subtractions and generally is equal to the lesser of the NOL deduction in the carryback year or the net addition modification in the loss year. For more information regarding net addition modification, refer to Administrative Release 18.

NET CAPITAL LOSSES. If a net capital loss carryback is used to reduce federal taxable income, an addition modification is required for the amount of the income reduction.

SPECIFIC INSTRUCTIONS FOR PAGE 1

TAX YEAR OR PERIOD. The Form 500X instructions are for corporations with tax years begining in 2014. If the corporation operates on a fiscal year, enter the beginning and ending dates of the tax year being amended in the spaces provided at the top of Form 500X.

NAME, ADDRESS AND OTHER INFORMATION. Enter the required information in the designated area. Enter the current name, address and FEIN in the appropriate boxes. If the name and/or address is different from that shown on the original return, enter the name and address as shown on the original return in the appropriate area.

Answer all of the questions and attach copies of any federal notices or reports, amended forms and/or extensions required.

PART A – INCOME, MODIFICATIONS AND APPORTIONMENT

Complete lines 1 through 5, columns A, B and C. If the items of federal income are amended or adjusted, determine if the changes will affect the Maryland modifications and/or Maryland adjustments. Enter the correct amounts. The federal NOL carryback or carryforward amount reported on the federal return, without regard to the decoupled provisions, is entered on line 2b. Do not use Form 500DM line 2 to report this amount. See Administrative Release 18.

Determine if the changes to federal taxable income will affect the apportionment factor. If the apportionment factor needs to be changed, complete Part C on page 2 of Form 500X, then complete lines 6 through 8, columns A, B and C on page 1. Then, complete line 9, columns A, B and C.

PART B – PAYMENTS, CREDITS, BALANCE DUE OR OVERPAYMENT, INTEREST AND/OR PENALTY

Complete lines 10a through 10f, columns A, B and C. Include as an estimated tax payment on line 10a the income tax withheld as a result of a non-Maryland real estate transaction as shown on Form MW506NRS.

You must file your Maryland Amended Form 500X electronically to claim, or change information related to, business income tax credits from Form 500CR. Credits on line 10c may not exceed the Maryland tax on line 9 as these represent nonrefundable credits.

NOTE: An addition to income is required for certain credits claimed on line 10c. Refer to the instructions for Form 500CR, Business Tax Credits, to determine if any addition modification is required for the credits you are claiming and follow those instructions for including the required addition.

If you are claiming credits on line 10c, you must complete the Form 500CR section of your electronic return. If claiming a refundable business income tax credit, enter on line 10d and complete the Form 500CR section of the electronic return that pertains to refundable business tax credits.

An addition modification is required if you are a qualified small business eligible to claim the Maryland Research and Development Tax Credit.

To claim a Sustainable Communities Tax Credit, complete the Form 502S electronically and enter the amount on line 10d. If claiming a credit for taxes paid on behalf of the corporation by a pass-through entity, enter on line 10e and include Maryland Schedule K-1.

Complete lines 11 through 13b, columns A, B and C and enter any overpayment due on line 14 or balance due on line 15.

If there is a balance due on line 15, calculate simple interest on that amount from the due date of the original return to the date of payment at an annual rate of 13% or a rate of 1.08% per month. If the requirement for avoidance of interest for underpayment of estimated income tax has not been met, you should complete Form 500UP for the tax year being amended and attach it to your amended return. Add the late payment interest charges and any interest and/or penalty charges from Form 500UP and enter them on line 16.

NOTE: If you completed and attached Form 500UP with your original return, you should attach a revised Form 500UP based on the amended changes reported on Form 500X.

Interest and/or penalty charges for the year of the amendment, whether previously paid or still outstanding, may be adjusted as a result of the amended changes. Any payments made on an account after the initial tax paid with the actual return are applied first to penalty, then to interest and lastly to tax due. These payments may require reallocation depending on the result of the amendment. We will issue notification of the net balance due or refund after we have processed the return.

NOTE: If the amount of tax due is reduced by reason of a carryback of an NOL, such reduction shall not affect the calculation of interest charges for the period ending with the filing date (defined as due date) for the loss year. Any Maryland penalty charge is not affected by an NOL carryback.

Interest is generally not paid on refunds. However, interest will be paid if a claim for refund is not processed within 45 days of receipt of an amended return based on NOL carryback. In such cases, interest will be paid only from the 45th day after receipt by the Comptroller's Office until the date the refund check is issued. For more information regarding interest, refer to Administrative Release 14.

SPECIFIC INSTRUCTIONS FOR PAGE 2

PART C – COMPUTATION OF APPORTIONMENT FACTOR

If any changes to the apportionment factor are required due to the amendment, complete Part C using the amended receipts, property and/or payroll amounts and the appropriate apportionment formula.

PART D – EXPLANATION OF CHANGES TO INCOME, MODIFICATIONS, ADJUSTMENTS, APPORTIONMENT FACTOR AND CREDITS

Use this section to provide a detailed explanation of the changes being made on the amended return. Enter the line number from page 1 for each item you are changing and state the reason for the change.

SIGNATURE AND VERIFICATION. An authorized officer must sign and date Form 500X and enter his/her corporate title.

TAX PREPARERS. If a paid preparer is used, the preparer must sign and date the return and include his/her name, address and telephone number. The Preparer's Tax Identification Number (PTIN) must be entered. The preparer declares, under the penalties of perjury, that the return is based on all information required to be reported of which the preparer has knowledge.

WHAT TO ATTACH. Attach the following documents and information to Form 500X:

- If amending the federal return, attach a copy of the actual federal amended income tax return as filed with the Internal Revenue Service.
- Corporations included in a consolidated filing for federal purposes must attach a copy of the consolidated amended return and include a schedule reconciling the separate adjustments of each member corporation to the consolidated totals.
- A member of a consolidated federal filing claiming an NOL carryback must attach a schedule calculating the NOL deduction based on its separate federal taxable income and loss.
- A copy of the **final dated audit report** must be attached to the amended return if reporting a federal adjustment such as a Revenue Agent Report (RAR). If the IRS audit report is for the consolidated corporation, the **final dated audit report** and a schedule reconciling the separate adjustments of each member corporation to the consolidated totals also must be included.
- Form 500CR and/or Form 502S information must be included with the electronic version of Form 500X if claiming any business tax credit on lines 10c or 10d.
- Maryland Schedule K-1 must be attached if claiming a new credit. If claiming a business tax credit, Form 500X must be filed electronically.
- Form 500UP must be attached if interest/penalty for underpayment of estimated income tax is due or revised.
- Attach a copy of any extension of time that was filed for the year being amended, or any Consent to Extend the Time to Assess Tax that was filed with the Internal Revenue Service.

PAYMENT INSTRUCTIONS. Enclose a check or money order made payable to the Comptroller of Maryland for the full amount of any balance due. Write the FEIN, type of tax, and the beginning and ending dates of the amended year on the check or money order. **DO NOT SEND CASH.**

MAILING INSTRUCTIONS. Mail the amended return with any required attachments to:

Comptroller of Maryland
Revenue Administration Division
Corporation Amended Return Unit
110 Carroll Street
Annapolis, MD 21411-0001

MARYLAND FORM 502E

APPLICATION FOR EXTENSION TO FILE PERSONAL INCOME TAX RETURN

14502E049

2014

Print using blue or black ink only.

FOR FISCAL YEAR BEGINNING **2014, ENDING**

Social Security Number / Federal Employer Identification Number		Spouse's Social Security Number	
Your First Name	Initial	Last Name	
Spouse's First Name	Initial	Last Name	
Number and street			
City or Town	State	ZIP code	

For Office Use Only

ME	YE	EC	EC

IF NO TAX IS DUE WITH THIS EXTENSION, FILE THE EXTENSION AT: www.marylandtaxes.com OR CALL 410-260-7829 FROM CENTRAL MARYLAND OR 1-800-260-3664 FROM ELSEWHERE TO TELEFILE THIS FORM.

Tax Payment Worksheet

Instructions for Tax Payment Worksheet

Line 1 - Income tax
Enter the total amount of income tax you expect to owe. Use Form 502, 505, 510C or 515 as a worksheet.

Line 2 - Withholding
Enter the amount of Maryland income tax withheld from your wages for the tax year.

Line 3 - Estimated income tax payments
Enter the total amount of Maryland estimated payments you paid with Form 502D or 502DEP for the tax year. Include any 2013 overpayment credited to your 2014 tax and any amount paid on your behalf with Form MW506NRS.

Line 4 - Estimated allowable credits
Enter allowable tax credits.

Line 5 - Total payments and credits
Add lines 2 through 4 and enter the total on line 5.

Line 6 - Tax due
Subtract line 5 from line 1. Enter the result on line 6. This is your tax due. If it is $1 or more, file this form and attach your payment. If the tax due is less than $1, stop. No payment is required.

1. Income tax you expect to owe. . . . . **1** _____

2. Maryland income tax withheld. . . . . **2** _____

3. Maryland estimated payments and amount credited from 2013. . . . . **3** _____

4. Allowable tax credits . . . . . **4** _____

5. Total payments and credits. Add lines 2 through 4. . . . . **5** _____

6. Tax due - Subtract line 5 from line 1 . . . . . **6** _____

TAX PAID FOR 2014 WITH THIS EXTENSION (If filing and paying electronically or by credit card, do not submit this form.) . . . . . ► **$**		

To file and pay your extension electronically, visit www.marylandtaxes.com and look for ONLINE SERVICES.

Make checks payable to and mail to:

COMPTROLLER OF MARYLAND
REVENUE ADMINISTRATION DIVISION
110 Carroll Street
Annapolis, Maryland 21411-0001
(It is recommended that you include your Social Security Number or Federal Employer Identification Number on check using blue or black ink.)

MARYLAND FORM **502E**

APPLICATION FOR EXTENSION TO FILE PERSONAL INCOME TAX RETURN INSTRUCTIONS

2014

Who must file Form 502E?

If you cannot complete and file your Form 502, 505, 510C or 515 by the due date, you should complete the Tax Payment Worksheet to determine if you must file Form 502E. If line 6 of the worksheet shows you owe tax, you must file this form and pay the full amount due by April 15, 2015, (or the 15th day of the fourth month following the close of the tax year). If the due date falls on a Saturday, Sunday or legal holiday, the return must be filed by the next business day.

NOTE: Filing an extension does not extend the time for paying your taxes.

Do not file Form 502E if you want the Revenue Administration Division to figure your tax. Simply provide us with the necessary information and a written request for us to complete the return. Also, if you have completed your return but are unable to pay your tax in full, do not file Form 502E. File your return.

Do not file Form 502E if, after completing the Tax Payment Worksheet, you find that you do not owe additional tax. However, please be aware that if an unpaid liability is disclosed when you file your return, you may owe penalty and interest charges in addition to the tax. See **"Will I owe penalties and interest?"** in the column to the right.

Automatic Maryland six-month extension

If you filed a federal extension and expect to owe zero tax to Maryland we grant you an automatic six-month extension of time to file your Form 502, 505, 510C or 515. **You are not required to file Form 502E in order to obtain this automatic extension.** However, you should use Form 502E to pay any tax due in order to avoid any late-payment penalty and interest on tax not paid by April 15, 2015.

Requesting a Maryland extension when not requesting a federal extension:

(1) Request your extension by telefile at 410-260-7829 from central Maryland or 1-800-260-3664 from elsewhere; or,

(2) Request your extension at **www.marylandtaxes.com.**

When should I mail Form 502E without a payment?

Never.

What if I need additional forms?

If you need additional forms:

- Visit **www.marylandtaxes.com**
- Email TAXFORMS@comp.state.md.us
- Call our Forms Order Line at 410-260-7951 or
- Write to us at: **Revenue Administration Division**
  110 Carroll Street
  Annapolis, MD 21411-0001

What if I need additional assistance?

If you need assistance:

- Visit **www.marylandtaxes.com**; or
- Email TAXHELP@comp.state.md.us; or
- Contact our Taxpayer Service Section by calling 1-800-638-2937 or from Central Maryland 410-260-7980.

When requesting an extension beyond six months, how should I file?

No extension request will be granted for more than six months, except in the case of individuals who are out of the United States. Even when an individual is out of the U.S. an extension will not be granted for more than one year. An extension request for beyond six months without a payment should be filed by telefile or on our Web site. See telefile and Web site information in first column.

When should I file?

If you owe any tax, file Form 502E along with your payment on or before April 15, 2015. If you are filing on a fiscal year basis, file by the regular due date of your return.

Where should I file?

You may request your extension at **www.marylandtaxes.com** and use electronic funds withdrawal (direct debit) from your savings or checking account. If you want to pay by credit card see below; otherwise, make your check or money order payable to: **COMPTROLLER OF MARYLAND.**

It is recommended that you include your Social Security Number on check using blue or black ink.

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

Will I owe penalties and interest?

You will owe interest on tax not paid by the regular due date of your return. The interest will accrue until you pay the tax. Even if you had a good reason for not paying on time, you will still owe interest.

If tax and interest are not paid promptly, a penalty will be assessed on the tax.

Should I attach a copy of the extension form to my Form 502, 505, 510C or 515?

You do not have to attach anything to your return relating to your extension.

What if I want to pay by direct debit?

You may pay by direct debit by visiting our Web site at **www.marylandtaxes.com**. Under On-line Services, click on "request an extension."

What if I want to pay by credit card?

For alternative methods of payment, such as a credit card, visit our Web site at **www.marylandtaxes.com**.

MARYLAND FORM
502INJ

INJURED SPOUSE CLAIM FORM
(Attach to the FRONT of your return.)

14502J049

2014

Requirements: To file an injured spouse claim, the injured spouse must have:

1. Filed a joint return with the spouse owing the debt;
2. Received income (such as wages, interest, etc.);
3. Made payments (such as withholding and estimated tax payments); and,
4. An overpayment, all or part of which was or will be applied to the following debts owed by the other spouse: past due state or federal taxes, past due child support or other state debt that has been referred to the Central Collection Unit.

Taxpayer Information as shown on joint tax return

Enter the names and Social Security Number(s) exactly as shown on the tax return for which you are filing this form. The spouse's name and Social Security Number shown first on that tax return must also be shown first **below.**

Print using blue or black ink only.

First name, initial and last name shown first on the return	Social Security Number shown first	If injured spouse check here ▶ ☐		
First name, initial and last name shown second on the return	Social Security Number shown second	If injured spouse check here ▶ ☐		
Current home address of injured spouse	City	State	ZIP code	Daytime phone number

Is the address on your joint return different from the address shown above? . . . . . ☐ Yes ☐ No

Check this box only if you are divorced or separated from the spouse with whom you filed the joint return and you want your refund issued in your name only . . . . . ☐

Allocation Between Spouses (See instructions.)

ALLOCATION ITEMS				JOINT	INJURED SPOUSE	OTHER SPOUSE
A. Income items from Federal Forms 1040, 1040A or 1040EZ						
1. Wages						
2. Other income						
3. Adjustments to income						
B. Items from Maryland returns	**Line numbers from Form**					
	502	505	505NR			
1. Additions	6	20				
2. Subtractions	15		7			
3. Deductions	17		10A,10B			
4. Exemptions (Enter number from exemptions area)						
5. Earned income and/or poverty level credit	23, 24	33, 34				
6. Withholding taxes	39	43				
7. Refundable earned income credit	41	45				
8. Estimated taxes	40	44, 46				
9. Other credits	25, 26, 42	35, 36, 47				

The Comptroller's Office will calculate the amount that may be due to you based on the above information. You will be notified of the amount. Any portion of the joint refund due to you will be issued directly from the intercepting agency if the refund has already been intercepted.

Under penalties of perjury, I declare that I have examined this form, and to the best of my knowledge it is true, correct and complete. If prepared by a person other than taxpayer, the declaration is based on all information of which the preparer has any knowledge.

Signature of injured spouse _____ Date _____ Signature of paid preparer _____ Date _____

Address of preparer _____ Street _____ City _____ State _____ ZIP code _____

COM/RAD-070

MARYLAND FORM
502INJ

INJURED SPOUSE CLAIM FORM INSTRUCTIONS

2014

- **TAXPAYER INFORMATION**. The spouse's name and Social Security Number (SSN) shown first on the original tax return must be shown first on the Injured Spouse Claim Form.
- **ALLOCATION BETWEEN SPOUSES.** Enter the amounts from your joint return in the first column. Use the second and third columns to allocate these items as follows:

A. Items in this section should be transferred from your joint federal tax return.

1. **Wages.** Allocate wages to the spouse who earned the income.
2. **Other income.** Allocate all other income to the spouse who earned the income. Income from joint accounts or ventures such as interest, investments, etc. should be divided equally between spouses.
3. **Adjustments to income.** Allocate adjustments to income to the spouse to whom the adjustment belongs.

B. Items in this section should be transferred from your joint Maryland tax return.

1. **Additions.** Allocate individual Maryland addition modifications to the spouse to whom the additions are attributable. Joint additions should be divided equally between spouses.
2. **Subtractions.** Allocate individual Maryland subtractions to the spouse to whom the subtractions are attributable. The subtraction for child and dependent care expenses must be claimed by the spouse who is claiming the exemption for the child or dependent. Joint subtractions (such as income tax refunds, etc.) should be divided equally between spouses.
3. **Deductions.** Enter the deduction amount (itemized or standard) in the first column. The Revenue Administration Division will allocate the deductions between spouses.
4. **Exemptions.** Exemptions must be allocated in whole numbers only (e.g., 3 exemptions cannot be allocated as 1½ and 1½). Each spouse must claim the exemptions he or she would be entitled to if separate returns had been filed.
5. **Earned Income and poverty level credits.** Enter the earned income credit and/or poverty level credit as claimed on your joint Maryland return. The Revenue Administration Division will allocate these items.
6. **Withholding taxes.** Each spouse must claim his or her own Maryland withholding taxes as shown on the wage and tax statements.
7. **Refundable earned income credit.** Enter the refundable earned income credit as claimed on your joint Maryland return. The Revenue Administration Division will allocate the refundable earned income credit amount for you.
8. **Estimated tax payments.** Each spouse should claim his or her own estimated tax payments. If you are unable to allocate joint payments, the Revenue Administration Division will allocate them for you.
9. **Other credits.** Each spouse should claim his or her own credit for taxes paid to another state. Business tax credits must be allocated to the spouse to whom the business income is attributable.

   Note: You must file your return electronically, if Form 502INJ, line 9, shows that you are claiming business tax credits from Form 500CR.

- **Attach this form to the front of your tax return. Write "INJURED SPOUSE" in the upper left corner of the return.**
- An Injured Spouse Claim Form must be submitted for each year that you claim to be an injured spouse. An injured spouse form must be submitted with your Maryland tax return.

  Form 502INJ may be obtained online at **www.marylandtaxes.com** or by emailing TAXFORMS@comp.state.md.us. You may also call 1-800-638-2937 or from Central Maryland 410-260-7951.

MARYLAND FORM 502X

AMENDED TAX RETURN

14502X049

2014

Social Security Number		Spouse's Social Security Number	
Your First Name	Initial	Last Name	
Spouse's First Name	Initial	Last Name	
Present Address (No. and street)			
City or Town	State	ZIP code	
Name of County in which you were a resident on the last day of the tax year. (Baltimore City residents leave blank.)	Maryland county	Name of incorporated city, town, or special taxing area in which you were a resident on the last day of the tax year.	City, town or taxing area

Check here if **you** are: ☐ 65 or over ☐ Blind Check here if **your spouse** is: ☐ 65 or over ☐ Blind

IF THIS IS BEING FILED TO CLAIM A NET OPERATING LOSS, CHECK THE APPROPRIATE BOX ☐ CARRY BACK ☐ CARRY FORWARD

IMPORTANT NOTE: Read the instructions and complete page 2 first. Attach copies of the federal loss year return and Form 1045, Schedules A and B. See Instruction 15.

Is this address different from the address on your original return? ☐ YES ☐ NO

Check: Full-year resident ☐ Part-year resident ☐
or Nonresident (See Instruction 14.) ☐

If part-year resident or nonresident, enter dates you resided in Maryland _____-_____. Any changes from the original filing must be explained in Part III on page 2 of this form.
Submit copy of tax return filed with the other state.

Did you request an extension of time to file the original return? ☐ YES ☐ NO

If yes, enter the date the return was filed _____.

Is an amended federal return being filed? **If yes, submit copy.** ☐ YES ☐ NO

Has your original federal return been changed or corrected by the Internal Revenue Service? **If yes, submit copy of the IRS notice.** ☐ YES ☐ NO

CHANGE OF FILING STATUS

Original	Amended	
☐	☐	Single
☐	☐	Married filing joint return or spouse had no income
☐	☐	Married filing separately _____ SPOUSE'S SOCIAL SECURITY NO.
☐	☐	Head of household
☐	☐	Qualifying widow(er) with dependent child
☐	☐	Dependent taxpayer

		A. As originally reported or as previously adjusted (See instructions.)	B. Net change – increase or (decrease) – explain on page 2.	C. Corrected amount.
1. Federal adjusted gross income	**1.**			
2. Additions to income	**2.**			
3. Total (Add lines 1 and 2.)	**3.**			
4. Subtractions from income	**4.**			
5. Total Maryland adjusted gross income (Subtract line 4 from line 3.)	**5.**			
6. CHECK ONLY ONE METHOD (See Instruction 5.) **STANDARD DEDUCTION METHOD** ☐ Enter 15% (See Instruction 5 for limits.) **ITEMIZED DEDUCTION METHOD** ☐ Enter total MD itemized deductions from Part II, on page 2.	**6.**			
7. Net income (Subtract line 6 from line 5.)	**7.**			
8. Exemption amount (See Instruction 5.)	**8.**			
9. Taxable net income (Subtract line 8 from line 7.)	**9.**			
10. **Maryland tax** (from Tax Table or Computation Worksheet)	**10.**			
10a. Credits: Earned Income Credit ☐ Poverty Level Credit ☐ Personal Credit ☐ Business Credit XXXXX Enter total credits	**10a.**			
10b. Maryland tax after credits (Subtract line 10a from line 10.) If less than 0, enter 0	**10b.**			
11. **Local income tax** (Use rate applicable for year of return.) Multiply line 9 by . _____ (See Instruction 7.)	**11.**			
11a. Local credits: Earned Income Credit ☐ Poverty Level Credit ☐ Enter total credits	**11a.**			
11b. Local tax after credits (Subtract line 11a from line 11.) If less than 0, enter 0.	**11b.**			
12. Total Maryland and local income tax (Add lines 10b and 11b.)	**12.**			
13. Contribution: A. ☐ B. ☐ C. ☐ Enter total contributions (See Instruction 8.)	**13.**			
14. Total Maryland income tax, local income tax and contribution (Add lines 12 and 13.)	**14.**			
15. Total Maryland tax withheld	**15.**			
16. Estimated tax payments and payments made with Form 502E and Form MW506NRS	**16.**			
17. Refundable earned income credit	**17.**			
18. Nonresident tax paid by pass-through entities	**18.**			
19. Refundable income tax credits (Attach Form 502CR and/or 502S.)	**19.**			
20. Total payments and credits (Add lines 15 through 19.)	**20.**			

21. Balance due (if line 14 is more than line 20)	**21.**	
22. Overpayment (if line 14 is less than line 20)	**22.**	
23. Tax paid with original return, plus additional tax paid after it was filed (Do not include any interest or penalty.)	**23.**	
24. Prior overpayment (Total all refunds previously issued.)	**24.**	
25. REFUND (If line 21 is less than 23, subtract line 21 from 23.) (If line 24 is less than 22, subtract line 24 from 22.) (Add lines 22 and 23.) (See Instruction 10.) **REFUND**	**25.**	
26. BALANCE DUE (If line 21 is more than 23, subtract line 23 from 21.) (Add line 21 to 24.) (If line 22 is less than 24, subtract line 22 from 24.) (See Instruction 10.)	**26.**	
27. Interest and/or penalty charges on tax due and/or from Form 502UP (See Instruction 11.)	**27.**	
28. **TOTAL AMOUNT DUE** (Add line 26 and line 27.) **PAY IN FULL WITH THIS RETURN**	**28.**	

COM/RAD 019

MARYLAND FORM **502X** 2014

AMENDED TAX RETURN

NAME _____ SSN _____

14502X149

I. INCOME AND ADJUSTMENTS TO INCOME: You must complete the following using the amounts from your federal income tax return. If there are no changes to the amounts claimed on your original Maryland return, check here ☐ and complete Column A and line 17 of Column C.

INCOME AND ADJUSTMENTS INFORMATION (See Instruction 4.)	**A.** As originally reported or as previously adjusted.	**B.** Net increase or (decrease).	**C.** Corrected amount.
1. Wages, salaries, tips, etc **1**			
2. Taxable interest income **2**			
3. Dividend income **3**			
4. Taxable refunds, credits or offsets of state and local income taxes **4**			
5. Alimony received **5**			
6. Business income or (loss) **6**			
7. Capital gain or (loss) **7**			
8. Other gains or (losses) (from federal Form 4797) **8**			
9. Taxable amount of pensions, IRA distributions, and annuities **9**			
10. Rents, royalties, partnerships, estates, trusts, etc. (Circle appropriate item.) . . . **10**			
11. Farm income or (loss) **11**			
12. Unemployment compensation **12**			
13. Taxable amount of Social Security and Tier 1 Railroad Retirement benefits . **13**			
14. Other income (including lottery or other gambling winnings) **14**			
15. Total income (Add lines 1 through 14.) **15**			
16. Total adjustments to income from federal return (IRA, alimony, etc.) . . . **16**			
17. Adjusted gross income (Subtract line 16 from 15.)(Enter on page 1, in each appropriate column of line 1.) **17**			

II. ITEMIZED DEDUCTIONS: If you itemized deductions on your Maryland return, you must complete the following. If there are no changes to the amounts claimed on your original Maryland return, check here ☐ and complete Column A and line 11 of Column C.

	A. As originally reported or as previously adjusted.	**B.** Net increase or (decrease).	**C.** Corrected amount.
1. Medical and dental expenses **1**			
2. Taxes **2**			
3. Interest **3**			
4. Contributions **4**			
5. Casualty or theft losses **5**			
6. Miscellaneous **6**			
7. Enter total itemized deductions from federal Schedule A **7**			
8. Enter state and local income taxes included on line 2 or from worksheet (See Instruction 4.) **8**			
9. Net deductions (Subtract line 8 from line 7.) **9**			
10. Less deductions during period of nonresident status (See Instructions 13 & 14.) **10**			
11. Total Maryland deductions (Subtract line 10 from line 9.) (Enter on page 1, in each appropriate column of line 6.) **11**			

III. EXPLANATION OF CHANGES TO INCOME, DEDUCTIONS AND CREDITS: Enter the line number from page 1 for each item you are changing and give the reason for each change. Attach any required supporting forms and schedules for items changed.

Check here ☐ if you authorize your preparer to discuss this return with us.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct and complete. If prepared by a person other than taxpayer, the declaration is based on all information of which the preparer has any knowledge.

Make checks payable and mail to:
COMPTROLLER OF MARYLAND
REVENUE ADMINISTRATION DIVISION
110 Carroll Street, Annapolis, Maryland 21411-0001

(It is recommended that you write your Social Security Number on your check in blue or black ink.)

Your signature _____ Date _____

Spouse's signature _____ Date _____

Signature of preparer other than taxpayer _____ Preparer's PTIN (Required by Law) _____

Address and telephone number of preparer _____

MARYLAND FORM **502X**

AMENDED INCOME TAX RETURN INSTRUCTIONS

2014

IMPORTANT NOTES

You must file your Maryland Amended Form 502X electronically to claim, or change information related to, business income tax credits from Form 500CR.

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.

WHEN AND WHERE TO FILE

Generally, Form 502X must be filed within three years from the date the original return was due (including extensions) or filed. The following exceptions apply:

- A claim filed after three years, but within two years from the time the tax was paid is limited to the amount paid within the two years immediately before filing the claim.
- A claim for refund based on a federal net operating loss carryback must be filed within 3 years after the due date (including extensions) of the return for the tax year of the net operating loss.
- A claim for refund resulting from a credit for taxes paid to another state must be filed within one year of the date of the final notification by the other state that income tax is due.
- If the claim for refund or credit for overpayment resulted from a final determination made by an administrative board or an appeal of a decision of an administrative board, that is more than three years from the date of filing the return or more than two years from the time the tax was paid, the claim for refund must be filed within one year of the date of the final decision of the administrative board or final decision of the highest court to which an appeal of the administrative board is taken.
- If the United States Internal Revenue Service (IRS) issues a final determination of adjustments that would result in a decrease to Maryland taxable income, file Form 502X within one year after the final adjustment report or the final court decision if appealed.
- If the IRS issued a final determination of adjustments that would result in an increase to Maryland taxable income, file Form 502X within 90 days after the final determination.

Do not file an amended return until sufficient time has passed to allow the original return to be processed. For current year returns, allow at least six weeks. Note that no refund for less than $1.00 will be issued.

The amended return must be filed with the **Comptroller of Maryland, Revenue Administration Division, 110 Carroll Street, Annapolis, Maryland 21411-0001**.

For more information regarding refund limitations, see Administrative Release 20.

PROTECTIVE CLAIMS

A protective claim is a claim for a specific amount of refund filed on an amended return with a request that the Comptroller delay acting on the refund request. The claim for refund may not be based on a federal audit. The delay requested must be due to a pending decision by a state or federal court which will affect the outcome of the refund, or for reasonable cause. The protective claim must be filed in accordance with the limitations outlined in the section WHEN AND WHERE FILE.

The Comptroller may accept or reject a protective claim. If rejected, the taxpayer will be informed of a right to a hearing. We cannot accept a protective claim unless an original return has been filed.

PENALTIES

There are severe penalties for failing to file a tax return, failing to pay any tax when due, filing false or fraudulent returns or making a false certification. The penalties include criminal fines, imprisonment and a penalty on your taxes. In addition, interest is charged on amounts not paid when due.

To collect unpaid taxes, the Comptroller is directed to enter liens against the salary, wages or property of delinquent taxpayers.

PRIVACY ACT INFORMATION

The Revenue Administration Division requests information on tax returns to administer the income tax laws of Maryland, including determination and collection of correct taxes. If you fail to provide all or part of the requested information, the exemptions, exclusions, credits, deductions or adjustments may be disallowed and you may owe more tax. In addition, the law provides penalties for failing to supply information required by law or regulations.

You may look at any records held by the Revenue Administration Division which contain personal information about you. You may inspect such records, and you have certain rights to amend or correct them.

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. The information also may be obtained with a proper legislative or judicial order.

USE OF FEDERAL RETURN

Most changes to your federal return will result in changes on your Maryland return and you will need the information from your federal amendment to complete your Maryland amended return. Therefore, complete your federal return first. Maryland law requires that your income and deductions be entered on your Maryland return exactly as they were reported on your federal return. However, all items reported on your Maryland return are subject to verification, audit and revision by the Maryland Comptroller's Office.

If you are amending your federal return, attach a photocopy of the federal Form 1040X and any revised schedules to your Maryland Form 502X. If your tax has been increased by the IRS, you must report this increase to the Maryland Revenue Administration Division within 90 days from the final IRS determination.

SPECIFIC INSTRUCTIONS

1 NAME, ADDRESS AND YEAR INFORMATION.

Enter the year, Social Security Number, correct name and current address in the boxes. Be sure to check the appropriate box if you or your spouse are 65 or over or blind on the last day of the tax year. Also enter the correct county, city or taxing area for the last day of the tax year being amended. If your address is different from the address on your original return, be sure to answer "Yes" to the first question.

2 QUESTIONS.

Answer all of the questions and attach copies of any federal notices, amended forms and schedules. If filing your amended return for a Net Operating Loss Carryback or Carryforward, check the appropriate box. If you have checked part-year

resident or nonresident, provide the dates you resided in Maryland for the tax year and explain any changes from your original filing in Part III on page 2 of Form 502X.

3 FILING STATUS.

Enter the filing status you used on your original return and show any change of filing status. Your filing status should correspond to the filing status used on your federal return.

Generally, you may not change from married filing joint to married filing separately after the original due date of the return. Any change in filing status to or from married filing joint requires the signature of both spouses. Enter a complete explanation in Part III on page 2 of Form 502X.

4 COMPLETE PAGE 2 OF FORM 502X.

PART I

Enter your original or previously adjusted amounts of income in Column A. Enter any increase (or decrease) in Column B and enter the corrected amounts in Column C. If you are not making any changes to your income as previously reported, complete Column A only and enter the total on line 17 of Column C.

PART II

If you itemized deductions, enter your original or previously adjusted amounts in Column A. Enter any increase (or decrease) in Column B and enter the corrected amounts in Column C. If you are not making any changes to your deductions as previously reported, complete Column A only and enter the total on line 11 of Column C.

NOTE: Any amount deducted as contributions of Preservation and Conservation Easements for which a credit is claimed on Form 502CR must be included on line 8 of Part II of Form 502X.

PART III

Use this section to provide a detailed explanation of the changes being made on the amended return. A filing status change must be fully explained here. If this is a part-year or nonresident return, give the dates you resided in Maryland for the tax year.

Enter the line number from page 1 for each item you are changing and state the reason for the change. Be sure to attach any required schedules or forms.

NOW COMPLETE PAGE 1 OF FORM 502X.

COLUMNS A-C

In Column A, enter the amounts from your return as originally filed or as previously adjusted or amended.

In Column B, enter the net increase or net decrease for each line you are changing. Show all decreases in parentheses. Explain each change in Part III of Form 502X and attach any related schedule or form. If you need more space, show the required information on an attached statement.

For Column C, add the increase in Column B to the amount in Column A, or subtract the Column B decrease from Column A. For any item you do not change, enter the amount from Column A in Column C.

5 FIGURE YOUR MARYLAND TAX.

LINE 1 – Income and adjustments from federal return. Copy the amounts from your federal amended return or as corrected by the IRS and enter a complete explanation of the changes in Part III.

LINE 2 – Additions to income. For decoupling and tax preference items and amounts to be added when credits are claimed, attach corrected Maryland Form(s) 500DM, 502TP or 502CR. Enter an explanation of the changes in Part III.

LINE 4 – Subtractions from income. Enter items such as child care expenses, pension exclusion and other subtractions (shown in the instructions for your original return). Attach revised Form 502SU if there were any changes to that form. Enter an explanation of the changes in Part III and attach any corrected forms.

LINE 6 – Method of computation.

Standard deduction method. The standard deduction is 15% of the Maryland adjusted gross income with the following minimums and maximums.

Filing Status	
Single Married filing separately Dependent taxpayer	Minimum of $1,500 and maximum of $2,000

or

Filing Status	
Married filing joint or spouse had no income Head of household Qualifying widow(er) with dependent child	Minimum of $3,000 and maximum of $4,000

Itemized deduction method. Check the box and enter your total Maryland itemized deductions.

LINE 8 – Exemptions. Multiply exemptions for taxpayers 65 or over or blind by $1,000, the personal exemption is $3,200. This exemption is reduced once the taxpayer's federal adjusted gross income exceeds $100,000 ($150,000 if filing Joint, Head

2014 Tax Rate Schedules

Tax Rate Schedule I

For taxpayers filing as Single, Married Filing Separately, or as Dependent Taxpayers. This rate is also used for taxpayers filing as Fiduciaries.

If taxable net income is: At least:	but not over:	Maryland Tax is:			
$0	$1,000			2.00%	of taxable net income
$1,000	$2,000	$20.00	plus	3.00%	of excess over $1,000
$2,000	$3,000	$50.00	plus	4.00%	of excess over $2,000
$3,000	$100,000	$90.00	plus	4.75%	of excess over $3,000
$100,000	$125,000	$4,697.50	plus	5.00%	of excess over $100,000
$125,000	$150,000	$5,947.50	plus	5.25%	of excess over $125,000
$150,000	$250,000	$7,260.00	plus	5.50%	of excess over $150,000
$250,000	--	$12,760.00	plus	5.75%	of excess over $250,000

Tax Rate Schedule II

For taxpayers filing Joint, Head of Household, or for Qualifying Widows/Widowers.

If taxable net income is: At least:	but not over:	Maryland Tax is:			
$0	$1,000			2.00%	of taxable net income
$1,000	$2,000	$20.00	plus	3.00%	of excess over $1,000
$2,000	$3,000	$50.00	plus	4.00%	of excess over $2,000
$3,000	$150,000	$90.00	plus	4.75%	of excess over $3,000
$150,000	$175,000	$7,072.50	plus	5.00%	of excess over $150,000
$175,000	$225,000	$8,322.50	plus	5.25%	of excess over $175,000
$225,000	$300,000	$10,947.50	plus	5.50%	of excess over $225,000
$300,000	--	$15,072.50	plus	5.75%	of excess over $300,000

of Household, or Qualifying Widow(er) with Dependent Child). If you are subject to this reduction, see the exemption chart, Instruction 10 of the Resident Instructions. Attach amended Form 502B if you are changing dependent information.

LINE 10 – Computing the tax. Line 9 will be your Maryland taxable income. Use the rate schedule.

6 EARNED INCOME CREDIT, POVERTY LEVEL CREDIT, CREDITS FOR INDIVIDUALS AND BUSINESS TAX CREDITS.

Enter each credit being claimed in the appropriate box on line 10a. You may claim a credit equal to one-half of your federal earned income credit on line 10a. If you were a part-year resident or a nonresident, you must prorate the earned income credit using the Maryland income factor. See Instruction 13.

You may also claim a credit on line 10a equal to 5% of your earned income if your income is less than the poverty level guidelines. Please refer to the Resident Instructions and worksheet to compute the allowable credit. If you were a part-year resident or a nonresident, you must prorate the poverty level credit using the Maryland income factor. See Instruction 13.

Personal income tax credits from Form 502CR should be entered in the appropriate box on line 10a. If this amount is different from the original return, be sure to attach completed Form 502CR with appropriate documentation or certification.

You must file your amended return electronically to claim or modify a business tax credit from Form 500CR. A paper version of Form 500CR is no longer available.

The amount of the nonrefundable portion of the business tax credit Form 500CR should be entered on line 10a of the electronic version of 502X. If this amount is different from the original return, be sure to include the appropriate documentation or certification with the electronic version.

If the total credits on line 10a are greater than the tax on line 10, enter zero on line 10b. The credits entered on line 10a are nonrefundable. For information concerning refundable credits, see Instruction 9.

7 LOCAL INCOME TAX AND LOCAL CREDITS.

Complete lines 11, 11a and 11b.

The local income tax is calculated by multiplying the taxable net income from line 9 by the local tax rate shown on the following Local Tax Rate Chart. Use the local tax rate for the county (or Baltimore City) in which you resided on the last day of the tax year. Enter the result on line 11.

A separate calculation of the earned income credit is required when computing the local income tax. Use the worksheets in the appropriate instructions to compute the local credits and enter the result on line 11a. If you were a part-year resident, you must prorate the local credits using the Maryland income factor. See Instruction 13.

2014 Tax Rate Chart

Subdivision	2014
Baltimore City	.0320
Allegany County	.0305
Anne Arundel County	.0256
Baltimore County	.0283
Calvert County	.0280
Caroline County	.0273
Carroll County	.0304
Cecil County	.0280
Charles County	.0303
Dorchester County	.0262
Frederick County	.0296
Garrett County	.0265
Harford County	.0306
Howard County	.0320
Kent County	.0285
Montgomery County	.0320
Prince George's County	.0320
Queen Anne's County	.0320
St. Mary's County	.0300
Somerset County	.0315
Talbot County	.0240
Washington County	.0280
Wicomico County	.0320
Worcester County	.0125

8 CONTRIBUTIONS TO THE CHESAPEAKE BAY AND ENDANGERED SPECIES FUND, DEVELOPMENTAL DISABILITIES SERVICES AND SUPPORT FUND AND MARYLAND CANCER FUND.

Enter the amounts of your contribution in 13A for the Chesapeake Bay and Endangered Species Fund, 13B for the Developmental Disabilities Services and Support Fund and 13C for the Maryland Cancer Fund. Any contribution will increase your balance due or reduce your refund. Enter the total of your contributions in the appropriate columns. Additional information concerning the funds is contained in the instructions for the tax year of the amended return.

9 TAXES PAID AND CREDITS.

Write your taxes paid and credits on lines 15-20.

Enter the correct amounts on lines 15 through 19 and attach any additional or corrected W-2 statements, photocopies of cancelled checks or money orders for estimated account payments not credited on your original return. Attach corrected Form 502CR and other state returns, and/or Form 502S.

Refundable Earned Income Credit. You may be eligible for a refundable earned income credit if one-half of your federal earned income credit is greater than your Maryland tax. Please refer to the Refundable Earned Income Credit Worksheet in the Resident Instructions, and enter the allowable credit on line 17.

Refundable Income Tax Credits. Enter the total of your refundable income tax credits on line 19. You must attach Form 502CR.

a. **NEIGHBORHOOD STABILIZATION CREDIT.** Individuals certified by Baltimore County as qualified for the neighborhood stabilization credit may claim a credit equal to the property tax credit granted by Baltimore County. Attach a copy of the certification.

b. **SUSTAINABLE COMMUNITIES TAX CREDIT.** See instructions for Form 502S.

c. **REFUNDABLE BUSINESS INCOME TAX CREDIT.** See Form 500CR Instructions for qualifications. You must amend your return electronically to claim a business tax credit from Form 500CR.

d. **IRC Section 1341 Repayment.** If you repaid an amount this year reported as income on a prior year federal tax return that was greater than $3,000, you may be eligible for an IRC Section 1341 repayment credit. See Administrative Release 40.

e. **Nonresident PTE tax.** If you are the beneficiary of a trust, or a member of a PTE, for which nonresident PTE tax was paid, you may be entitled to a share of that tax. See Form 502CR Instructions.

10 BALANCE DUE OR OVERPAYMENT.

Calculate the balance due or overpayment by subtracting the total on line 20 from the amount on line 14 and enter the result on either line 21 or line 22.

Enter the tax paid with the original return plus any additional tax paid after filing on line 23 (do not enter interest or penalty paid), OR, enter the overpayment from your original return

plus any additional overpayments from prior amendments or adjustments on line 24.

If there is an amount on line 21:

- and line 21 is more than line 23, you owe additional tax. Enter the difference on line 26 and compute the interest due using the interest rates in Instruction 11.
- and there is also an amount on line 24, you owe additional tax. Add the two together and enter the total on line 26. Compute the interest due. See Instruction 11.
- and line 21 is less than line 23, you are due a refund. Enter the difference on line 25.

If there is an amount on line 22:

- and line 22 is more than line 24, you are due an additional refund. Enter the difference on line 25.
- and there is also an amount on line 23, you are due an additional refund. Add the two together and enter on line 25.
- and line 22 is less than line 24, you owe additional tax. Enter the difference on line 26 and compute the interest due using the interest rates in Instruction 11.

Previous interest and penalty

Interest and/or penalty charges for the year you are amending, whether previously paid or still outstanding, may be adjusted as a result of your amendment. Any payments made on the account have been applied first to penalty, then to interest and lastly to tax due. These payments may require reallocation depending on the result of the amendment. We will notify you of the net balance due or refund when we have completed processing your Form 502X.

NOTE: If all or part of the overpayment on your original return was credited to an estimated tax account for next year, we cannot reduce or remove this credit without specific authorization from you. If you have a balance due, and wish to apply monies credited to a 2015 estimated tax account, attach written authorization for the amount to be removed. Interest charges are assessed even if the balance due is removed from the 2015 account.

11 INTEREST ON TAX DUE AND INTEREST FOR UNDERPAYMENT OF ESTIMATED TAX.

Interest must be computed and paid on any balance of tax due. Interest is due from the date the return was originally due to be filed until the date the tax is paid. The annual interest rate has been 13% since January 1, 1993.

UNDERPAYMENT OF ESTIMATED TAX

If you do not meet the requirement for avoidance of interest for underpayment of estimated tax, obtain Form 502UP online at **www.marylandtaxes.com** or from any office of the Revenue Administration Division. Complete and attach it to your amended return. Enter any interest due on line 27 of Form 502X.

If you calculated and paid interest on underpayment of estimated tax with your original return, recalculate the interest based on your amended tax return, and attach a copy of a revised Form 502UP showing your recalculation.

12 SIGNATURE, ATTACHMENTS AND PAYMENT INSTRUCTIONS.

Sign and date your return on page 2 and attach all required forms, schedules and statements.

SIGNATURES

You must sign your return. Both spouses must sign a joint return. Your signature(s) signify that your return, including all attachments, is, to the best of your knowledge and belief, true, correct and complete, under penalties of perjury.

TAX PREPARERS

If another person prepared your return, that person also must sign the return and enter their Preparer's Tax Identification Number (PTIN). The preparer declares that the return is based on all information required to be reported of which the preparer has knowledge, under penalties of perjury. Penalties may be imposed for tax preparers who fail to sign the tax return and provide their tax identification number.

ATTACHMENTS

Be sure to attach wage and tax statements (Forms W-2 and 1099) to the front of your return if you are claiming additional Maryland withholding. Be sure to attach all forms, K-1s, schedules and statements required by these instructions. Do not attach worksheets. Enclose your check or money order, if required.

MAILING INSTRUCTIONS

Mail your return to:

Comptroller of Maryland
Revenue Administration Division
Amended Return Unit
110 Carroll Street
Annapolis, Maryland 21411-0001

PAYMENT INSTRUCTIONS

Make your check or money order payable to "Comptroller of Maryland." Write the type of tax and year of tax being paid on your check. It is recommended that you include your Social Security Number on check using blue or black ink. **DO NOT SEND CASH.**

13 CHANGE OF RESIDENT STATUS.

Be sure to enter a full explanation of the change of resident status in Part III on page 2 of the amended form.

If you are changing your resident status from a resident to a nonresident, see Instruction 14. Complete Part III with a full explanation of your reasons for the change. A nonresident of Maryland is subject to tax on income from Maryland sources; that is, wages and salaries from services performed in Maryland, income from business carried on in Maryland, gambling winnings from Maryland sources, income from pass-through entities with Maryland income and gain or loss from the sale of property located in Maryland. Other income (interest, dividends, pensions, salaries or business income from sources outside Maryland, etc.) may be subtracted. Itemized deductions must be allocated according to the Maryland income factor. Exemptions must be prorated according to the Maryland income factor.

If you are amending to show part-year resident status, include dates of residence and indicate the other state of residence in Part III. Subtract all income received during your nonresident period. If you have any losses or adjustments to federal income that do not pertain to the resident period, you must show them as additions. Your standard deduction or itemized deductions and exemptions must be prorated according to the Maryland income factor. Be sure to enter the dates of residence in Part III and attach a photocopy of the income tax return filed with the other state or states of residence. If you are changing your status from a nonresident to a resident, you **must** use Form 502X and follow the instructions as written.

Maryland Income Factor

You must adjust your standard or itemized deductions and exemptions based on the percentage of your income subject to Maryland tax. Divide your Maryland adjusted gross income (line 5) by your federal adjusted gross income (line 1) to figure the percentage of Maryland income to total income. Use amended amounts if either of these lines were changed. The factor cannot exceed 1 (100%) and cannot be less than zero (0%). If line 5 is 0 or less, the factor is 0. If line 5 is greater

than 0 and line 1 is 0 or less, the factor is 1. Another method of allocating itemized deductions may be allowed if you receive written approval prior to the filing of your return.

14 NONRESIDENTS.

Generally, nonresident taxpayers will use Form 505X and Form 505NR to amend their return; however, nonresidents who wish to amend Form 515, must use Form 502X and a revised Form 505NR.

In addition, if you are changing from nonresident to resident status, you must use Form 502X and see Instruction 13.

15 NET OPERATING LOSS (NOL).

To claim a deduction for a federal NOL on the Maryland return, you must first calculate the NOL for federal purposes. A deduction will be allowed on the Maryland return for the amount of the loss actually used on the federal return. The amount of loss used for federal purposes is generally equal to the federal taxable income (before loss is used) or the federal modified taxable income as calculated for the year of carryback or carryforward.

An addition or subtraction modification may be required in a carryback or carryforward year when the federal NOL, or the year to which the NOL is carried, includes certain items included in certain provisions of the Internal Revenue Code from which the State of Maryland has decoupled, including items included in certain special depreciation allowances and 5-year carryback provisions. For more information, refer to Administrative Release 38.

An NOL generated when an individual or a business entity is not subject to Maryland income tax law, in a tax year beginning on or after October 22, 2007, cannot be used as a deduction to offset Maryland income. For acquisitions or liquidations occurring on or after October 22, 2007, the acquiring business entity which is subject to Maryland income tax law cannot use the acquired or liquidated business entity's NOL as a deduction to offset Maryland income, if the acquired or liquidated business entity was not subject to Maryland income tax law when its NOL was generated. An NOL being carried forward from tax years beginning before October 22, 2007 can be used until exhausted.

An addition to income may be required in a carryback or carryforward year if the total Maryland additions to income exceeds the total Maryland subtractions from income **in the loss year**. The required addition to income represents a recapture of the excess additions over subtractions. The addition to income required is generally equal to the lesser of the NOL deduction in the carryback year or the net addition modification (NAM) in the loss year unless the loss year includes a decoupling modification. For more information regarding NAM, refer to Administrative Release 18.

If you elect to forego a carryback for the loss year, a copy of the federal election for the loss year must be attached with the Maryland amended return.

You must attach copies of amended federal Form 1045 or 1040X, whichever was used for federal purposes, and a copy of the federal income tax return for the year of the loss. Also include Schedules A and B of Form 1045 or the equivalent worksheets used to develop the federal NOL and show the amounts used on the federal return in the carryback or carryforward years. Check the appropriate box on page 1 of Form 502X located directly below the name and address.

16 INCOME TAX ASSISTANCE.

If you need more information, visit our Web site at **www.marylandtaxes.com.** You may also call 1-800-638-2937 or from Central Maryland 410-260-7980.

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MARYLAND FORM **504**

FIDUCIARY INCOME TAX RETURN

145040049

2014

$

OR FISCAL YEAR BEGINNING _____ 2014, ENDING _____

Print Using Blue or Black Ink Only

Federal Employer Identification Number (9 digits)		
Name of estate or trust		
Name and title of fiduciary		
Address of fiduciary (number and street)		
City or town	State	ZIP code

TYPE OF ENTITY	DECEDENT'S ESTATE INFORMATION	RESIDENT STATUS	AMENDED RETURN
Check the box(es) on the return corresponding to your federal return. 1. ☐ Decedent's estate 2. ☐ Simple trust 3. ☐ Complex trust ▶ 4. ☐ Grantor type trust 5. ☐ Bankruptcy estate 6. ☐ Qualified funeral trust 7. ☐ Electing Small Business Trust 8. ☐ Other	If Decedent's estate: Date of death _____ Domicile of decedent _____ Decedent's Social Security Number _____ ▶ ☐ Check here if final return.	Check box if resident and complete the following: ☐ Subdivision Code ▶ _____ County _____ City, town or taxing area _____ Check box if nonresident: See Form 504NR. ☐	Check applicable box(es). This is an amended return. (Attach explanation.) ☐ Net operating loss is being carried back. ☐ Name or address has changed. ☐

Staple check here

14.	Federal taxable income of fiduciary (from line 22 of federal Form 1041) See Instruction 10	14
15.	Exemption claimed on federal return	15
16.	Line 14 plus line 15 ▶	16
17.	Fiduciary's share of Maryland modifications (Enter the positive or negative number from page 2.) ▶	17
18.	Line 16 plus or minus line 17	18
19.	Nonresident beneficiary deduction (from line 13) ▶	19
20.	Maryland adjusted gross income (Subtract line 19 from line 18.)	20
21.	Maryland exemption (See Instruction 11.)	21
22.	Fiduciary's Maryland taxable net income. (Subtract line 21 from line 20.) (Nonresident fiduciary see instruction for Form 504NR.)	22
23.	**Maryland tax** (Use rate schedule in instructions or enter amount from Form 504NR, line 21.)	23
24.	**Local or special nonresident tax** Multiply the taxable net income from line 22 by .0 (or from Form 504NR, line 22) (See Instruction 15.)	24
25.	Total Maryland and local tax (Add lines 23 and 24.)	25
26.	Contribution to Chesapeake Bay and Endangered Species Fund ▶	26
27.	Contribution to Developmental Disabilities Services and Support Fund ▶	27
28.	Contribution to Maryland Cancer Fund ▶	28
29.	**Total Maryland income tax, local income tax and contributions** (Add lines 25 through 28.)	29
30.	Maryland and local tax withheld (See Instruction 17) ▶	30
31.	Estimated tax payments and payments made with extension request and with Form MW506NRS ▶	31
32.	Credit for fiduciary income tax paid to another state and/or credit for preservation and conservation easements (Attach Form 502CR.) ▶	32
33.	Nonresident tax paid by pass-through entities. (Attach Maryland Schedule K-1.) ▶	33
34.	Business and/or Sustainable Communities tax credits (Attach Form 504CR and/or Form 502S.) ▶	34
35.	Total payments and credits (Add lines 30 through 34.)	35
36.	Balance due (If line 29 is more than line 35, enter the difference.) ▶	36
37.	Overpayment (If line 29 is less than line 35, enter the difference.) ▶	37
38.	Amount of overpayment to be applied to 2015 estimated tax ▶	38
39.	Amount of overpayment to be refunded (Subtract line 38 from line 37.) See line 42 **REFUND** ▶	39
40.	Interest charges from Form 504UP _____ or for late filing _____ **Total** ▶	40
41.	**TOTAL AMOUNT DUE** (Add lines 36 and 40.)	41

DIRECT DEPOSIT OF REFUND (See Instruction 18.) Be sure the account information is correct. **For Splitting Direct Deposit,** see Form 588.
To comply with banking rules, please check here ▶ ☐ if this refund will go to an account outside the United States. If checked, see Instruction 18.

42. For direct deposit option, complete the following information clearly and legibly: ▶ 42a. Type of account: ☐ Checking ☐ Savings

42b. Routing number (9-digits) ▶ ___ ___ ___ ___ ___ ___ ___ ___ ___ 42c. Account number ▶ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___

▶ _____
Preparer's PTIN (required by law)

Make checks payable and mail to:
Comptroller of Maryland
Revenue Administration Division
110 Carroll Street
Annapolis, Maryland 21411-0001
(Write your FEIN on check using blue or black ink.)

▶ ___ ___ ___ - ___ ___ - ___ ___ ___ ___
Daytime telephone number (Fiduciary)

▶ ☐☐☐
CODE NUMBERS (3 digits per box)

COM/RAD-021

FIDUCIARY'S SHARE OF MARYLAND MODIFICATIONS

(a) Unless the fiduciary is an ESBT, you are not required to complete lines 1 through 10g if the fiduciary distributes all of the income for the tax year. See instructions. (b) Complete lines 1 through 8 and enter on line 17 (Page 1) if the fiduciary retains 100% of the income for the tax year. (c) Complete lines 1 through 8, and **lines 9a through 9d or 10a through 10g** if a partial distribution of income is made by the fiduciary during the tax year. Enter the result on line 17 (Page 1) as a positive or negative number accordingly. Write a minus sign (-) in front of any negative numbers.

ADDITIONS

1. Interest on state and local obligations other than Maryland 1
2. Income taxes deducted on federal return 2
3. Income from Electing Small Business Trust (ESBT) 3

3a. Other additions to income (Specify.) 3a

4. Total additions (Add lines 1 through 3a.) 4

SUBTRACTIONS

5. Income from U.S. obligations 5
6. Other subtractions (Specify.) (Do not include non-MD source income as a subtraction.) 6
7. Total subtractions (Add lines 5 and 6.) 7
8. Net Maryland modifications (Subtract line 7 from line 4.) 8

FIDUCIARY'S SHARE OF NET MARYLAND MODIFICATIONS

(You may choose to allocate your modifications based upon the formula method or alternative method below. You may not use both methods.)

Formula Method

9a. Federal Distributable Net Income (DNI from federal schedule B, Form 1041) 9a

9b. Fiduciary's share of the federal DNI 9b

9c. Fiduciary's percentage of federal DNI (Divide 9b by 9a.) 9c

9d. Fiduciary's share of net Maryland modification (Multiply line 8 by line 9c; enter here and on line 17.) 9d

Alternative Method

In the alternative, net Maryland modifications may be allocated based on how the fiduciary has allocated all of its income.

	(A) Name of Beneficiary	(B) Social Security Number & Domicile state code	(C) Share of Net MD Modifications
	If there are more than 4 beneficiaries, use and attach a separate statement.		
	Example: Beneficiary Name	999-99-4321 MD	$
10a.			$
10b.			$
10c.			$
10d.			$
10e.	Beneficiaries subtotal from separate attached statement (if any)		$
10f.	Fiduciary (Enter here and on line 17.)		$
10g.		Total:	$

NONRESIDENT BENEFICIARY DEDUCTION

Complete this area only if any beneficiaries are nonresidents of Maryland. See Instruction 9 for required supporting documents to submit with Form 504. Attach Form 504 Schedule K-1 for each beneficiary.

11. Income from intangible personal property accumulated for a nonresident (See Instruction 9.) 11
12. Related expenses 12
13. Nonresident beneficiary deduction (Subtract line 12 from line 11; if less than 0, enter 0.) Enter on line 19 (Page 1) . . . 13

AMENDED RETURNS

If you are filing an amended fiduciary income tax return, check the applicable boxes and draw a line through any bar codes on the front. Explain the changes you are making in the space below. Attach a copy of the amended federal Form 1041 if the federal return is being amended, and any other required documentation.

EXPLANATION OF CHANGES

Check here ☐ if you authorize your preparer to discuss this return with us. Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements and to the best of my knowledge and belief it is true, correct and complete. If prepared by a person other than taxpayer, the declaration is based on all information of which the preparer has any knowledge.

Mail To: Comptroller Of Maryland
Revenue Administration Division
110 Carroll Street
Annapolis, Maryland 21411-0001

Signature of fiduciary or officer representing fiduciary — Date

Signature of preparer other than fiduciary — Date

Address and telephone of preparer

MARYLAND FORM **504**

FIDUCIARY TAX RETURN INSTRUCTIONS

2014

Purpose of Form

Maryland follows federal income tax treatment for fiduciaries of trusts and estates. Generally, under federal income tax rules, any income distributed by the fiduciary of the trust or estate during the tax year is not taxable to the trust or estate. Instead, that income is taxable to the beneficiary. Any income not distributed or partially distributed by the fiduciary of the trust or estate during the tax year is taxable to the fiduciary. Fiduciary Income Tax Return, Maryland Form 504, is used to report and pay the Maryland income tax on the income taxable to the fiduciary of the trust or estate.

Maryland taxes the portion of an Electing Small Business Trust (ESBT), that consists of stock in one or more S corporations, that is subject to special taxing rules on the federal Form 1041. See Instructions 4 and 7, as well as Administrative Release 16 for more information.

Due Date

Your return is due by April 15, 2015. If you are a fiscal year taxpayer, see Instruction 24.

If the due date falls on a Saturday, Sunday or legal holiday, the return must be filed by the next business day.

Completing the return

You must write legibly using blue or black ink when completing your return. **DO NOT** use pencil or red ink. Submit the original form, not a photocopy. If no entry is needed for a specific line, leave blank. Do not enter words such as "none" or "zero" and do not draw a line to indicate no entry. Failure to follow these instructions may delay the processing of your return.

You may round off all cents to the nearest whole dollar. Fifty cents and above should be rounded to the next higher dollar. State calculations are rounded to the nearest penny.

Penalties

There are severe penalties for failing to file a tax return, failing to pay any tax when due, filing a false or fraudulent return or making a false certification. The penalties include criminal fines, imprisonment and a penalty on your taxes. In addition, interest is charged on amounts not paid when due.

To collect unpaid taxes, the Comptroller is directed to enter liens against the salary, wages or property of delinquent taxpayers.

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, go to our Web site at **www.marylandtaxes.com**.

1 Who must file Form 504

A fiduciary must file a Maryland fiduciary tax return (Form 504) if the fiduciary:

1. Is required to file a federal fiduciary income tax return or is exempt from tax under Sections 408(e)(1) or 501 of the Internal Revenue Code (IRC), but is required to file federal Form 990-T to report unrelated business taxable income, and
2. Has Maryland taxable income.

Form 504 is used by both resident and nonresident fiduciaries.

Who is a fiduciary?

"Fiduciary" means any person by whom the legal title to real or personal property is held for the use and benefit of another and includes a trustee of a trust and a personal representative of an estate.

Although you may be required to file a federal income tax return, you are not required to file the Maryland fiduciary return if you are:

1. An agent holding custody or possession of property owned by your principal; or,
2. A guardian.

Instead, file the applicable income tax return of the principal or, in the case of guardian, the return of the minor or disabled person.

Who is a resident fiduciary?

A personal representative of an estate is considered a resident fiduciary if the decedent was domiciled in Maryland on the date of the decedent's death.

Fiduciaries other than personal representatives are considered residents of Maryland if:

1. The trust was created by the will of a decedent who was domiciled in Maryland on the date of death;
2. The trust consists of property transferred by the will of a decedent who was domiciled in Maryland on the date of death;
3. The creator or grantor of the trust is a current resident of Maryland; or,
4. The trust is principally administered in Maryland.

A resident fiduciary is taxable on all its income from whatever source derived.

Who is a nonresident fiduciary?

A nonresident fiduciary is a fiduciary who is not included in the above definition of a resident fiduciary. See Administrative Release 16 at **www.marylandtaxes.com**.

A nonresident fiduciary is taxable only on income from sources within Maryland. See Instruction 7, Maryland modifications, and complete Forms 504 and 504NR.

2 Use of federal return

You will need information from your federal fiduciary return to complete your Maryland return. Therefore, complete your federal fiduciary return before you continue beyond this point. Maryland law requires that you start with the federal taxable income reported on your federal fiduciary return. All items reported on your Maryland return are subject to verification, audit, and revision by the Comptroller's Office.

3 Name, Address and Other Information

Print or type the required information in the designated areas. Enter the Federal Employer Identification Number (FEIN) of the estate or trust in the space provided.

4 Type of entity

Check the box(es) on the return corresponding to your federal return. The types of entities are described below:

Decedent's Estate

An estate of a deceased person is a taxable entity separate from the decedent. It generally continues to exist until the final distribution of the assets of the estate is made to the heirs and other beneficiaries. The income earned from the property of the estate during the period of administration or settlement must be accounted for and reported by the estate.

Simple Trust

A trust may qualify as a simple trust if:

1. The trust instrument requires that all income must be distributed currently;
2. The trust instrument does not provide that any amounts are to be paid, permanently set aside, or used for charitable purposes; and
3. The trust does not distribute amounts allocated to the corpus of the trust.

Because the income is distributed each year, the fiduciary may be required to file a fiduciary return, but there is no taxable income. A fiduciary is required to file a fiduciary return if the trust is a member of a pass-through entity (PTE) and nonresident PTE tax was paid on its behalf.

Complex Trust

If some or none of the income is distributed, the trust is called a complex trust.

Because the trust is retaining all or part of the income, the fiduciary must file a fiduciary tax return to determine the taxable income from which to develop both State and local tax due.

Grantor Trust

Income earned by a grantor trust is taxable to the grantor, not the beneficiary, if the grantor keeps certain control over the trust. This rule applies if the property (or income from the property) put into the trust will or may revert (be returned) to the grantor or the grantor's spouse. The grantor is the one who transferred property to the trust.

Generally, a trust is a grantor trust if the grantor has a reversionary interest valued (on the date of transfer) at more than 5% of the value of the transferred property.

Bankruptcy Estate

The bankruptcy trustee or debtor-in-possession must file Form 504 for the estate of an individual involved in bankruptcy proceedings under Chapter 7 or 11 of Title 11 of the United States Code, if the estate was required to file federal Form 1041. See Instruction 26.

Qualified Funeral Trust

Maryland recognizes and follows federal law in the treatment of qualified funeral trusts. Maryland accepts the filing of composite returns for such trusts.

In most, if not all, cases, the income of each individual trust account does not exceed $1,000. Therefore, the applicable state tax rate is 2%, and the applicable local tax rate is the rate for the situs of the fiduciary filing the composite return. For example, if the funeral home is located in Baltimore County, then the local rate for Baltimore County would apply to each trust included in the composite return. See Instruction 27.

Electing Small Business Trust (ESBT)

Electing Small Business Trust (ESBT) is a trust that computes tax on the S-portion of income on a separate federal schedule pursuant to IRC 641(c), instead of including this income in the trust's federal adjusted gross income. This S-portion of income is an addition modification. See Instruction 7.

Other

Check box 8 if you are the fiduciary filing for one of the following entities:

- **Pooled Income Fund**

  A pooled income fund is a split-interest trust with a remainder interest for a public charity and a life income interest retained by the donor or for another person. The property is held in a pool with other pooled income fund property and does not include any tax-exempt securities. The income for a retained life interest is figured using the yearly rate of return earned by the trust.

- **Qualified Disabilities Trust Fund**

  A trust created solely for an individual under 65 years of age who is disabled.

- **Alaskan Native Settlement Trust**

  A settlement trust created within the meaning of the Alaska Native Claims Settlement Act.

- **Tax-Exempt Trust with Unrelated Business Taxable Income required to file federal Form 990-T**

  If the fiduciaries for the following entity types are required to file federal Form 990-T, they are required to file and pay income tax to Maryland on their unrelated business taxable income attributable to Maryland sources:

  - Tax-exempt charitable trusts
  - Individual Retirement Accounts (IRAs)
  - Simplified Employee Pensions (SEPs)
  - Simple Retirement Accounts (SIMPLE)
  - Roth IRAs
  - Coverdell Education Savings Accounts (ESAs)
  - Archer Medical Savings Accounts
  - Qualified tuition programs (Section 529 Plans)

5 Decedent's estate information

If the fiduciary return is for a decedent's estate, enter the following in the appropriate sections for Date of death, Domicile state of decedent, and Decedent's Social Security Number. Check the box if this is the final return. If the return is not for a calendar year, enter the fiscal year's beginning and ending dates at the top of the form.

6 Resident status

Read the instructions describing who is a resident fiduciary and then check the appropriate box.

If the return is for a resident fiduciary, provide the entity's subdivision code, county, and city, town or taxing area.

If you are a personal representative of an estate enter the county (or Baltimore City) in which the decedent was domiciled on the decedent's date of death. Also complete the decedent's estate information.

If you are a fiduciary, other than a personal representative, enter the county (or Baltimore City) in which the trust is principally administered.

If the trust is not principally administered in Maryland, enter the county (or Baltimore City) in which the decedent was domiciled if the trust was created by the will of the decedent or the trust consists of property transferred by the will of the decedent.

If the trust is not principally administered in Maryland but the creator or grantor of the trust is a current resident of Maryland, enter the county (or Baltimore City) in which the creator or grantor resides. See the list of incorporated cities, towns and taxing areas on the next page to determine the subdivision code.

7 Maryland modifications

Fiduciary's Maryland modifications. Certain items must be added to and subtracted from federal taxable income to determine the Maryland adjusted gross income of a fiduciary. Unless the fiduciary is an ESBT, do not complete lines 1 through 10g if the fiduciary distributes all of the income for the tax year. Complete lines 1 through 8, and lines 9a through 9d or 10a through 10g if a partial distribution of income is made by the fiduciary during the tax year. If the fiduciary is an ESBT, lines 1 through 8 must be completed.

Note: A fiduciary who is an ESBT, generally may not use the Formula Method (lines 9a through 9d) to allocate Maryland modifications to beneficiaries. A fiduciary may not distribute to any beneficiary any part of the S-portion of income of an ESBT.

With the exception of the S-portion of income of an ESBT, fiduciaries generally are permitted those additions and subtractions allowed individuals.

Lines 1 through 8: For resident fiduciaries, the addition and subtraction modifications to income provided in Form 502 instruction booklet for resident individuals apply. For nonresident fiduciaries, the addition and subtraction modifications to income provided in the Nonresident Income Tax Return Instructions apply. For a nonresident fiduciary:

- Any income derived from real property or tangible personal property located in Maryland;
- Income derived from a business wholly or partially carried on in Maryland and in which the trust or estate is a partner, member, or shareholder of the pass-through entity (a business entity taxable at the federal level as partnership or S corporation);
- Income from an occupation, profession or trade wholly or partially carried on in Maryland; and
- Income from Maryland State Lottery prizes or winnings from any other wagering is taxable in Maryland. In addition, a nonresident fiduciary can only claim losses generated in Maryland.

Addition Modifications include but are not limited to the following:

Interest on state and local obligations other than Maryland. Resident fiduciaries must enter on line 1 the total amount of interest received (less related expenses) on obligations of any state or political subdivision thereof (except the State of Maryland and its political subdivisions).

Income taxes deducted on federal return. All fiduciaries must enter on line 2 the total of income taxes imposed by the State of Maryland, any political subdivision thereof, any other state or subdivision of any other state, or the District of Columbia to the extent included on line 11 of the federal form.

S-portion of income of an Electing Small Business Trust (ESBT). Resident fiduciaries must include on line 3, the amount of income of the ESBT that consists of stock in one or more S corporations subject to the special taxing rules under IRC Section 641(c). This is the portion of income upon which a tax was calculated and carried to federal Form 1041, Schedule G, and identified as attributable to Section 641(c). **Attach a schedule or statement to Maryland Form 504 showing computation of this income.**

LIST OF INCORPORATED CITIES, TOWNS AND TAXING AREAS IN MARYLAND

	Code No.
ALLEGANY COUNTY	0100
Barton	0101
Belair	0112
Bowling Green-Robert's Place	0115
Cresaptown	0108
Cumberland	0102
Ellerslie	0113
Frostburg	0103
Lavale	0110
Lonaconing	0104
Luke	0105
McCoole	0114
Midland	0106
Mt. Savage	0111
Potomac Park Addition	0109
Westernport	0107
ANNE ARUNDEL COUNTY	0200
Annapolis	0201
Highland Beach	0203
BALTIMORE COUNTY	0300
No incorporated cities or towns	
BALTIMORE CITY	0400
CALVERT COUNTY	0500
Chesapeake Beach	0501
North Beach	0502
CAROLINE COUNTY	0600
Denton	0602
Federalsburg	0603
Goldsboro	0604
Greensboro	0605
Henderson	0611
Hillsboro	0606
Marydel	0607
Preston	0608
Ridgley	0609
Templeville	0610
CARROLL COUNTY	0700
Hampstead	0701
Manchester	0702
Mt. Airy	0703
New Windsor	0704
Sykesville	0705
Taneytown	0706
Union Bridge	0707
Westminster	0709
CECIL COUNTY	0800
Cecilton	0801
Charlestown	0802
Chesapeake City	0803
Elkton	0804
North East	0805
Perryville	0806
Port Deposit	0807
Rising Sun	0808
CHARLES COUNTY	0900
Indian Head	0901
La Plata	0902
Port Tobacco	0903
DORCHESTER COUNTY	1000
Brookview	1008
Cambridge	1001
Church Creek	1002
East New Market	1003
Eldorado	1007
Galestown	1009
Hurlock	1004
Secretary	1005
Vienna	1006
FREDERICK COUNTY	1100
Brunswick	1101
Burkittsville	1102
Emmitsburg	1103
Frederick	1104
Middletown	1106
Mt. Airy	1114
Myersville	1107
New Market	1108
Rosemont	1113
Thurmont	1110
Walkersville	1111
Woodsboro	1112
GARRETT COUNTY	1200
Accident	1201
Deer Park	1203
Friendsville	1204
Grantsville	1205
Kitzmiller	1206
Loch Lynn Heights	1207
Mountain Lake Park	1208
Oakland	1209
HARFORD COUNTY	1300
Aberdeen	1301
Bel Air	1302
Havre de Grace	1303
HOWARD COUNTY	1400
No incorporated cities or towns	
KENT COUNTY	1500
Betterton	1501
Chestertown	1502
Galena	1503
Millington	1504
Rock Hall	1505
MONTGOMERY COUNTY	1600
Barnesville	1601
Brookeville	1602
Chevy Chase Sec. 3	1614
Town of Chevy Chase (formerly Sec. 4)	1615
Chevy Chase Sec. 5	1616
Chevy Chase View	1617
Chevy Chase Village	1613
Drummond	1623
Friendship Heights	1621
Gaithersburg	1603
Garrett Park	1604
Glen Echo	1605
Kensington	1606
Laytonsville	1607
Martin's Addition	1622
North Chevy Chase	1618
Oakmont	1619
Poolesville	1608
Rockville	1609
Somerset	1610
Takoma Park	1611
Washington Grove	1612
PRINCE GEORGE'S COUNTY	1700
Berwyn Heights	1701
Bladensburg	1702
Bowie	1704
Brentwood	1705
Capitol Heights	1706
Cheverly	1707
College Park	1725
Colmar Manor	1708
Cottage City	1709
District Heights	1710
Eagle Harbor	1711
Edmonston	1712
Fairmount Heights	1713
Forest Heights	1728
Glenarden	1730
Greenbelt	1714
Hyattsville	1715
Landover Hills	1726
Laurel	1716
Morningside	1727
Mt. Rainier	1717
New Carrollton	1729
North Brentwood	1718
Riverdale Park	1720
Seat Pleasant	1721
University Park	1723
Upper Marlboro	1724
QUEEN ANNE'S COUNTY	1800
Barclay	1805
Centreville	1801
Church Hill	1802
Millington	1808
Queen Anne	1807
Queenstown	1803
Sudlersville	1804
Templeville	1806
ST. MARY'S COUNTY	1900
Leonardtown	1902
SOMERSET COUNTY	2000
Crisfield	2001
Princess Anne	2002
TALBOT COUNTY	2100
Easton	2101
Oxford	2102
Queen Anne	2105
St. Michael's	2103
Trappe	2104
WASHINGTON COUNTY	2200
Boonsboro	2201
Clearspring	2202
Funkstown	2203
Hagerstown	2204
Hancock	2205
Keedysville	2206
Sharpsburg	2207
Smithsburg	2208
Williamsport	2209
WICOMICO COUNTY	2300
Delmar	2301
Fruitland	2308
Hebron	2302
Mardela Springs	2303
Pittsville	2307
Salisbury	2304
Sharptown	2305
Willards	2306
WORCESTER COUNTY	2400
Berlin	2401
Ocean City	2402
Pocomoke City	2403
Snow Hill	2404

Nonresident fiduciaries must include on line 3, the amount of the S-portion of income from an ESBT attributable to Maryland sources. **Attach a schedule or statement to Maryland Form 504 showing the computation of this income and the allocation of S-portion of income between Maryland and non-Maryland source income.**

Other additions. Include on line 3a any other Maryland additions that must be reported. Attach a statement explaining the additions that are included on this line.

Capital losses from sale of certain trust property. For a resident fiduciary, include on line 3a any capital loss derived from the sale or other disposition of intangible personal property that is held in trust, if the proceeds are added to the principal of the trust, and if all the remaindermen in being are nonresidents during the entire tax year or corporations not doing business in Maryland.

Non-Maryland loss. For a nonresident fiduciary, include on line 3a net non-Maryland loss.

Subtraction Modifications include but are not limited to the following:

Income from U.S. Government obligations. Enter on line 5 interest from U.S. Savings Bonds and other U.S. obligations. Capital gains from the sale or exchange of U.S. obligations should be included as well. Dividends from mutual funds that invest in U.S. Government obligations should also be included on this line; however, only that portion of dividends attributable to interest from U.S. Government obligations may be subtracted. You cannot subtract income from Government National Mortgage Association securities. See Administrative Release 10 and 13.

Other subtractions. Include on line 6 any other Maryland subtractions that may be claimed. Attach a statement explaining the subtractions that are included on this line.

NOTE: Non-Maryland source income included in the federal taxable income of a fiduciary is not a subtraction modification on Form 504. For a nonresident fiduciary, non-Maryland source income is excluded from the Maryland taxable income calculation on Form 504NR. See Instruction 8.

Fiduciary's share of net Maryland modifications

Only the fiduciary's allocable portion of the Maryland modifications should be used. Complete lines 1 through 8, and lines 9a through 9d or lines 10a through 10g to determine this amount.

Note: You may choose either Method 1 or 2 – you may not use both methods. ESBTs may not choose the Formula Method for allocating the fiduciary's share of Maryland modifications.

Method 1, (Formula Method) line 9. Line 9a. Enter the federal distributable net income (DNI) from federal Form 1041.

Line 9b. Enter the fiduciary's share of DNI (that portion of the DNI that was not deducted or distributed to the beneficiaries).

Line 9c. Divide the fiduciary's share of the DNI (line 9b) by the DNI (line 9a) to determine the fiduciary's percentage of the DNI and enter the result on line 9c.

Line 9d. Multiply the fiduciary's percentage of DNI (line 9c) by the net Maryland modification on line 8 to compute the fiduciary's share of net Maryland modifications. Enter the result on line 9d and on Form 504, line 17.

Method 2, (Alternative Method) line 10. Lines 10a through 10e allocate the net Maryland modifications on line 8 to the beneficiaries in accordance with the allocation of income to the beneficiaries. If the estate or trust has more than four (4) beneficiaries, attach an additional sheet providing the additional beneficiaries' allocations; the total from the allocations on the attached sheet is entered on line 10e.

Line 10f. Enter the net Maryland modifications on line 8 allocated to the fiduciary.

Line 10g. Enter the total from lines 10a through 10f, Column (C) on line 10g, this total must equal the net Maryland modifications reported on line 8.

8 Instructions for Maryland Form 504NR

Maryland Fiduciary Nonresident Income Tax Calculation. Form 504NR **must** be filed by all nonresident fiduciaries who have:

1. Any modifications to their federal income, or,
2. Income from non-Maryland sources.

Form 504NR is a required attachment to Form 504 for all nonresident fiduciaries meeting the above criteria.

Part I – Reconciliation of Maryland and Federal Income (Loss)

Complete **lines 1 through 14** of the Federal Income (Loss) column (Column A) using the figures from your federal fiduciary income tax return. Enter in the Non-Maryland source columns (Columns B and C) all income or loss from non-Maryland sources. Enter in the Maryland source columns (Columns D and E) all income or loss from Maryland sources.

NOTE: The sum of Columns (B) through (D) must equal Column (A) on line 14.

Line 15. Add the amounts of income (loss) in Column B, line 14 to the income (loss) in Column (C) to arrive at the total non-Maryland souce income (loss). Then, calculate an income factor by dividing the total non-Maryland source income (loss) by the federal income (loss); carried to six decimal places. This factor cannot exceed 1 (100%) and cannot be less than zero (0%); if greater than 1, enter 1.000000; if less than zero (0), enter 0.

Part II – Calculation of Nonresident Maryland Income Tax

Line 16:

Line 16a. Enter the fiduciary's share of the net Maryland modifications from Form 504, line 17.

Line 16b. Multiply the fiduciary's share of the net Maryland modifications (line 16a) by the income factor on line 15 to arrive at the net modification amount attributable to non-Maryland sources. In the alternative, allocate the fiduciary's share of the net Maryland modifications based on the net applicable Maryland modifications attributable to non-Maryland sources. If you are a nonresident fiduciary of an ESBT, and reported only the S-portion of income allocable to Maryland on line 3, **you may not apply the Non-Maryland income factor from line 15 against this income again**.

Line 16c. The fiduciary's share of the net Maryland modifications attributable to Maryland sources is the difference between 16a and 16b. Enter this difference on line 16c.

Line 17:

Line 17a. Enter the fiduciary's share of distributable Maryland source income or loss from line 14 Column D on line 17a.

Line 17b. Enter the fiduciary's share of non-distributable taxable net income from Maryland source from line 14 Column E on line 17b.

Line 17c. Add lines 16c, 17a, and 17b to arrive at the fiduciary's Maryland net taxable income before exemption deduction and enter on line 17c.

Line 17d. Enter the Maryland exemption amount from Form 504, line 21.

Line 17e. Subtract line 17d from line 17c. This is the fiduciary's Maryland net taxable income. Enter this amount on line 17e.

Line 18. Enter the taxable net income from Form 504, line 22.

Line 19. Calculate the tax on this amount using the tax rate schedule in Instruction 14.

Line 20. Calculate the Maryland Nonresident Factor by dividing the amount on line 17e by line 18. Carry to six decimal places.

Line 21. Multiply line 20 by the tax shown on line 19 to arrive at the Maryland tax. Also enter this tax amount on line 23 of Form 504.

Line 22. Multiply the taxable net income on line 17e by 1.25% (0.0125) to calculate the Special Nonresident tax; also enter this tax amount on line 24 of Form 504.

After you enter the tax amounts from Form 504NR on lines 23 and 24 of Form 504, complete the remainder of Form 504 following the instructions in the booklet.

9 Nonresident beneficiary deduction

Nonresident individuals who have intangible income from sources within Maryland are not subject to tax on such income in Maryland. There are some fiduciaries that accumulate intangible income in the trust to be distributed later to nonresident beneficiaries. Because this income is not taxable to a nonresident, there is a provision that permits the fiduciary to subtract intangible income accumulated for later distribution to a nonresident beneficiary.

A fiduciary with a nonresident beneficiary may enter such income on line 11, to the extent included in the federal taxable income of the fiduciary, if the income is derived from intangible personal property and if that income is held in trust for the benefit of and being accumulated for a nonresident individual or a corporation that is not doing business in Maryland.

A fiduciary with a nonresident beneficiary may also enter on line 11, to the extent included in the federal taxable income of the resident fiduciary, capital gain income derived from the sale or other disposition of intangible personal property if that income is held in trust; if the proceeds from that sale or other disposition of the intangible personal property are added to the principal of the trust; and if all of the remaindermen of the trust in being are nonresidents during the entire tax year or corporations not doing business in Maryland.

The amount that is included on line 11 must actually be for the benefit of and attributable exclusively to the nonresident beneficiary or corporation not doing business in Maryland for which the nonresident beneficiary subtraction is being claimed. Also, the remaindermen for which the nonresident beneficiary subtraction is being claimed cannot be unborn or unascertained persons or persons with contingent interests. In addition, the nonresident beneficiary cannot possess an inter vivos power of appointment over such income, nor can the fiduciary possess a discretionary power to distribute such income of the trust to himself or herself, unless such discretionary power is limited to ascertainable standards as defined by Section 2041(b)(1)(A) of the Internal Revenue Code.

Do not enter on line 11 income that has been distributed. Line 11 is to be used only when income from intangible personal property is accumulated for a nonresident beneficiary. If line 11 is not zero attach to Form 504 a copy of the federal Form 1041 and all schedules relating to the type(s) and source(s) of income included on line 11. Also, attach a separate document listing all beneficiaries, their domiciliary addresses and applicable tax identification numbers, whether they are income beneficiaries, remaindermen or both, and the amount of intangible income accumulated for each beneficiary. Identify all persons with a power of appointment over the trust property. See Administrative Release 16.

Enter on line 12, expenses allocable to this income. Subtract line 12 from line 11 to arrive at the amount of the nonresident beneficiary subtraction.

10 Income

Enter the figure for federal taxable income from your federal fiduciary income tax return on line 14 of Form 504. For a fiduciary exempt from taxation under IRC Sections 408(e)(1) or 501, enter on line 14 of Form 504, the fiduciary's unrelated business taxable income (as defined under IRC Section 512.)

All items reported on the Maryland return are subject to verification, audit, and revision by the Comptroller's Office.

11 Exemption

A Maryland exemption of $600 is allowed for a personal representative filing for a decedent's estate (entity type 1). A fiduciary other than a personal representative (entity types 2 through 8) may deduct $200 as an exemption.

12 Standard and itemized deductions

The fiduciary is NOT allowed a standard deduction or itemized deductions.

13 Figure your Maryland net taxable income

For all fiduciaries, complete lines 14 through 22. Line 22 is your Maryland net taxable income. For a nonresident fiduciary, the Maryland net taxable income from Maryland sources is calculated on Form 504NR, line 17e.

14 Maryland tax

Compute the tax in accordance with the 2014 FIDUCIARY TAX RATE SCHEDULE and enter the tax on line 23. Nonresident fiduciaries should read and refer to Instructions 7 and 8 for information on Form 504NR before continuing; for Form 504 line 23, enter the Maryland tax from Form 504NR, line 21.

2014 Fiduciary Tax Rate Schedule

For taxpayers filing as Single, Married Filing Separately, or as Dependent Taxpayers. This rate is also used for taxpayers filing as Fiduciaries.

If the Taxable Net Income is: At least:	but not over:	Maryland Tax is:			
$0	$1,000		2.00% of taxable net income		
$1,000	$2,000	$20.00	plus	3.00% of excess over	$1,000
$2,000	$3,000	$50.00	plus	4.00% of excess over	$2,000
$3,000	$100,000	$90.00	plus	4.75% of excess over	$3,000
$100,000	$125,000	$4,697.50	plus	5.00% of excess over	$100,000
$125,000	$150,000	$5,947.50	plus	5.25% of excess over	$125,000
$150,000	$250,000	$7,260.00	plus	5.50% of excess over	$150,000
$250,000	--	$12,760.00	plus	5.75% of excess over	$250,000

15 Local income tax and special nonresident tax

The counties of Maryland and Baltimore City are empowered to levy a local income tax that is collected by the Comptroller with the state tax. You must use the local tax rate in effect for the county that you entered on the front page of the form. See the LOCAL TAX RATE CHART and LOCAL TAX WORKSHEET (15).

Nonresident fiduciaries enter .0125 on Form 504, line 24 and, enter the amount from Form 504NR, line 22.

2014 LOCAL TAX RATE CHART

Subdivision	Rate
Baltimore City	.0320
Allegany County	.0305
Anne Arundel County	.0256
Baltimore County	.0283
Calvert County	.0280
Caroline County	.0273
Carroll County	.0304
Cecil County	.0280
Charles County	.0303
Dorchester County	.0262
Frederick County	.0296
Garrett County	.0265
Harford County	.0306
Howard County	.0320
Kent County	.0285
Montgomery County	.0320
Prince George's County	.0320
Queen Anne's County	.0320
St. Mary's County	.0300
Somerset County	.0315
Talbot County	.0240
Washington County	.0280
Wicomico County	.0320
Worcester County	.0125

LOCAL TAX WORKSHEET (15)

Multiply the taxable net income by the tax rate from the LOCAL TAX RATE CHART for the county in which the fiduciary was a resident on the last day of the taxable period. Enter the result on line 24 of Form 504. This is the fiduciary local income tax.

1. Taxable net income from line 22 of Form 504 . . . . $ ________
2. Local tax rate from Local Tax Rate Chart . . . . **. 0** ________
3. Local income tax (Multiply line 1 by line 2.) Enter this amount on line 24 of Form 504 rounded to the nearest cent or whole dollar. $ ________

16 Total Maryland tax, local tax and contributions

Add lines 23 and 24, and enter the result on line 25. Add to your tax any contributions from lines 26, 27, and 28. Enter the total on line 29.

Chesapeake Bay and Endangered Species Fund

You may contribute any amount you wish to this fund. The amount contributed will reduce your refund or increase your balance due.

Maryland Cancer Fund

You may contribute any amount you wish to this fund. The amount contributed will reduce your refund or increase your balance due.

Developmental Disabilities Services and Support Fund

You may contribute any amount you wish to this fund. The amount contributed will reduce your refund or increase your balance due.

IMPORTANT: If there are not sufficient credits or other payments to satisfy your tax and the contribution you have designated, the contribution amounts will be reduced. If you have entered amounts for contribution to multiple funds, any reduction will be applied proportionately.

17 Taxes paid and credits

Write your taxes paid and credits on lines 30-34 of Form 504. Add lines 30 through 34 and enter the total on line 35.

Taxes paid

If Maryland tax was withheld from wages (or other compensation) paid to a decedent's estate, enter the amount on line 30 and attach the wage and tax statement, or Form 1099.

If you participated in a nonresident real estate transaction, you must report any income tax withheld on your behalf as an estimated payment.

Enter on line 31 the total of Maryland estimated tax payments, any taxes withheld from a nonresident real estate transaction and any payment made with a request for an extension of time to file the return. See instructions on Form 504E.

Credits

If the fiduciary is a resident and must pay income tax to another state, complete Form 502CR, Part A and Part H and enter the result on line 32.

NOTE: You must attach Form 502CR and a copy of the tax return filed in the other state. If this is not attached, no credit will be allowed. If any credit is being claimed for Preservation and Conservation Easements, complete Form 502CR, Parts F and H and enter the result on line 32. If both credits are applicable, enter the sum on line 32.

If the estate or trust was a member of a pass-through entity (PTE) doing business in Maryland and the PTE paid nonresident tax on its behalf, enter the amount on line 33. You must attach a Maryland Form 510 Schedule K-1 from the PTE showing the amount of tax paid on behalf of the estate or trust.

This credit may be passed through the nonresident fiduciary and claimed by the beneficiary on its applicable Maryland income tax return in an amount proportionate to the distribution of income by the nonresident fiduciary to that beneficiary. DO NOT include the amount on line 33 if the nonresident fiduciary elects to pass this credit through to the beneficiaries.

Include the Maryland Form 504 Schedule K-1, as well as Maryland Form 510 Schedule K-1 showing the amount of tax paid by the PTE on behalf of the trust being passed through to the beneficiary. The statement must also include the names and FEINs of PTEs paying tax.

If the estate or trust participated in a nonresident real estate transaction as a member of a PTE that paid taxes on its behalf using Form MW506NRS, report this payment on line 33.

Enter on line 34 the total of business income tax credits from Form 504CR, Part Z, Line 1. Complete and submit Form 504CR with Form 504. For additional information regarding any of the Business Income Tax credits, see the instructions provided on Maryland Form 504CR, Business Income Tax Credits for Fiduciaries. Also, enter on line 34 any Sustainable Communities Tax Credit from Form 502S.

18 Overpayment or balance due

Calculate the Balance Due (line 36 of Form 504) or Overpayment (line 37 of Form 504).

Part or all of any overpayment may be applied to 2015 estimated tax by completing line 38. Subtract line 38 from the overpayment (line 37). This is the amount of the refund.

Underpayment of Estimated Tax

All taxpayers should refer to Form 504UP to determine if they owe interest because they paid too little estimated tax during the year.

If you owe interest, complete Form 504UP and write the amount of interest (line 15 of Form 504UP) in the appropriate box on line 40 of Form 504. Attach Form 504UP.

Generally, you do not owe interest if:

a. You owe less than $500 tax on income which is not subject to Maryland withholding; or,

b. Each current year payment, made quarterly as required, is equal to or more than, one-fourth of 110% of last year's taxes that were developed; or,

c. You made quarterly payments during the year which equal 90% of this year's tax; or,

d. The year ends less than two years after the decedent's date of death.

If after completing Form 504UP there is no interest due or you meet exception "d," see Instruction 19 for additional information regarding code numbers.

Interest for Late Filing

Interest is due at an annual rate of 13% or 1.08% per month for any month or part of a month that tax is paid after the original due date of the return. Enter any interest due in the appropriate box on line 40.

Total Interest

Enter the total interest for underpayment of estimated tax and interest for late filing on line 40.

Direct Deposit of Refund

Complete lines 42a, b and c if you want us to deposit your refund directly into your account at a bank or other financial institution (such as a mutual fund, brokerage firm, or credit union) in the United States. 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 that this is the case, do not enter your routing and account numbers, as the direct deposit option is not available to you. We will send you a paper check.

Splitting Your Direct Deposit

If you would like to deposit portions of your refund to multiple accounts, do not complete any direct deposit information on your return. Instead, you must enter code number **588** in one of the code number boxes located to the right of the telephone number area on your return, and complete and attach Form 588.

NOTE: You may not use Form 588 if you are filing Form 502INJ, Maryland Injured Spouse Claim Form, or if you plan to deposit your refund in a bank outside the United States.

Line 42a

CAUTION

Check with your financial institution to make sure your direct deposit will be accepted and to get the correct routing and account numbers. The State of Maryland is not responsible for a lost refund if you enter the wrong account information.

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.

Line 42b

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.

If you are not sure of the correct routing number or if your check states that it is payable through a financial institution different from the one at which you have your checking account, contact your financial institution for the correct routing number.

Line 42c

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 to you.

Please have a bank statement for the account available if you contact us concerning the direct deposit of your refund.

Disclosure

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

19 Telephone number, code numbers, signatures and attachments

Enter your telephone number and sign and date your return. Be sure to attach all required forms, schedules and statements.

Code Numbers

IMPORTANT: If you complete Form 504UP and, because of the timing of the distributions of income, have no interest due, attach the form to your fiduciary return and write code number **301** in one of the boxes marked CODE NUMBER at the bottom of Form 504.

If you use the annualization method to calculate interest for underpayment of estimated tax, attach Form 504UP to your fiduciary return and write code number **301** in one of the boxes marked CODE NUMBER at the bottom of Form 504. For the Revenue Administration Division to recognize your use of this calculation method, you must enter the code number and attach the form, even if there is no interest due.

If the return is for a decedent's estate within two years of the date of death, enter **301** in one of the CODE NUMBER boxes. Do not attach Form 504UP.

Tax Preparers

If another person prepared your return, that person must also sign the return and enter their Preparer's Tax Identification Number (PTIN). The preparer declares that the return is based on all information required to be reported of which the preparer has knowledge, under penalties of perjury. Penalties may be imposed for tax preparers who fail to sign the tax return and provide their PTIN. At the bottom of the return at the signature area, we have provided a check box for you to authorize your preparer to discuss your return with us.

Signature and verification

This return must be verified and signed by the individual fiduciary or an authorized officer of a corporate fiduciary. If two or more individuals act jointly as fiduciaries, the return may be verified and signed by either.

Attachments

Be sure to attach wage and tax statements (Forms W-2, W-2G and 1099) to the front of your return if Maryland tax is withheld. Complete and attach Maryland Form 504 Schedule K-1 for each beneficiary. See Administrative Release 16. Also attach all forms, schedules and statements required by these instructions. Place your check or money order on top of the wage and tax statements and fasten with one staple on the front of your tax return.

20 Mailing your return

Mail your return to:

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

Private Delivery Services

If you wish to send your items by a private delivery service (such as FedEx or UPS) instead of the U.S. Postal Service, use the following address:

Private Delivery Service Address:
Comptroller of Maryland
Revenue Administration Division
80 Calvert Street
Annapolis, Maryland 21401
410-260-7980

21 Payment Instructions

Payment by Check or Money Order

Make your check or money order payable to "Comptroller of Maryland." Use blue or black ink. Do not use red ink. Put your FEIN, type of tax and year of tax being paid, on your check. **DO NOT SEND CASH.**

22 Due Date

Returns must be mailed by April 15, 2015, for calendar year taxpayers. Fiduciaries filing on a fiscal year basis should see Instruction 24.

23 Extension of time to file

Follow the instructions on Form 504E to request an automatic extension of the time to file your 2014 return. Filing this form extends the time to file your return, but does not extend the time to pay your taxes. Payment of the expected tax due is required with Form 504E by April 15, 2015.

24 Fiscal year

You must file your Maryland return using the same tax year and the same basis (cash or accrual) as you used on your federal return.

To file a fiscal year return, complete the fiscal year information at the top of Form 504 and print "FY" in bold letters in the upper left corner of the form. Whenever the term "tax year" appears in these instructions, fiscal year taxpayers should understand the term to mean "fiscal year." Use the 2014 forms for fiscal years that begin during calendar year 2014. Fiscal year returns are due on the 15th day of the 4th month following the close of the fiscal year. If you are filing on a fiscal year basis, file Form 504E by the regular due date of your return.

25 Amended returns

If you need to change a return that you have already filed, or if the Internal Revenue Service changes your return, you must file an amended return.

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

Use Form 504 and Form 504NR, if applicable, to file an amended return. Be sure to check the AMENDED RETURN box and draw a line through any barcode on the front of the return. An explanation must be provided on page two of the amended Form 504. A copy of the amended federal return must be attached.

Changes to Your Federal Return

If the Internal Revenue Service makes any changes to your federal return, you must notify the State of Maryland. Send notification to the Maryland Revenue Administration Division within 90 days of the final determination of the changes by the IRS.

If you file an amended federal fiduciary return that changes your Maryland fiduciary return, you must file an amended Maryland return.

If Your Original Return Showed a Refund

If you expect a refund from your original return, do not file an amended return until you have received your refund check. Cash the check. Do not return it. If your amended return shows a smaller refund, send a check for the difference with the amended return. If your amended return shows a larger refund, the Revenue Administration Division will issue an additional refund check.

Additional Information

Do not file an amended return until sufficient time has passed to allow the original return to be processed. For current year returns, allow at least six weeks.

Generally, you must file your claim for refund within three years from the date your original return was filed or within two years from the date the tax was paid, whichever is later. A return filed early is considered filed on the date it was due.

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

If the claim for refund resulted from a federal adjustment or final decision of a federal court that is more than three years from the date of filing the return or more than two years from the time the tax was paid, a claim for refund must be filed within one year from the date of the adjustment or final decision.

If the claim for refund resulted from a notification received from another state for income taxes due that is more than three years from the date of filing the return or more than two years from the time the tax was paid, a claim for refund resulting from a credit for taxes paid to that state must be filed within one year of the date of the notification that the other state's tax was due.

If the claim for refund or credit for overpayment resulted from a final determination made by an administrative board or an appeal of a decision of an administrative board, that is more than three years from the date of filing the return or more than two years from the time the tax was paid, the claim for refund must be filed within one year of the date of the final decision of the administrative board or final decision of the highest court to which an appeal of the administrative board is taken.

No refund for less than $1.00 will be issued. No payment of less than $1.00 is required.

26 Special instructions for bankruptcy estates

A bankruptcy estate is created for an individual under Chapter 7 (a liquidation) or Chapter 11 (a reorganization) under Title 11 of the United States Code. The bankruptcy estate is treated as a separate taxable entity. A separate taxable entity is not created when an individual is in a state receivership.

The fiduciary of a Chapter 7 or a Chapter 11 bankruptcy estate is required to file the estate's return and must file a Maryland return if the fiduciary or trustee is required to file a federal return and has Maryland taxable income. The fiduciary must use the Maryland Fiduciary Return, Form 504.

For an individual, the fiduciary return is the mechanism for paying the tax. The calculation is done on the individual income tax return, Form 502, and the tax is carried to the fiduciary return. The fiduciary of an individual bankrupt debtor should attach the completed Form 502 to Form 504. Draw a line through any barcodes on Form 502 and write "Bankruptcy Estate" in the name and address area.

A trustee of a corporate debtor or other bankrupt entity, who has possession of the bankrupt estate by court order or who holds title to all or substantially all of the property of a bankrupt entity, must file the income tax return for the entity. The fiduciary would be required to file a Maryland income tax return, if the fiduciary is obligated to file a federal return on behalf of the bankrupt entity and also has Maryland taxable income.

The fiduciary should attach a notice of the filing of the bankruptcy estate, which is issued by the applicable bankruptcy court, to

the return.

27 Qualified funeral trusts

A fiduciary may file a composite fiduciary income tax return reporting the income of the funeral trusts administered by that fiduciary, instead of one fiduciary return for each trust. Check Entity Type Box 6. Attach a schedule showing the name, income, state tax and local tax of each individual trust. Add the state tax amounts and enter on line 23. Add the local tax amounts and enter on line 24. Complete Form 504 according to Instructions 16 through 19.

28 Privacy act information

The Tax-General Article of the Annotated Code of Maryland authorizes the Revenue Administration Division to request information on tax returns to administer the income tax laws of Maryland, including determination and collection of correct taxes. Code Section 10-804 provides that you must include your federal identification number on the return you file. This is so we know who you are and can process your return and documents.

If you fail to provide all or part of the requested information, then exemptions, exclusions, credits, deductions or adjustments may be disallowed and you may owe more tax. In addition, the law provides penalties for failing to supply information required by law or regulations.

You may look at any records held by the Revenue Administration Division which contain personal information about you. You may inspect such records, and you have certain rights to amend or correct them.

As authorized by law, information furnished to the Revenue Administration Division may be given to the United States Internal Revenue Service, 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. The information may be obtained in accordance with a proper legislative or judicial order.

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MARYLAND FORM **504CR**

BUSINESS INCOME TAX CREDITS FOR FIDUCIARIES

ATTACH TO FORM 504.

14504C049

2014

Print using blue or black ink

or fiscal year beginning 2014, ending

Taxpayer Identification Number

Name as shown on Form 504

SEE INSTRUCTIONS Note: ** Indicates Certification Must Be Attached

☐ **Check here if any of the following credits are derived from an entity other than that shown above. Enter the entity's Federal Employer Identification Number. If from more than one, see instructions. Attach K-1 from PTEs showing your share of the credit. For One Maryland Economic Development Tax Credit, see instructions.** **FEIN**

PART A - ENTERPRISE ZONE TAX CREDIT ** Must Attach Required Certification

PART A - I CREDIT FOR ECONOMICALLY DISADVANTAGED EMPLOYEES NOT LOCATED IN A FOCUS AREA

1. Number of qualified employees. First year ____ Second year ____ Third year ____

2. Credit for first year (limited to $3,000 of wages paid to each employee)	2	
3. Credit for second year (limited to $2,000 of wages paid to each employee)	3	
4. Credit for third year (limited to $1,000 of wages paid to each employee)	4	
5. Total (Add lines 2, 3 and 4.)	5	

PART A - II CREDIT FOR OTHER QUALIFIED EMPLOYEES NOT LOCATED IN A FOCUS AREA

6. Number of qualified employees eligible for credit not included in PART A-I	6	
7. Credit (limited to $1,000 of wages paid to each employee)	7	

PART A - III CREDIT FOR ECONOMICALLY DISADVANTAGED EMPLOYEES LOCATED IN A FOCUS AREA

8. Number of qualified employees. First year ____ Second year ____ Third year ____

9. Credit for first year (limited to $4,500 of wages paid to each employee)	9	
10. Credit for second year (limited to $3,000 of wages paid to each employee)	10	
11. Credit for third year (limited to $1,500 of wages paid to each employee)	11	
12. Total (Add lines 9, 10 and 11.)	12	

PART A - IV CREDIT FOR OTHER QUALIFIED EMPLOYEES LOCATED IN A FOCUS AREA

13. Number of qualified employees eligible for credit not included in PART A-III	13	
14. Credit (limited to $1,500 of wages paid to each employee)	14	

PART A - SUMMARY

Check here ▶ ☐ if claiming credit for business located in a RISE zone.

15. Total Enterprise Zone Tax Credit for the current tax year (Add lines 5, 7, 12 and 14.)	15	

PART B - HEALTH ENTERPRISE ZONE HIRING TAX CREDIT ** Must Attach Required Certification

For a fiduciary certified by the Maryland Department of Health and Mental Hygiene as a Health Enterprise Zone Employer that hired qualified employee(s) after December 31, 2012 and before January 1, 2017.

1. Number of qualified employees certified by Department of Health and Mental Hygiene.

____ First year ____ Second year

2. Credit for first year ($5,000 for each qualified employee)	2	
3. Credit for second year ($5,000 for each qualified employee)	3	
4. Tentative amount of Hiring Credit (Add lines 2 and 3.)	4	
5. Enter refund recapture amount	5	

6. Refundable Hiring Credit (Subtract line 5 from line 4 and enter this amount here and in PART Y, line 4. If less than zero, enter negative amount.) 6

PART C - MARYLAND DISABILITY EMPLOYMENT TAX CREDIT FOR EMPLOYEES

PART C - I CREDIT FOR EMPLOYEES WITH A DISABILITY

1. Number of qualified employees. First year Second year
2. Credit for first year (30% of first $6,000 of wages paid to each employee) 2
3. Credit for second year (20% of first $6,000 of wages paid to each employee) 3
4. Total (Add lines 2 and 3.). 4

PART C - II CREDIT FOR CHILD CARE AND TRANSPORTATION EXPENSES

5. Number of qualified employees. First year Second year
6. Credit for first year (limited to a combined total of $600 in child care and transportation expenses per qualified employee with a disability) 6
7. Credit for second year (limited to a combined total of $500 in child care and transportation expenses per qualified employee with a disability) 7
8. Total (Add lines 6 and 7.). 8

PART C - SUMMARY

9. Total Maryland Disability Employment Tax Credit for the current tax year (Add lines 4 and 8.). 9

PART D - JOB CREATION TAX CREDIT ** Must Attach Required Certification

PART D - I CREDIT FOR EMPLOYEES OF A QUALIFIED BUSINESS

1. Total number of qualified positions for the current year 1
2. Multiply line 1 by $1,000 2
3. Enter 2.5% of wages paid for each position on line 1. 3
4. Enter the lesser of lines 2 or 3 4

PART D - II CREDIT FOR EMPLOYEES WORKING IN A FACILITY LOCATED IN A REVITALIZATION AREA

5. Total number of qualified positions for the current year 5
6. Multiply line 5 by $1,500 6
7. Enter 5% of wages paid for each position on line 5 7
8. Enter the lesser of lines 6 or 7 8

PART D - SUMMARY

9. Total credits calculated for the current year (Add lines 4 and 8.). 9
10. Enter the lesser of line 9 or $1,000,000 10
11. Total current year credits available (Multiply line 10 by 50%.) 11
12. Enter remaining 50% of credits from prior year 12
13. Total Job Creation Tax Credits that may be claimed this year (Add lines 11 and 12.). 13

PART E - COMMUNITY INVESTMENT TAX CREDIT ** Must Attach Required Certification

1. Amount of approved contributions. 1

2. Enter 50% of line 1	2		
3. Enter the amount from line 2 or $250,000, whichever is less	3		

PART F - BUSINESSES THAT CREATE NEW JOBS TAX CREDIT

1. Property tax credit (certified by the State Department of Assessments and Taxation)	1		
2. Enhanced property tax credit (certified by the State Department of Assessments and Taxation)	2		
3. Total (Add lines 1 and 2.)	3		

PART G - QUALIFIED VEHICLE TAX CREDIT (TRACTOR-TRAILER VEHICLE REGISTRATION CREDIT)

1. Credit may not exceed $400 per vehicle.	1		

PART H - CYBERSECURITY INVESTMENT INCENTIVE TAX CREDIT **Must Include Required Certification
NOTE: If you are claiming more than one investment, see instructions for PART H.

1. Amount of approved investment	1		
2. Enter 33% of line 1	2		
3. Maximum Credit	3	$250,000	
4. Tentative refund (enter the amount from line 2 or line 3, whichever is less)	4		
5. Enter any amount of recapture. See instructions	5		
6. Total Cybersecurity Investment Incentive Tax Credit (Subtract line 5 from line 4 and enter this amount here and in PART Y, line 7. If less than zero, enter negative amount.)	6		

PART I - EMPLOYER-PROVIDED LONG-TERM CARE INSURANCE TAX CREDIT

1. Enter 5% of long-term care insurance costs	1		
2. Multiply the number of eligible employees [ ] by $100	2		
3. Enter the lesser of line 1 or line 2	3		
4. Enter the lesser of line 3 or $5,000	4		

PART J - MARYLAND EMPLOYER SECURITY CLEARANCE COSTS TAX CREDIT ** Must Include Required Certification.

PART J-I CREDIT FOR SENSITIVE COMPARTMENTED INFORMATION FACILITY (SCIF) COSTS AND SECURITY CLEARANCE ADMINSTRATIVE EXPENSES

1. Enter the amount of Construction and Equipment costs that have been certified by the Department of Business and Economic Development (DBED) incurred to construct or renovate SCIFs (Include certification.)	1		
2. Enter the amount of Security Clearance Administrative Expenses approved by DBED not to exceed $200,000. (Include certification.)	2		
3. Total PART J-I Allowable Security Costs Tax Credit (Add lines 1 and 2.)	3		

PART J-II FIRST YEAR LEASING COSTS TAX CREDIT FOR A QUALIFIED SMALL BUSINESS (For first year leasing costs incurred between 1/1/2014 and 12/31/2014.) Complete ONLY if you are a Small Business (See Instructions.)

1. Enter expenses approved by DBED incurred for rental payments owed during the first year of a rental agreement for spaces leased in the State if taxpayer is a small business that performs security-based contracting not to exceed $200,000. (Include certification.)	1		

PART K - RESEARCH AND DEVELOPMENT TAX CREDITS ** Must Attach Required Certification

PART K - I TO BE COMPLETED IF THE BUSINESS IS NOT CERTIFIED AS A "SMALL BUSINESS" FOR THIS CREDIT

1. Basic credit (3%) as certified by the Department of Business and Economic Development	1		

2. Growth credit (10%) as certified by the Department of Business and Economic Development .	2		
3. Total (Add lines 1 and 2.) Enter here and on Line 11 of PART W.	3		

PART K - II TO BE COMPLETED IF THE BUSINESS IS CERTIFIED AS A "SMALL BUSINESS" FOR THIS CREDIT

4. Basic credit (3%) as certified by the Department of Business and Economic Development	4		
5. Growth credit (10%) as certified by the Department of Business and Economic Development .	5		
6. Total (Add lines 4 and 5.) Enter here and on Line 6 of PART Y	6		

PART L - BIOTECHNOLOGY INVESTMENT INCENTIVE TAX CREDIT ** Must Attach Required Certification
NOTE: If you are claiming more than one investment see instruction for PART L.

1. Amount of approved investment	1		
2. Enter 50% of line 1	2		
3. Maximum Credit	3	250,000	
4. Tentative refund (Enter the amount from line 2 or line 3, whichever is less.)	4		
5. Enter any amount of recapture. See instructions.	5		
6. Total Biotechnology Investment Incentive Tax Credit (Subtract line 5 from line 4 and enter this amount here and in PART Y, line 2. If less than zero, enter negative amount.)	6		

PART M - COMMUTER TAX CREDIT

1. Amount of commuter benefits paid	1		
2. Enter 50% of line 1	2		
3. Number of employees for which commuter benefits were paid	3		
4. Multiply the number of employee-months ☐ by $50	4		
5. Enter the lesser of line 2 or line 4	5		

PART N - CLEAN ENERGY INCENTIVE TAX CREDIT ** Must Attach Required Certification
Enter in the box(es) below the number of kilowatt hours of electricity that was:

1. Not co-fired with coal ☐ . Multiply this number by .85 cents (.0085).	1		
2. Co-fired with coal ☐ . Multiply this number by .5 cents (.005)	2		
3. Total (Add lines 1 and 2.)	3		
4. Enter one-fifth of the amount stated on the initial credit certificate	4		
5. Enter the lesser of line 3 or line 4. Enter this amount in PART Y, line 3	5		

PART O - MARYLAND-MINED COAL TAX CREDIT ** Must Attach Required Certification

1. Number of tons of Maryland-mined coal purchased in the current tax year.	1		
2. Multiply line 1 by $3	2		

PART P - ONE MARYLAND ECONOMIC DEVELOPMENT TAX CREDIT **Must Attach Required Certification

PART P - I CALCULATION OF TAXABLE INCOME, WITHHOLDING, QUALIFIED EMPLOYEES AND TAX LIABILITY

		Column 1 All qualified persons, but NOT PTE members	Column 2 PTE members only (enter your pro rata share from PTE)
Section A			
1. Enter your Maryland taxable income (See instructions for PART P-I.)	1		
2. Enter your share of Maryland taxable income from the project	2		
3. Non-project Maryland taxable income (Subtract line 2 from line 1. If less than 0, enter 0.)	3		
4a. Enter the number of qualified employees **(DO NOT PRORATE)**	4a		
4b. Have you maintained at least 25 qualified employees for at least 5 years?		☐ Yes ☐ No	☐ Yes ☐ No
4c. Tax year in which the project was put in service:			

Note: If line 4a is less than 25, and the answer to Question is "No," STOP HERE. You may not claim this tax credit.

Note: If line 4a is less than 10, STOP HERE. You may not claim this tax credit.

4d. Prorate factor (Enter line 4a divided by 25; if greater than 1, enter 1.000000.)	4d	.	.
5. Enter the amount of Maryland income tax required to be withheld from qualified employees	5		
Section B			
6. Total tax liability: If you are a resident fiduciary, Enter line 23 (less any amount claimed on line 32) of Form 504; or, If you are a nonresident fiduciary, Enter line 25 (less any amount claimed on line 32) of Form 504; If less than 0, enter 0	6		
7a. Tax on income from the project (See instructions for PART P-I.)	7a		
7b. Multiply line 7a by line 4d	7b		
8a. Tax on non-project income (Subtract line 7a from line 6. If less than 0, enter 0.)	8a		
8b. Multiply line 8a by line 4d	8b		
Section C			
9. Total eligible project costs ($500,000 minimum)	9		
10. Enter the lesser of line 9 or $5,000,000	10		
11. Total eligible start-up costs	11		
12. Enter the lesser of line 11 or $500,000.	12		
13. Multiply line 4a by $10,000	13		

PART P - II CREDIT AGAINST TAX LIABILITY AND TAX ON INCOME FROM THE PROJECT

COMPLETE PART P-II to calculate the portion of the credits allowable for this tax year that will reduce your tax liability.

		All qualified fiduciaries including PTE members
Section A Project Costs		
14. Enter the sum of project cost credits and refunds taken in prior tax years	14	
15. Subtract line 14 from line 10; if less than 0, enter 0.	15	
16. Maryland State tax liability on income from the project (Enter the amount from line 7b.)	16	
17. Credit against tax on income from the project (Enter the lesser of line 15 or line 16.)	17	
Section B Start-up Costs		
18. Enter the sum of start-up cost credits and refunds taken in prior tax years	18	
19. Subtract line 18 from line 12. If less than 0, enter 0	19	
20. Enter the lesser of line 13 or line 19	20	
21. Remaining Maryland State tax liability after deducting credits taken for project costs in Section A (Subtract line 17 from line 6. If less than 0, enter 0.)	21	
22. Nonrefundable portion of the start-up credit. This amount cannot exceed any remaining tax liability. (Enter the lesser of line 20 or line 21.)	22	

PART P-III REFUNDABLE CREDIT

Section A Project costs

23. Credit remaining after deducting credit against tax on income from the project (Subtract line 17 from line 15. If less than 0, enter 0.)	23		
24. Tax on non-project income (Enter the amount from line 8b.)	24		
25. Tax available for application of credit (Subtract line 17 and line 22 from line 6. If less than 0, enter 0.)	25		
26. Credit against tax on non-project income (Enter the lesser of lines 23, 24 or line 25.)	26		
27. Tentative refund (Subtract line 26 from line 23. If less than 0, enter 0.)	27		
28. Maryland income tax required to be withheld during this tax year from qualified employees (Enter the amount from line 5.)	28		
29. Refund allowable for this tax year. Subtract line 26 from line 28 (If less than 0, enter 0.) and enter this amount or line 27, whichever is less.	29		

Section B Start-up costs

30. Tentative refund (Subtract line 22 from line 20. If less than 0, enter 0.)	30		
31. Maryland income tax required to be withheld during this tax year from qualified employees (from line 5)	31		
32. Refund allowable for this tax year (Enter the lesser of line 30 or line 31.)	32		

PART P-IV SUMMARY

33. Total nonrefundable credit for project costs (Enter the sum of line 17 and line 26.)	33		
34. Total nonrefundable credit for start-up costs (Enter amount from line 22.)	34		
35. Total nonrefundable One Maryland Economic Development Tax Credit. (Add lines 33 and 34.)	35		
36. Total refundable credit for project costs. (Enter amount from line 29.)	36		
37. Total refundable credit for start-up costs. (Enter amount from line 32.)	37		
38. Total refundable One Maryland Economic Development Tax Credit. (Add lines 36 and 37.)	38		

PART Q - OYSTER SHELL RECYCLING TAX CREDIT ** Must Attach Required Certification

1. Credit (certified by the Maryland Department of Natural Resources), may not exceed $750 per taxpayer	1		

PART R - BIO-HEATING OIL TAX CREDIT ** Must Attach Required Certification

1. Credit (certified by the Maryland Energy Administration), may not exceed $500	1		

PART S - CELLULOSIC ETHANOL TECHNOLOGY RESEARCH AND DEVELOPMENT TAX CREDIT
** Must Attach Required Certification

1. Credit (certified by Department of Business and Economic Development)	1		

PART T - WINERIES AND VINEYARDS TAX CREDIT ** Must Attach Required Certification

1. Credit (certified by the Department of Business and Economic Development)	1		

PART U - MARYLAND FILM PRODUCTION ACTIVITY TAX CREDIT ** Must Attach Required Certification

1. Credit (certified by the Maryland Department of Business and Economic Development)	1		

PART V - ELECTRIC VEHICLE RECHARGING EQUIPMENT TAX CREDIT ** Must Attach Required Certification(s)

1. Credit (certified by the Maryland Energy Administration)	1		

PART W - BUSINESS TAX CREDIT SUMMARY

1. Total Enterprise Zone Tax Credit from PART A, line 15	1		
2. Health Enterprise Zone Hiring Tax Credit (See PART Y, line 4.)	2	XXXXXXXXXXXXXX	XX
3. Total Maryland Disability Employment Tax Credit from PART C, line 9	3		
4. Total Job Creation Tax Credit from PART D, line 13	4		
5. Total Community Investment Tax Credit from PART E, line 3	5		
6. Total Businesses that Create New Jobs Tax Credit from PART F, line 3	6		
7. Qualified Vehicle Tax Credit from PART G, line 1	7		
8. Total Cybersecurity Investment Incentive Tax Credit (See PART Y, line 7.)	8	XXXXXXXXXXXXXX	XX
9. Total Employer-Provided Long-Term Care Insurance Tax Credit from PART I, line 4	9		
10a. Total Security Clearance Costs Tax Credit, PART J-I, line 3	10a		
10b. Total First Year Leasing Cost Tax Credit for Small Business, PART J-II, line 1	10b		
11. Total nonrefundable Research and Development Tax Credits from PART K-I, line 3	11		
12. Total Biotechnology Investment Incentive Tax Credit (See PART Y, line 2.)	12	XXXXXXXXXXXXXX	XX
13. Total Commuter Tax Credit from PART M, line 5	13		
14. Total Clean Energy Incentive Tax Credit (See PART Y, line 3.)	14	XXXXXXXXXXXXXX	XX
15. Total Maryland-Mined Coal Tax Credit from PART O, line 2	15		
16. Total nonrefundable One Maryland Economic Development Tax Credit from PART P, line 35; if more than one project, see instructions	16		
17. Total Oyster Shell Recycling Tax Credit from PART Q, line 1	17		
18. Total Bio-Heating Oil Tax Credit from PART R, Line 1	18		
19. Total Cellulosic Ethanol Technology Research & Development Tax Credit from PART S, line 1	19		
20. Total Wineries and Vineyards Tax Credit from PART T, line 1	20		
21. Maryland Film Production Activity Tax Credit (See PART Y, line 5.)	21	XXXXXXXXXXXXXX	XX
22. Electric Vehicle Recharging Equipment Tax Credit from PART V, line 1	22		
23. Total of current year credits (Add lines 1 through 22.)	23		
24. Carryover of excess credits from PART X, line 7, of tax year 2013 Form 500CR	24		
25. Tentative credit. (Add lines 23 and 24.)	25		
26. Enter amount of any credit recapture. (See instructions for PART D and PART F.)	26		
27. Tentative credit after recapture. (Subtract line 26 from line 25.) If less than 0, enter negative amount	27		
28. Enter tax from: Form 504, line 23 (less amount from line 32), if you are a resident fiduciary; Form 504, line 25 (less amount from line 32), if you are a nonresident fiduciary. If less than 0, enter 0.	28		
29. Allowable credit (Enter line 27 or line 28, whichever is less.)	29		

NOTE: An addition to income is required for credits from Parts A, C, J-I, K-I, K-II, S and any credit carried over and claimed in the current year from the Employment Opportunity Tax Credit. From this part add lines 1, 3, 10a, 11 and 19. Also add PART Y, line 6. Enter the result on line 3a of Form 504.

PART X - EXCESS CREDIT CARRYOVER CALCULATION

If line 27 is less than or equal to line 28 of PART W, do not complete this section.

1. Enter amount from line 28 of PART W	1		
2. Add lines 7, 13, 15, 17, 18 and 22 of PART W.	2		
3. Subtract line 2 from line 1. (If less than 0, enter 0.)	3		
4. Subtract line 2 from line 27 of PART W	4		
5. Tentative excess credit carryover (Subtract line 3 from line 4.).	5		
6. Enter any amount included in line 5 that will expire by the end of this tax year.	6		
7. Subtract line 6 from line 5. (If less than 0, enter 0.) This is your credit carryover.	7		

PART Y - REFUNDABLE BUSINESS INCOME TAX CREDITS

1. Total refundable One Maryland Economic Development Tax Credit from PART P-IV, line 38; 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 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	8		

PART Z - TOTAL BUSINESS TAX CREDITS

1. Enter the sum of line 29 of Part W and line 8 of PART Y here and on line 34 of Form 504. If less than 0 enter amount as a negative amount.	1		

MARYLAND FORM **504CR**

FIDUCIARY'S BUSINESS INCOME TAX CREDITS INSTRUCTIONS

2014

The Comptroller of Maryland now requires taxpayers to claim all business income tax credits on an electronically-filed return. However, because the Maryland Fiduciary Income Tax Return, Form 504, is not yet available electronically, Maryland Form 504CR – Fiduciary's Business Income Tax Credits has been created to permit fiduciary taxpayers to claim any business tax credits for which they may be eligible**.**

If you are not a Fiduciary taxpayer, required to file Form 504, you may not use Form 504CR -- you must file your Maryland return electronically to claim the business income credits available from Form 500CR.

GENERAL INSTRUCTIONS

Purpose Maryland Form 504CR is used to claim the following business tax credits against the fiduciary income tax.

Tax Credit	Part
Bio-Heating Oil Tax Credit**	R
Biotechnology Investment Incentive Tax Credit**	L
Businesses That Create New Jobs Tax Credit	F
Cellulosic Ethanol Technology Research & Development Tax Credit**	S
Clean Energy Incentive Tax Credit**	N
Community Investment Tax Credit**	E
Commuter Tax Credit	M
Cybersecurity Investment Incentive Tax Credit **	H
Electric Vehicle Recharging Equipment Tax Credit **	V
Employer-Provided Long-Term Care Insurance Tax Credit	I
Enterprise Zone Tax Credit**	A
Film Production Activity Tax Credit**	U
First-Year Leasing Costs Tax Credit for Qualified Small Businesses**	J-II
Health Enterprise Zone Hiring Tax Credit**	B
Job Creation Tax Credit**	D
Maryland Disability Employment Tax Credit	C
Maryland Employer Security Costs Tax Credit**	J-I
Maryland Wineries and Vineyards Tax Credit**	T
Maryland-Mined Coal Tax Credit**	O
One Maryland Economic Development Tax Credit**	P
Oyster Recycling Tax Credit**	Q
Qualified Vehicle Tax Credit	G
Research and Development Tax Credits**	K

****Required Certification must be included with Form 504CR.**

If the fiduciary is entitled to claim a business tax credit, or has received a Maryland Schedule K-1 from a Pass-through Entity or another Fiduciary taxpayer, which establishes a basis for claiming a business tax credit on Maryland Fiduciary Income Tax Form 504, then the Fiduciary taxpayer will claim the amount of tax credit from line 1 of Part Z of Form 504CR.

If the Fiduciary taxpayer is eligible for a business income tax credit, but is not reporting its taxable income on federal Form 1041, then the taxpayer must file the appropriate tax return electronically to claim a business income tax credit. In this situation, the taxpayer should refer to Business Income Tax Credit Form 500CR Instructions at **www.marylandtaxes.com**.

If you are a fiduciary distributing the One Maryland Economic Development Tax Credit, refer to the instructions in Part P before completing the Maryland Form 504 Schedule K-1 for your beneficiaries. There are additional reporting requirements unique to the One Maryland Credit.

PTE member Any credit from a PTE filing a fiscal year return is considered to be received by the fiduciary on the last day of the PTE's fiscal year. The PTE member should claim the credit on the fiduciary's tax return for the same year as the PTE's fiscal year end. Even though the K-1 listing the credit may reflect the tax year for the beginning of the fiscal year, the credit is still claimed in the year in which the PTE's fiscal year ends.

Special Note for PTE Members: If you are a PTE member receiving a distributive share of credits, the required certification will have a different Taxpayer Identification Number from what you have listed on your return for yourself as the fiduciary. Please be sure to check the box as you begin to enter Form 504CR information into your return. It is important that you provide the PTE's Federal Employer Identification Number (FEIN) to ensure your credit is not disallowed. Check the box on page 1 of Form 504CR to indicate that credits are from a PTE and enter the PTE's FEIN. Include the Maryland Form 510 Schedule K-1 from the PTEs showing your share of the credit and any credits passing through to you.

Note: Some state agencies will only provide certification to the parent of a corporation, which in turn passes the information down to its subsidiaries. It is important to identify FEINs and business names in this situation to avoid processing delays.

If credits are received from more than one entity, include a list of the other entities with names, FEINs, type of credit and the amount of credit for each entity providing credit information.

Exception: Credits received from PTEs If you have received distributive share of tax credits reported on a Form 510 Schedule K-1, you do not need to complete the calculations for the credit. The amount which you enter in each section should be carried over to the appropriate fields in the Summary, Parts W, X or Y.

Other Information If a FEIN is to be used and has not been secured, enter "APPLIED FOR" followed by the date of application. If you have not applied for a FEIN, do so immediately.

PART A - ENTERPRISE ZONE TAX CREDIT

General Requirements Businesses located in an enterprise zone may be eligible for tax credits based upon wages paid to qualifying employees. **For the purpose of claiming the credit, Enterprise zones include Regional Institution Strategic Enterprise (RISE) zones as defined in Section 5-1401(e) of the Economic Development Article.** For businesses located in a focus area (an area within an enterprise zone that is especially in need) the credit amounts are higher.

Businesses that own, operate, develop, construct or rehabilitate property intended for use primarily as single- or multi-family residential property are **not** eligible for the enterprise zone tax credit.

Qualifying employees are those employees who:

1. Are new employees or employees rehired after being laid off for more than one year;
2. Were employed at least 35 hours per week by the business for at least six months before or during the business entity's tax year for which a credit is claimed;
3. Spent at least one-half of their working hours in the enterprise zone on activities of the business resulting directly from its location in the enterprise zone;
4. Earn 150% or more of the federal minimum wage; and

5. Were hired by the business after the later of the date on which the enterprise zone was designated or the date on which the business entity located in the enterprise zone.

In addition, an employee may not have been hired to replace an individual employed by the business in that or the three previous tax years except an economically disadvantaged employee hired to replace a previously qualified economically disadvantaged employee, for whom the business received the corresponding first- or second-year credit in the immediately preceding tax year.

For information on the location of enterprise zones and focus areas and the standards which businesses must meet to qualify, contact:

Maryland Department of Business and Economic Development
Office of Finance Programs, Tax Incentives Group
401 E. Pratt St.
Baltimore, MD 21202
410-767-6438 or 410-767-4041
taxincentives@choosemaryland.org

Economically disadvantaged employees are those who are certified as such by:

Maryland Department of Labor, Licensing and Regulation
Division of Workforce Development and Adult Learning
1100 N. Eutaw Street
Baltimore, MD 21201
410-767-2047

That office will provide information relating to certification requirements for such employees.

Specific Requirements

Complete Parts A-I and A-II if the business is located in an enterprise zone but **not** in a focus area.

Complete Parts A-III and A-IV if the business is located in a focus area.

PART A-I - Credit for economically disadvantaged employees not located in a focus area. A credit is allowed for each new economically disadvantaged employee for a three-year period beginning with the year the employee was qualified. The credits are limited to the following amounts of wages paid to the economically disadvantaged employee: $3,000 in the first year, $2,000 in the second year and $1,000 in the third year. If the employee replaced a previously qualified economically disadvantaged employee, the credit for the new employee will be the same as would have been allowed for the replaced employee.

On line 1, Part A-I, enter the number of economically disadvantaged qualified employees not located in a focus area in their first year of employment in the "First Year" box. Also, enter the number of these qualified employees in their respective second and third year boxes.

On line 2, Part A-I, enter the credit equal to the wages paid to each first year employee up to a maximum of $3,000 per employee.

On line 3, Part A-I, enter the credit equal to the wages paid to each second year employee up to a maximum of $2,000 per employee.

On line 4, Part A-I, enter the credit equal to the wages paid to each third year employee up to a maximum of $1,000 per employee.

On line 5, Part A-I, enter the sum of lines 2 through 4.

PART A-II - Credit for other qualified employees not located in a focus area. A credit is allowed for each **new** qualified employee not located in a focus area not provided in Part A-I. The credit is limited to $1,000 of wages paid and is applicable **for only the first year** the employee was qualified.

On line 6, Part A-II, enter the number of first-year qualified employees who are not located in a focus area who were not claimed in Part A-I.

On line 7, Part A-II, enter the amount of wages for these employees up to a maximum of $1,000 per employee.

PART A-III - Credit for economically disadvantaged employees located in a focus area. A credit is allowed for each new economically disadvantaged employee for a three-year period beginning with the first year the employee was qualified.

The credits are limited to the following amounts of wages paid to the same economically disadvantaged employee: $4,500 in the first year, $3,000 in the second year and $1,500 in the third year. If the employee replaced a previously qualified economically disadvantaged employee, the credit for the new employee will be the same as would have been allowed for the replaced employee.

On line 8, Part A-III, enter the number of economically disadvantaged qualified employees located in a focus area in their first year of employment in the "First Year" box. Also, enter the number of these qualified employees in their respective second and third year boxes.

On line 9, Part A-III, enter the credit equal to the wages paid to each first year employee up to a maximum of $4,500 per employee.

On line 10, Part A-III, enter the credit equal to the wages paid to each second year employee up to a maximum of $3,000 per employee.

On line 11, Part A-III, enter the credit equal to the wages paid to each third year employee up to a maximum of $1,500 per employee.

On line 12, Part A-III, enter the sum of lines 9 through 11.

PART A-IV - Credit for other qualified employees located in a focus area. A credit is allowed for each new qualified employee located in a focus area not provided in Part A-III. The credit is limited to $1,500 of wages paid and is applicable for only the first year the employee was qualified.

On line 13, Part A-IV, enter the number of first-year qualified employees located in a focus area who were not claimed in Part A-III.

On line 14, Part A-IV, enter the amount of wages for these employees up to a maximum of $1,500 per employee.

PART A - Summary

Check the box if you are claiming a credit for a business located in a RISE zone as defined in Section 5-1401(e) of the Economic Development Article.

Add lines 5, 7, 12 and 14 and enter total on line 15, Part A.

Also the amount on line 15, Part A, becomes an addition modification. Whenever an Enterprise Zone Tax Credit is claimed, an addition modification must be made in the amount of the credit claimed.

This credit is not refundable and is applied only against the Maryland State income tax. To the extent the credit is earned in any year and it exceeds the State income tax, the business is entitled to an excess carryover of the credit until it is used, or the expiration of five years, whichever comes first.

Business must include certification with the return which shows the business is located in a Maryland enterprise zone.

Maryland has more than 30 enterprise zones. Counties and municipalities are responsible for certifying a business as eligible for the tax credits. Contact the county or municipal enterprise zone administrator for more information. Department of Business and Economic Development (DBED) has a list of jurisdictions with enterprise zones on its Web site. Go to **www.choosemaryland.org** to see the list of Maryland Enterprise Zones by Region.

PART B – HEALTH ENTERPRISE ZONE HIRING TAX CREDIT

General Requirements A Health Enterprise Zone (HEZ) Employer may be eligible for tax credits based on wages paid to qualified employees.

A "Health Enterprise Zone Employer" means a HEZ Practitioner, a for-profit entity, or a nonprofit entity that employs qualified employees and provides health care services in a HEZ.

A "Health Enterprise Zone Practitioner" is a health care practitioner who is licensed or certified under the Maryland Health Occupations Article and who provides:

- Primary care, including obstetrics, gynecological services, pediatric services, or geriatric services;
- Behavioral health services, including mental health or alcohol and substance abuse services; or,
- Dental services.

A "qualified employee" is a HEZ Practitioner, community health worker, or interpreter who:

(1) Provides direct support to a HEZ practitioner; and

(2) Expands access to services in a HEZ.

A qualified position is a full-time position of indefinite duration, which pays at least 150% of the federal minimum wage, is located in a HEZ, and is newly created as a result of the establishment or expansion of services in a HEZ and is filled. A qualified position does not include a position that is filled for a period of less than 12 months.

A HEZ Employer may claim a refundable credit of $10,000 for hiring a qualified employee in a qualified position in a HEZ, as certified by the Department of Health and Mental Hygiene (DHMH).

To be eligible for the credit, the HEZ Employer may create one or more qualified positions within a 24-month period. The $10,000 credit must be taken over a 24-month period, with half of the credit amount allowed beginning with the first year certified.

Recapture Provision If the qualified position is filled for a period of less than 24 months, the tax credit will be recaptured. The tax credit will be reduced on a prorated basis, based on the period of time the position was filled.

For information on the location of HEZs and the standards which HEZ Employers must meet to qualify, contact:

Maryland Department of Health and Mental Hygiene
Health Systems & Infrastructure Administration
201 West Preston Street
Baltimore, MD 21201
410-767-5612
raquel.samson@maryland.gov or
dhmh.hez@maryland.gov

Specific Requirements

Complete lines 1 through 6 in Part B of Form 504CR if the HEZ Employer is located in a HEZ.

Line 1: Enter the amount of qualified employees certified by the Department of Health and Mental Hygiene (DHMH) in the appropriate box(es).

Line 2: Enter $5,000 for each qualified employee certified by the DHMH in their first year of employment.

Line 3: Enter $5,000 for each qualified employee certified by the DHMH in their second year of employment.

Line 4: Enter the sum of lines 2 and 3.

Line 5: Enter the refund recapture amount, if applicable as a positive number.

Line 6: Subtract line 5 from line 4 and enter the result on line 6 and on line 4, Part Y. If the result is less than 0, enter as a negative amount.

Note: A copy of the DHMH certification must be included with your tax return when claiming this tax credit.

No credit may be earned for any tax year beginning on or after January 1, 2017.

A nonrefundable HEZ Practitioner Tax Credit is available on Maryland Form 502CR, Tax Credits for Individuals. Go to **www.marylandtaxes.com** to download a copy of that form.

For more information about the HEZ Hiring Tax Credit certification, contact: DHMH.

PART C - MARYLAND DISABILITY EMPLOYMENT TAX CREDIT

General Requirements Businesses that employ persons with disabilities, as determined by the Division of Rehabilitation Services (DORS) in the Maryland State Department of Education and/or by the Maryland Department of Labor, Licensing and Regulation (DLLR), may be eligible for tax credits for wages paid to, and for child care expenses and transportation expenses paid on behalf of, qualified employees.

Qualifying employees with a disability are those who are certified as such by the DORS (or by the DLLR for a disabled veteran).

For certification or for additional information, contact:

Maryland State Department of Education
Division of Rehabilitation Services
2301 Argonne Drive
Baltimore, MD 21218
1-888-554-0334 or 410-554-9442
www.dors.state.md.us

or

Maryland Department of Labor, Licensing and Regulation
1100 N. Eutaw St., Room 201
Baltimore, MD 21201
410-767-2047

A "Qualified Employee" with a disability means an individual who:

1. Meets the definition of an individual with a disability as defined by the Americans with Disability Act;
2. Has a disability that presently constitutes an impediment to obtaining or maintaining employment or to transitioning from school to work; and,
3. Is ready for employment; or,
4. Is a veteran who has been discharged or released from active duty by the American Armed Forces for a service-connected disability.

An employee must not have been hired to replace a laid-off employee or to replace an employee who is on strike or for whom the business simultaneously receives federal or state employment training benefits.

Qualifying child care expenses are those expenses incurred by a business to enable a qualified employee with a disability to be gainfully employed.

Transportation expenses are those expenses incurred by a business entity to enable a qualified employee with a disability to travel to and from work.

Specific Requirements

Part C-I - Credit for employees with a disability hired. A credit is allowed for each new employee with a disability for a two-year period beginning with the year the employee was qualified.

The credit for each disabled employee hired is equal to 30% of the first $6,000 of qualified first year wages and 20% of the first $6,000 of qualified second year wages.

The employer is not entitled to claim the credit until employment has continued for at least one full year unless the employee:

(a) Voluntarily leaves the employer;

(b) Becomes further disabled or death occurs; or,

(c) Is terminated for cause. The credit must be prorated for the portion of the year the employee worked unless the employee voluntarily left to take another job.

On line 1, Part C-I, enter the number of qualified employees in their first year of employment in the "First Year" box. Enter the number of qualified employees in their second year of employment in the "Second Year" box.

On line 2, Part C-I, enter the credit equal to 30% of the first $6,000 of wages paid to each first year qualified employee.

On line 3, Part C-I, enter the credit equal to 20% of the first $6,000 of wages paid to each second year qualified employee.

On line 4, Part C-I, enter the sum of lines 2 and 3.

Part C-II - Credit for Child Care and Transportation Expenses

An additional credit is allowed for expenses incurred by the employer for approved day care services for a child or children of a qualified employee, or for transportation expenses that are incurred to enable a qualified employee to travel to and from work.

A credit of up to $600 is allowed for the first year of employment and up to $500 for the second year. To verify if a child care center qualifies as an approved provider, contact the Department of Human Resources, Child Care Administrator for the county or city in which the child care center is located.

On line 5, Part C-II, enter the number of qualified employees in their first year of employment in the "First Year" box. Enter the number of qualified employees in their second year of employment in the "Second Year" box.

On line 6, Part C-II, enter the credit equal to a combined total of $600 in child care and transportation expenses per each first year qualified employee with a disability.

On line 7, Part C-II, enter the credit equal to a combined total of $500 in child care and transportation expenses per each second year qualified employee with a disability.

On line 8, Part C-II, enter the sum of lines 6 and 7.

Part C - Summary

On line 9 Part C, enter the sum of lines 4 and 8.

Also the amount on line 9, Part C, becomes an addition modification. Whenever this credit is claimed against the income tax, an addition modification must be made in the amount of the credit claimed.

This credit is not refundable and is applied only against the Maryland State income tax. To the extent the credit is earned in any year and it exceeds the State income tax, the business is entitled to an excess carryover of the credit until it is used, or the expiration of five years, whichever comes first.

PART D - JOB CREATION TAX CREDIT

General Requirements 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.

The business facility must be certified as having created at least 60 qualified positions, 30 high-paying qualified positions, or 25 qualified positions if the business facility established or expanded is in a State Priority Funding Area.

A qualified position is a full-time position which pays at least 150% of the federal minimum wage, is located in Maryland, is newly created as a result of the establishment or expansion of a business facility in a single location in the state and is filled. Qualified business entities are those certified as such by the Maryland Department of Business and Economic Development. A qualified employee is an employee filling a qualified position.

This credit is not refundable and is applied only against the Maryland State income tax. To the extent the credit is earned in any year and it exceeds the State income tax, the business is entitled to an excess carryover of the credit until it is used, or the expiration of five years after the credit was earned, whichever comes first.

Recapture Provision If, at any time during the three tax years after the year the credit was earned, the average number of qualified positions falls more than 5% below the average number of qualified positions during the year in which the credit was earned, a portion of the credit will be recaptured for the tax year in which this occurs.

The amount to be recaptured is the amount originally claimed multiplied by the percentage reduction in the number of qualified employees. The credit to be recaptured is reported on line 26, Part W of Form 504CR.

Certification must be included with the Form 504CR when claiming this credit.

For certification or for information on the standards that businesses must meet to qualify, contact:

Maryland Department of Business and Economic Development
Office of Finance Programs, Tax Incentives Group
401 E. Pratt St.
Baltimore, MD 21202
410-767-6438 or 410-767-4980
taxincentives@choosemaryland.org

Specific Requirements

Part D-I - Credit for employees of a qualified business. A credit is allowed for each newly created qualified filled position. The credit is the lesser of $1,000 multiplied by the number of filled qualified positions during the credit year or 2.5% of the wages paid for these positions for the credit year.

Part D-I reflects the calculation of the credit for employees of a qualified business that is not located in a Revitalization Area.

Enter the number of qualified positions for the current year on line 1, Part D-I.

Multiply line 1 by $1,000 and enter the result on line 2, Part D-I.

Enter on line 3, Part D-I, 2.5% of the wages paid for each of the qualified positions on line 1.

On line 4, Part D-I, enter the lesser of line 2 or line 3.

Part D-II - Credit for employees working in a Facility Located in a Revitalization Area. A credit is allowed for each newly-created qualified filled position located in a Revitalization Area. The credit is the lesser of $1,500 multiplied by the number of filled qualified positions or 5% of the wages paid for these positions.

Part D-II reflects the calculation of the credit for employees of a qualified business working in a facility located in a Revitalization Area.

Enter the number of qualified positions working in a Revitalization

Area for the current year on line 5, of Part D-II.

Multiply line 5 by $1,500 and enter the result on line 6, Part D-II.

Enter on line 7, Part D-II, 5% of the wages paid for each of the qualified positions on line 5.

On line 8, Part D-II, enter the lesser of line 6 or line 7.

Part D - Summary

The total credit will be taken over a two-year period. One-half of the credit will be allowed each year. The amount allowed for any credit year cannot exceed $1,000,000.

Enter the total credits calculated for the current year by taking the sum of line 4 and line 8 and entering the result on line 9, Part D.

On line 10, Part D, enter the lesser of line 9 or $1,000,000.

Calculate the current year credits available by multiplying the amount on line 10 by 50% and entering the result on line 11, Part D.

Enter on line 12, Part D, 50% of the amount of credits from the prior year.

Add lines 11 and 12 to obtain the amount of Job Creation Tax Credits that may be claimed this year. Enter the result on line 13, Part D.

No credits may be earned for any tax year beginning on or after January 1, 2020.

PART E - COMMUNITY INVESTMENT TAX CREDIT

Businesses or individuals who contribute to approved Community Investment Programs may be eligible for a credit against the Maryland State income tax. Contributions must be made to a nonprofit organization approved by the Department of Housing and Community Development (DHCD). The taxpayer must apply to and receive approval by the DHCD for each contribution for which a credit is claimed. The credit is limited to 50% of the approved contributions (including real property) not to exceed $250,000.

Note: A copy of the required approval from the DHCD must be included with Form 504CR.

Specific Instructions

Enter the amount of approved contributions on line 1, Part E.

Enter 50% of line 1 on line 2, Part E.

On line 3, enter the lesser of line 2 or $250,000.

Also, enter this amount on line 5, Part W.

This credit is not refundable and is applied only against the Maryland State income tax. To the extent the credit is earned in any year and it exceeds the State income tax, the individual or business is entitled to an excess carryover of the credit until it is used, or it expires five years after the credit was earned, whichever comes first.

For more information contact:

Department of Housing and Community Development
Division of Neighborhood Revitalization
10 N. Calvert St., Suite 444
Baltimore, MD 21202
410-209-5800
citc@mdhousing.org

PART F - BUSINESSES THAT CREATE NEW JOBS TAX CREDIT

To qualify, businesses must be located in Maryland and create new positions or establish or expand business facilities in the state. If a property tax credit (or an enhanced property tax credit) as defined in Section 9-230 of the Tax-Property Article is granted by the Mayor and City Council of Baltimore City or the governing body of a county or municipal corporation, certain businesses may be entitled to an income tax credit.

These credits are based on percentages of the property tax liability as certified by the State Department of Assessments and Taxation(SDAT).

Businesses certified by SDAT for the Businesses that Create New Jobs Property Tax Credit will enter the amount of income tax credit for which they have been certified on line 1, Part F.

Businesses certified by SDAT for the Businesses that Create New Jobs Enhanced Property Tax Credit will enter the amount of income tax credit for which they have been certified on line 2, Part F.

Enter the total of the certified amount by adding lines 1 and 2 and entering the result on line 3, Part F.

Also enter this amount on line 6, Part W.

This credit is not refundable and is applied only against the Maryland State income tax. To the extent the credit is earned in any year and it exceeds the State income tax, the individual or business is entitled to an excess carryover of the credit until it is used, or it expires five years after the credit was earned, whichever comes first.

Recapture Provision If, at any time during the three tax years after the year the credit was earned, the business fails to satisfy the thresholds to qualify for the credit, the credit must be recaptured. The income tax credit to be recaptured is reported on line 26, Part W, of Form 504CR and filed with the tax return for the tax year in which the business failed to satisfy the applicable thresholds.

For more information contact:

State Department of Assessments and Taxation
301 W. Preston Street
Baltimore, MD 21201-2395
410-767-1191
taxcredits@dat.state.md.us

PART G - QUALIFIED VEHICLE TAX CREDIT (TRACTOR-TRAILER VEHICLE REGISTRATION TAX CREDIT)

General requirements A credit is allowed for the expense of registering a qualified vehicle in Maryland. "Qualified vehicle" means a Class F (Tractor) vehicle described under § 13-923(a) of the Transportation Article that is titled and registered in Maryland. The credit may not exceed the lesser of $400 for each qualified vehicle or the State income tax for the tax year.

The credit is claimed on Part G, line 1, and is also entered on Business Tax Credit Summary, Part W, line 7.

Any unused credit amount for the tax year may not be carried forward to any other taxable year.

No credit may be earned for any tax year beginning on or after January 1, 2017.

PART H - CYBERSECURITY INVESTMENT INCENTIVE TAX CREDIT

General Requirements A credit is available for an investment in a qualified Maryland cybersecurity company (QMCC). The credit is claimed by a QMCC. To qualify, a company can be an entity of any form (except a sole proprietorship) that is duly organized and existing under the laws of any jurisdiction for the purpose of conducting business for profit, and must be engaged primarily

in the development of innovative and proprietary cybersecurity technology.

The QMCC must:

- Have its headquarters and base of operations in Maryland;
- Have not participated in the tax credit program for more than 1 prior fiscal year;
- Have been in active business no longer than 5 years;
- Have an aggregate capitalization of at least $100,000;
- Own or have properly licensed any proprietary technology;
- Have fewer than 50 full-time employees;
- Not have its securities publicly traded on any exchange;
- Be in good standing;
- Be current in the payment of all tax obligations to Maryland or any unit or subdivision of Maryland;
- Not be in default under the terms of any contract with, indebtedness to, or grant from Maryland or any unit or subdivision of Maryland; and
- Meet any other requirements of the Department of Business and Economic Development evidencing that the QMCC is a going concern primarily engaged in the development of innovative and proprietary cybersecurity technology.

The amount of the credit is 33% of the investment in the QMCC, not to exceed $250,000. The investment cannot include debt. The investment must be the contribution of money in cash or cash equivalents expressed in United States dollars, at risk of loss, to a QMCC in exchange for stock, a partnership or membership interest, or any other ownership interest in the equity of the QMCC, title to which the ownership interest shall vest in the qualified investor. "Qualified investor" means an individual or entity that is required to file an income tax return in any jurisdiction and invests at least $25,000 in a QMCC. However, the qualified investor may not, after making the investment, own or control more than 25% of the equity interest in the QMCC. See § 10-733 of the Tax-General Article.

The QMCC must apply for and receive final certification from DBED to claim the Cybersecurity Investment Incentive Tax Credit.

For questions on application and certification processes or for additional information on this credit program, contact:

Maryland Department of Business and Economic Development
Office of Finance Programs, Tax Incentives Group
401 E. Pratt St.
Baltimore, MD 21202
410-767-6438 or 410-767-7234
taxincentives@choosemaryland.org

Specific Requirements

The QMCC may claim the tax credit for the amount provided in the final certificate. If the credit exceeds the tax due, then a refund for the excess amount may be claimed. The credit cannot be claimed until the date of issuance of the final certificate. It must be claimed on the Maryland income tax return for the tax year in which the investment is made in the QMCC.

The final certificate received from DBED is required to be included with your return for the Cybersecurity Investment Incentive Tax Credit to be allowed. Complete Part H using the information provided in the final certificate and enter the amount of the approved investment on line 1.

On line 2, Part H, enter 33% of the approved investment.

Line 3, Part H, reflects the maximum dollar amount of credit per investment ($250,000) and no entry is made on this line.

On line 4, Part H, enter the lesser of line 2 or line 3.

On line 5, Part H, enter any applicable recapture amount. See more information below about recapture amounts.

On line 6, Part H, subtract line 5 from line 4. If the amount is less than zero, enter a negative amount.

Enter the amount from line 6, Part H, on line 7, Part Y.

Note: If you are claiming a credit for more than one investment, another separate Part H must be completed for each investment.

Total the amounts from line 6 from each separate Part H. Using only one summary section, combine the total on line 7, Part Y. To claim the total credit, you must complete a second Part H at the time you file your income tax return.

Recapture of Credit The applicable recapture amount is calculated by multiplying the total amount of the credit claimed (or in the case of a sale, transfer, or other disposition of the ownership interest, the portion of the credit attributable to the ownership interest disposed of), by one of the following percentages:

- 100%, if the event requiring recapture of the credit occurs during the tax year for which the tax credit is claimed;
- 67%, if the event requiring recapture of the credit occurs during the first year after the close of the tax year for which the tax credit is claimed; or
- 33%, if the event requiring recapture of the credit occurs more than 1 year but not more than 2 years after the close of the tax year for which the tax credit is claimed. The amount of recapture is entered onto line 5, Part H.

The credit may also be subject to a recapture if the certificate is rescinded by DBED due to the QMCC failing to provide the required notice to DBED of having made the investment, or if DBED revokes the final certification due to false representations made in connection with the application for the certification.

Pass-through Entities If the credit is claimed by a QMCC that is a PTE, the members of the PTE may claim the distributive or pro rata shares of the credit amount subject to the $250,000 limitation. A PTE that earned the Cybersecurity Investment Incentive Tax Credit must electronically file the Maryland Form 510, Form 500CR and all other required attachments for members to be permitted to claim the credit. See Form 510 instructions.

For a fiduciary member of the PTE to be allowed the credit, the member must complete Form 504CR and include the following: copies of the final certification from DBED and statement of affidavit; and Maryland Form Schedules K-1 showing the allocated share of credit amount.

PART I - EMPLOYER-PROVIDED LONG-TERM CARE INSURANCE TAX CREDIT

A credit is allowed for premiums paid by employers to provide long-term care insurance to their employees as part of their benefits package. The employer may claim a credit of 5% of the premiums paid during the tax year or $100 for each Maryland employee covered by long-term care insurance provided, whichever is less, but cannot be more than $5,000.

Specific Instructions

On line 1, Part I, enter 5% of the long-term care insurance premiums paid as part of an employee benefit package.

On line 2, Part I, enter the number of employees within Maryland covered under the employee benefit package in the box provided.

Multiply this by $100 and enter the result on line 2.

On line 3, Part I, enter the lesser of line 1 or line 2.

On line 4, Part I, enter the lesser of line 3 or $5,000.

Also enter the amount from line 4, Part I, on line 9, Part W.

This credit is not refundable and is applied only against the Maryland State income tax. To the extent the credit is earned in any year and it exceeds the State income tax, the business is entitled to an excess carryover of the credit until it is used, or the expiration of five years after the credit was earned, whichever comes first.

PART J – MARYLAND EMPLOYER SECURITY CLEARANCE COST (ESCC) TAX CREDIT

A business may be eligible to claim credits against the State income tax for certain costs related to federal-based security contracting. For a business to be eligible, it must apply to and be certified by the Maryland Department of Business and Economic Development (DBED).

Part J-I – Credits for Sensitive Compartmented Information Facilities (SCIFs) and Security Clearance Administrative Expenses

A business may claim a credit against its Maryland State income tax for costs related to the construction or renovation of SCIF located in Maryland. The SCIF must be accredited by the appropriate federal agency. For costs related to a single SCIF, the credit is equal to the lesser of 50% of the costs or $200,000. For costs related to multiple SCIFs, the credit is the amount of costs up to $500,000 per calendar year.

Also, a business may claim a credit against its Maryland State income tax up to $200,000 per tax year for qualified security clearance administrative expenses.

Qualified expenses include:

- Processing application requests for federal security clearance;
- Maintaining, upgrading or installing computer systems in Maryland that are required to obtain federal security clearance; and,
- Training employees in the State to administer the clearance application process.

Whenever a credit is claimed against the income tax, an addition modification must be made in the amount of the credit claimed in Part J-I, line 3.

Claiming the Tax Credit

To claim the ESCC tax credit, a business must submit an application to DBED by September 15th following the tax year in which the related expenses and costs were incurred. By December 15th of that year, DBED will certify the approved amount for which the applicant will be required to file an **amended Maryland income tax return** with the Comptroller of Maryland to claim the credit and include a copy of the DBED certification.

The business will enter the DBED-certified amount of construction and equipment costs incurred to construct or renovate SCIFs on line 1, Part J-I.

On line 2, Part J-I, the business will enter the amount of certified Security Clearance Administrative expenses, not to exceed $200,000.

Line 3, Part J-I, will reflect the sum of line 1 and line 2. This amount also is an addition modification on the tax return.

Part J-II – The First Year Leasing Costs Tax Credit for Qualified Small Business

A qualified small business also may claim a credit against its Maryland income tax up to $200,000 for costs for rental payments during the first year of a rental agreement for leasing spaces to perform security-based contracting work.

In Part J-II, a qualified small business will claim the amount of First Year Leasing Costs Tax Credit approved by DBED.

The total ESCC tax credit approved by DBED may not exceed $2 million for any calendar year. If the total amount of credits applied for by all businesses exceeds $2 million, the credits will be approved on a pro rata basis.

Excess credit may be carried forward until the excess amount is fully used.

No credits may be earned for any tax year beginning on or after January 1, 2017.

For more information, contact:

Maryland Department of Business and Economic Development
Office of Finance Programs, Tax Incentives Group
401 E. Pratt St.
Baltimore, MD 21202
410-767-6438 or 410-767-4041
taxincentives@choosemaryland.org

PART K - RESEARCH AND DEVELOPMENT TAX CREDITS

Businesses that incur qualified research and development expenses in Maryland may be entitled to tax credits. The total of research and development credits for all businesses may not exceed $9,000,000 per year.

Part K-I – Research and Development Tax Credits for Businesses Not Certified as a "Small Business"

There are two credits. The Basic Credit is 3% of the qualified Maryland research and development expenses paid during the tax year, up to a base amount. The Growth Credit is 10% of the Maryland research and development expenses paid during the tax year that **exceed** the base amount.

Certification must be obtained from the Maryland Department of Business and Economic Development (DBED) before the credit can be claimed. The credit must be taken for the tax year in which the expenses were incurred. Therefore, an **amended return** may need to be filed. A copy of the certification from DBED must be included with the return.

Whenever this credit is claimed against the income tax, an addition modification must be made for the tax year in which the research and development expenses were paid.

Claiming the Tax Credit

The business will enter the DBED-certified Basic Credit (3%) on line 1, Part K-I.

On line 2, Part K-I, the business will enter the amount of the DBED-certified Growth Credit (10%).

Line 3, Part K-I, will reflect the sum of line 1 and line 2. This amount is carried to line 11, Part W. Also, this amount is an addition modification on the tax return.

Part K-II – Research and Development Tax Credits for Businesses Certified as a "Small Business"

If a business that is eligible to claim the Research and Development

Tax Credit is a "Small Business," the credit is calculated in basically the same manner, but Part K-II is used.

A "Small Business" is defined as a for-profit corporation, limited liability company, partnership or sole-proprietorship with net book value assets totaling at the beginning or the end of the tax year for which the Maryland qualified research and development expenses are incurred, as reported on the balance sheet, less than $5,000,000.

Claiming the Tax Credit

The business will enter the DBED-certified Basic Credit (3%) on line 4, Part K-II.

On line 5, Part K-II, the business will enter the amount of the DBED-certified Growth Credit (10%).

Line 6, Part K-II, will reflect the sum of line 4 and line 5. This amount is carried to line 6, Part Y. Also, this amount is an addition modification on the tax return.

For certification and further information contact:

Maryland Department of Business and Economic Development
Office of Finance Programs, Tax Incentives Group
401 E. Pratt St.
Baltimore, MD 21202
410-767-6438 or 410-767-4980
taxincentives@choosemaryland.org

PART L - BIOTECHNOLOGY INVESTMENT INCENTIVE TAX CREDIT

General Requirements A credit is available for an investment in a qualified Maryland biotechnology company (QMBC). To qualify, a company can be any entity of any form (except a sole proprietorship) that is duly organized and existing under the laws of any jurisdiction for the purpose of conducting business for profit, and must be primarily engaged in the research, development, or commercialization of innovative and proprietary technology that comprises, interacts with, or analyzes biological material including biomolecules (DNA, RNA, or protein), cells, tissues or organs. The QMBC must:

- Have its headquarters and base of operations in Maryland;
- Have fewer than 50 full-time employees;
- Have been in active business no longer than 10 years;
- Have been certified as a biotechnology company by DBED; and,
- Must not have any securities publicly traded on any exchange.

A QMBC includes:

- A company that has been in active business for up to 12 years, with DBED approval;
- For fiscal years 2012 and 2013 only, a company that has been in active business for up to 15 years; or,
- A company that has been in active business no longer than 10 years from the date the company first received a **qualified** investment.

The investor:

- Can be an individual or any entity (except a retirement plan), and must make an investment of at least $25,000 in a QMBC (but not own more than 25% of the equity interests in the company after making the investment);
- Must be required to file an income tax return in any jurisdiction; and,
- Must apply for and receive final certification from DBED to claim the Biotechnology Investment Incentive Tax Credit.

The amount of the credit is 50% of the investment in the qualified Maryland biotechnology company, not to exceed $250,000. The investment must be the contribution of money in cash or cash equivalents expressed in United States dollars, at risk of loss, to a QMBC in exchange for stock, a partnership or membership interest, or other ownership interest in the equity of the company title to which ownership shall vest in the qualified investor. The investment cannot include debt. See §10-725 of the Tax-General Article and Code of Maryland Regulations 24.05.03.

For questions on application and certification processes or for additional information on this credit program, contact:

Maryland Department of Business and Economic Development
Office of Finance Programs, Tax Incentives Group
401 E. Pratt St.
Baltimore, MD 21202
410-767-6438 or 410-767-7234
taxincentives@choosemaryland.org

Specific Requirements

The investor may claim the tax credit for the amount provided in the final certificate. If the credit amount exceeds the tax due, then a refund for the excess amount may be claimed. The credit cannot be claimed until the date of issuance of the final certificate. It must be claimed on the Maryland income tax return for the tax year in which the investor makes the investment in the QMBC.

Both the final certificate received from DBED and a statement of affidavit (see below) as prepared by the investor are required to be included with your return for the Biotechnology Investment Incentive Tax Credit to be allowed. Complete Part L using the information provided in the final certificate and enter the amount of the approved investment on line 1.

On line 2, Part L, enter 50% of the approved investment.

Line 3, Part L, reflects the maximum dollar amount of credit per investment ($250,000) and no entry is made on this line.

On line 4, Part L, enter the lesser of line 2 or line 3.

On line 5, Part L, enter any applicable recapture amount. See more information below about recapture amounts.

On line 6, Part L, subtract line 5 from line 4. If the amount is less than zero, enter a negative amount.

Enter the amount from line 6, Part L, on line 2, Part Y.

Note: If you are claiming a credit for more than one investment, another separate Part L must be completed for each investment.

Total the amount from line 6, from each separate Part L. Using only one summary section, combine the total on line 2, Part Y. To claim the total credit, you must complete a second Part L at the time you file your income tax return.

Required Statement and Recapture of Credit The statement of affidavit must include the Taxpayer Identification Number and name of the investor, signature of the investor under penalties of perjury (or its authorized representative), and date.

The statement of affidavit must stipulate that if, within 2 years after the close of the tax year for which the credit is claimed, (1) the investor sells, transfers or disposes of the ownership interest in the QMBC, for which this tax credit was certified, or, (2) the QMBC ceases operating as an active business with its headquarters and base of operations in Maryland, the investor must notify the Comptroller by reporting the applicable recapture amount on the investor's Maryland tax return for the tax year in which the event causing the recapture occurred.

The applicable recapture amount is calculated by multiplying the

total amount of the credit claimed (or in the case of a sale, transfer or other disposition of the ownership interest, the portion of the credit attributable to the ownership interest disposed of), by one of the following percentages:

- 100%, if the event requiring recapture of the credit occurs during the tax year for which the tax credit is claimed;
- 67%, if the event requiring recapture of the credit occurs during the first year after the close of the tax year for which the tax credit is claimed; or,
- 33%, if the event requiring recapture of the credit occurs more than 1 year but not more than 2 years after the close of the tax year for which the tax credit is claimed. The amount of recapture is entered onto line 5, Part L.

An investor's credit also may be subject to a recapture if the certificate is rescinded by DBED due to the investor failing to provide the required notice to DBED of having made the investment, or if DBED revokes the final certificate due to false representations made in connection with application for the certification. See Code of Maryland Regulations 24.05.03 for rescission and revocation procedures.

Pass-through entities If the credit is earned by an investor that is a PTE, the members of the PTE may claim the distributive or pro rata shares of the credit amount subject to the $250,000 limitation. A PTE that earned the Biotechnology Investment Incentive Tax Credit must electronically file the Maryland Form 510, Form 500CR and all other required attachments for members to be permitted to claim the credit. See Form 510 instructions.

For a fiduciary member of the PTE to be allowed the credit, the member must complete Form 504CR and include the following: copies of the final certification from DBED and statement of affidavit; and Maryland Form Schedules K-1 showing the allocated share of credit amount.

PART M - COMMUTER TAX CREDIT

A credit is allowed for businesses that conduct or operate a trade or business in Maryland and provide commuter benefits for their employees.

The business must pay a portion of the cost of travel between the employee's home and the workplace. Qualified commuter benefits include the cost of transit instruments (tickets, passes, vouchers, fare cards, smartcards and tokens) used to transport an employee of the business to or from home and the workplace. The portion of the cost an employer pays to provide a "Guaranteed Ride Home" program or for a parking "Cash-Out" program for their employees also are qualified commuter benefits.

Travel must be on a qualified mass transit vehicle or system, or in a vanpool. The vanpool vehicle must seat at least 8 adults and be used primarily to transport employees between home and the workplace.

The credit is the lesser of 50% of the cost of providing commuter benefits or $50 per month for each employee.

Specific Instructions

On line 1, Part M, enter the amount of qualified commuter benefits paid on behalf of employees.

On line 2, Part M, enter 50% of the amount entered on line 1.

On line 3, Part M, enter the number of employees for which commuter benefits were paid.

On line 4, Part M, calculate the number of months covered by the employees (employee months) listed on line 3 by $50.

On line 5, Part M, enter the lesser of line 2 or line 4. This is the credit amount.

Enter the amount from line 5, Part M, to line 13, Part W.

The amount of this credit is limited to the Maryland State income tax on the return and is not carried forward to another tax year.

For more information contact:

Mass Transit Administration, Marketing Division
6 St. Paul Street, 2nd Floor
Baltimore, MD 21202-1614
410-767-8755
www.commuterchoicemaryland.com

PART N - CLEAN ENERGY INCENTIVE TAX CREDIT

This credit is allowed if a Maryland facility is originally placed in service or initially began co-firing, during the period of 1/1/2006 through 12/31/2015 and produces electricity during the tax year primarily using qualified energy resources derived from:

- Wind
- Open and Closed Loop Biomass
- Geothermal
- Solar
- Small Irrigation
- Municipal Solid Waste
- Qualified Hydropower

The credit is 0.85 cents for each kilowatt hour of electricity produced at a Maryland facility using qualified energy resources during the five-year period specified in the initial credit certificate. If the facility produces electricity from qualified energy resources co-fired with coal, the credit is 0.5 cents for each kilowatt hour of electricity produced during the five-year period, specified in the initial credit certificate.

You must obtain an initial credit certificate from Maryland Energy Administration before claiming this credit.

Specific Instructions

On line 1, Part N, enter in the box provided the number of kilowatt hours of electricity that **was not co-fired** with coal. Multiply this number by .0085. Enter the result on line 1, Part N.

On line 2, Part N, enter in the box provided the number of kilowatt hours of electricity that **was co-fired** with coal. Multiply this number by .005. Enter the result on line 2, Part N.

Enter the total of lines 1 and 2 on line 3, Part N.

On line 4, Part N, enter one-fifth of the amount stated on the initial credit certificate.

Enter the lesser of line 3 or line 4 on line 5, Part N. Also enter this amount on line 3, Part Y.

The credit claimed each year cannot exceed one-fifth of the maximum amount stated in the initial credit certificate. If the credit amount exceeds the tax due, a refund for the excess amount may be claimed.

For information concerning qualifications for the credit, contact:

Maryland Energy Administration
60 West St, Ste 300
Annapolis, MD 21401
410-260-7655
meainfo@energy.state.md.us

Note: A copy of the certification by the Maryland Energy Administration must be included.

PART O - MARYLAND-MINED COAL TAX CREDIT

A credit is allowed for a qualified cogenerator, small power producer or an electricity supplier (as defined under §1-101 of the Public Utilities Article) for the purchase of Maryland-mined coal. An electricity supplier may not have been a public utility before July 1, 1999. A cogenerator or an electricity supplier must not be subject to the public service company franchise tax. The credit is $3 for each ton of Maryland-mined coal purchased in the current tax year.

Specific Instructions

Enter on line 1, Part O, the number of tons of Maryland-mined coal purchased in the current year.

Multiply line 1 by $3 and enter the result on line 2, Part O, and also on line 15, Part W.

The credit is limited to the amount of Maryland State income tax on the return. No carryover of excess credits exists for this tax credit.

The amount of this credit must be certified by the State Department of Assessments and Taxation.

For more information contact:

State Department of Assessments and Taxation
301 W. Preston Street
Baltimore, MD 21201-2395
410-767-1191
taxcredits@dat.state.md.us

Note: A copy of the certification by the State Department of Assessments and Taxation must be included.

PART P - ONE MARYLAND ECONOMIC DEVELOPMENT TAX CREDIT

General requirements Credits may be claimed for eligible project costs and for eligible start-up costs incurred to establish, relocate or expand a business facility in a distressed Maryland county. To qualify for the credit for project costs, a minimum of $500,000 must be spent on eligible project costs. **At least 25 newly hired qualified employees must be employed for at least one year at the new or expanded facility.**

This credit may also be claimed by tax-exempt nonprofit organizations that are qualified business entities against their unrelated business taxable income.

If claiming a credit for multiple projects, complete a separate Part P for each project.

For information on distressed counties, qualified employees, eligible costs, and other requirements, businesses must satisfy to qualify for credit, contact:

Maryland Department of Business and Economic Development
Office of Finance Programs, Tax Incentives Group
401 E. Pratt St.
Baltimore, MD 21202
410-767-6438 or 410-767-4980
taxincentives@choosemaryland.org

Note: For tax years beginning after December 31, 2010, a qualified business entity, which has been certified for the tax credit, may claim a prorated share of this credit, if: (1) the number of qualified positions falls below 25, but does not fall below 10, and (2) the qualified business entity has maintained at least 25 qualified positions for at least five years.

PART P-I - CALCULATION OF TAXABLE INCOME, WITHHOLDING, QUALIFIED EMPLOYEES AND TAX LIABILITY

Note: Part P-I has two columns. Column 1 is used by all qualified fiduciaries, except PTE members. Column 2 is used by PTE members only and should reflect a member's distributive share of the reported items, except lines 4a through 4d (see the instructions below for Part P-I, Section A).

Read the Special Instructions-I For Qualified Entities That Are Pass-Through Entities, following Part-IV Summary.

PTE members must read the Special Instructions-II For Members Of Qualified Business Entities That Are Pass-Through Entities **BEFORE** completing Part P-I.

Section A This section is used to separate the qualified business entity's Maryland taxable income from the project (the "project taxable income") from the Maryland taxable income not associated with the project (the "non-project taxable income"). Project taxable income is the income generated by or arising out of the eligible economic development project.

For fiduciaries who are not PTE members, enter your Maryland taxable net income from your return on line 1.

For PTE members of a qualified business entity, enter your Maryland taxable net income from the PTE on line 1.

On line 2, enter your share of the Maryland taxable income from the project ("project taxable income") of the qualified business entity.

To calculate the project taxable income, proceed as follows:

1. If the project is a totally separate facility, then project income is figured by using separate accounting, reflecting only the gross income, deductions, expenses, gains, and losses directly attributable to the facility and overhead expenses apportioned to the facility.
2. If the project is an expansion to a previously existing facility, then figure net income attributable to the entire facility by using separate accounting reflecting only the gross income, deductions, expenses, gains, and losses directly attributable to the facility and overhead expenses apportioned to the facility and net income attributable to the project. Next, figure the project income by apportioning the entire facility income to the project.

Or,

3. If separate accounting method is shown to be not practicable, use an alternate method approved by the Comptroller of Maryland or the Maryland Department of Business and Economic Development (DBED).

Enter the non-project Maryland taxable income on line 3. This result is determined by subtracting line 2 from line 1. If less than 0, enter 0.

Enter on line 4a the number of qualified employees. This number is not allocated or pro-rated; a PTE reports this same number on Maryland Form 510 Schedule K-1 to all PTE members.

A qualified employee is an employee filling a qualified position. Generally, this is a position that is full-time and of indefinite duration, is paid at least 150% of the federal minimum wage, is located in a qualified distressed Maryland county, and is newly created as a result of the establishment of a business facility.

Note: If the number of employees entered on line 4a is fewer than 10, do not continue. You are not eligible to claim the tax credit for this year.

Enter a "Yes" or a "No" to the question on line 4b, whether the qualified business entity had maintained at least 25 qualified positions for at least five years. If the answer is "No" **AND** the number of employees entered on line 4a is fewer than 25, a credit may not be claimed for this year.

Enter in the box on line 4c the tax year the project was put into service.

Calculate the prorate factor on line 4d. If line 4a is greater than or equal to 25, enter 1.000000.

Enter on line 5 the amount of Maryland income tax the qualified business entity was required to withhold during this tax year from the wages of qualified employees under §10-908 of the Tax-General Article.

Section B This section is used to calculate the qualified business entity's total State tax liability, and to separate the State tax liability on project taxable income (the amount computed on line 2, Section A) and the State tax liability on non-project taxable income (the amount on line 3, Section A).

Enter on line 6:

- The total tax liability from line 23 (less any amount claimed on line 32) of Form 504 if you are a resident fiduciary. If less than 0, enter 0; or,
- The total tax liability from line 25 (less any amounts on line 32) of Form 504 if you are a nonresident fiduciary. If less than 0, enter 0; or,

If you are a **PTE member** of a qualified business entity, multiply the amount on line 1, Section A, by the highest rate used to calculate the tax on your Maryland Form 504. Enter this amount on line 6.

Enter on line 7a, Section B, the State tax on the amount of income reported on line 2, Section B. Fiduciaries may use the highest tax rate used to calculate tax on their individual returns if they have no other reasonable basis for determining the tax amount.

PTE members of qualified business entities must multiply the amount on line 2 by the highest rate used to calculate the tax on their Maryland tax returns. Enter this amount on line 7a.

This section also reflects the application of the prorate factor to the tax liabilities computed on line 7a and 8a, when a qualified business entity has between 10 and 24 employees, but has had at least 25 qualified employees for at least five years since they have been eligible for this tax credit.

Multiply the tax amount entered on line 7a by the prorate factor on line 4d and enter the result on line 7b.

Calulate the tax on nonproject income by subtracting line 7a from line 6 and enter the result on line 8a. If the amount is less than 0, enter 0.

Multiply the amount of tax calculated on line 8a by the prorate factor on line 4d and enter the result on line 8b.

Section C

Note: PTE members will enter the distributive share of the total eligible project and start-up costs as stated on their Maryland Form 510 Schedule K-1 when completing Column 2.

Project costs Eligible project costs are the costs and expenses that a qualified business entity incurs to acquire, construct, rehabilitate, install, or equip the eligible economic development project.

Enter on line 9, the total eligible project costs for the eligible economic development project.

Enter on line 10 the lesser of the amount reported on line 9 or $5,000,000. The total eligible project costs must be at least $500,000, and cannot exceed $5,000,000.

Start-up costs Eligible start-up costs to furnish and equip a new or expanding location for ordinary business functions and those expenses for moving costs, separation costs, and any other expenses directly related to a move from an existing non-Maryland location to a location in a qualified distressed Maryland county.

Enter on line 11, the total eligible start-up costs to establish or expand a business facility in a qualified distressed county.

Enter on line 12, the lesser of the amount reported on line 11 or $500,000. The total amount of eligible start-up costs cannot exceed $500,000.

Enter on line 13, the number of qualified employees employed at the new or expanded business facility (from line 4a, Part P-I) multiplied by $10,000.

PTEs stop here. PTEs do not complete the remainder of Part P.

PART P-II - CREDITS AGAINST TAX LIABILITY AND TAX ON INCOME FROM THE PROJECT

Beginning with Part P-II, the computation returns to one column and is used by all taxpayers eligible to claim this credit except for PTEs.

Part P-II is used to calculate the credits that can be claimed for the project credit and the start-up credit during nonrefundable tax years for the One Maryland Economic Development Tax Credit.

The nonrefundable tax years consist of the initial tax year and any carryover years. During this period, these credits are limited up to a certain amount of the entity's State tax liability.

A carryover credit may be claimed for the project tax credit against the State income tax on the project taxable income until the earlier of the full amount of excess eligible project costs is used, or until the 14th tax year following the tax year in which the eligible economic project is placed in service. A carryover credit may be claimed for the start-up tax credit against State income tax until the earlier of the full amount of the excess eligible startup costs, or until the 14th tax year following the tax year in which the entity locates in a qualified distressed county.

Part P-II also is used to calculate a certain nonrefundable portion of the project credit and the nonrefundable start-up credit that may be claimed during the tax years when these credits may have refundable portions.

Section A - Project Costs Tax Credit

On line 14, enter the sum of the amount of the project credits allowed for the eligible project costs in the initial tax year (the first tax year in which this credit was claimed), prior carryover tax years, and any refundable tax year amounts.

On line 15, subtract line 14 from line 10 and enter the result. If the result is 0 or less, enter 0.

The amount on line 15 is the amount of remaining excess eligible project costs that are available to be claimed by the qualified business entity as a project credit for this tax year. The project credit that may be claimed in Part P-II is limited up to the amount of your Maryland **State income tax** liability on the project taxable income.

Enter on line 16 the amount of the Maryland State income tax liability attributable to income from the project (line 7b).

Enter on line 17, the lesser of line 15 or line 16. This amount is the "Credit against tax on income from the project."

Section B - Start-up Costs Tax Credit

On line 18, enter the sum of the amount of the start-up credits allowed in the initial tax year, prior carryover tax years, and any refunds (these are the amounts claimed as refunds for the start-up credit during the tax years when this credit becomes a refundable credit).

On line 19, subtract line 18 from line 12 and enter the result. If the result is 0 or less, enter 0.

The amount calculated on line 19 is the excess amount available to be claimed by the qualified business entity as a start-up credit.

On line 20, enter the lesser of line 13 or line 19. The start-up credit is equal to the lesser of the amount on line 19 or line 13 (qualified employees multiplied by $10,000).

On line 21, subtract line 17 from line 6 and enter the result. If the result is 0 or less, enter 0.

On line 22, enter the lesser of line 20 or line 21.

The start-up credit that may be claimed in Part P-II is limited to the qualified business entity's Maryland State income tax liability. If a project credit was claimed in Part P-II, then the amount of the start-up credit on line 22 is limited to the remaining Maryland State income tax liability after taking the nonrefundable project credit (line 21).

PART P-III - REFUNDABLE ONE MARYLAND ECONOMIC DEVELOPMENT TAX CREDIT

Generally, at any time after the 4th tax year but before the expiration of the 15th tax year after the project was placed in service or the business locates to a qualified distressed county, the business may apply the excess to the entity's total Maryland State income tax liability and may request a refund of any excess credit.

If the majority of the qualified positions are paid at least 250% of the federal minimum wage, then the refundable years will begin after the 2nd tax year rather than the 4th tax year.

Section A - Project Costs

The refundable portion of the project credit for the tax year is calculated after the nonrefundable portions of the credit are claimed.

The refundable portion is calculated by subtracting the amount allowed as the nonrefundable portion of this credit (line 17, Part P-II) claimed for this tax year from the remaining available project credit amount (line 15, Part P-II).

Subtract line 17, Part P-II, from line 15, Part P-II, and enter result on line 23, Part P-III. If the result is 0 or less, enter 0.

This amount is the remaining excess eligible project costs for the eligible economic development project. This project credit amount is applied against the remaining, available State income tax liability.

This section is used to calculate the portion of the nonrefundable tax credit that is allowed against the State tax on non-project taxable income during the refundable tax years of the One Maryland Economic Development Tax Credit.

On line 24, re-enter the amount of the tax on non-project income that you had previously entered on line 8b, Part P-I.

Subtract line 17 and line 22 from line 6 and enter the result on line 25, Part P-III. If the result is 0 or less, enter 0. This is the amount of tax available for application of the tax credit.

On line 26, calculate the credit against non-project income by entering the lesser of lines 23, 24, or 25.

Enter the tentative refund amount on line 27, Part P-III. This amount is calculated by subtracting line 26 from line 23. If the result is 0 or less, enter 0.

The tentative refund is the amount, if any, by which any unused excess project credit amount exceeds the State income tax liability.

The refundable portion is limited to the amount of Maryland income tax withheld during this tax year from the wages of qualified employees (line 5).

On line 28, Part P-III, re-enter the amount of Maryland income tax required to be withheld from the qualified employees. This is the amount that you entered on line 5, Part P-I.

On line 29, enter the refund from project costs allowable this year. Calculate this amount by subtracting line 26 from line 28 (if less than 0, you will use 0) and enter that result or line 27, whichever is less.

Section B - Start-up Costs

The refundable portion of the startup credit is calculated after the nonrefundable portion of this credit is claimed.

Subtract line 22 from line 20 and enter the result on line 30, Part P-III. If the result is 0 or less, enter 0. This is the tentative refund amount for start-up costs.

On line 31, Part P-III, re-enter the amount of Maryland income tax required to be withheld from the qualified employees. This is the amount that you entered on line 5, Part P-I.

The tentative refund is the amount of the remaining excess start-up credit. The refundable portion of the start-up credit is limited to the amount of Maryland income tax withheld during this tax year from the wages of qualified employees (line 5).

Enter the refund from start-up costs allowable this year. Calculate this amount by entering the lesser of line 30 or line 31.

PART P-IV - SUMMARY

Complete the summary of credit amounts claimed for the project credits and start-up credit for the One Maryland Economic Development Tax Credit.

Enter on line 35 the nonrefundable portions of the project and start-up costs credits from lines 33 and 34. This is the total nonrefundable One Maryland Economic Development Tax Credit.

This amount should also be entered on line 16, Part W. Add lines 36 and 37 and enter this amount on line 38. This is the total refundable One Maryland Economic Development Tax Credit.

This amount should also be entered on line 1, Part Y.

Note: A copy of the final credit certification from the Department of Business and Economic Development must be included.

SPECIAL INSTRUCTIONS-I FOR QUALIFIED BUSINESS ENTITIES THAT ARE FIDUCIARIES AND WHO ELECT TO DISTRIBUTE THE ONE MARYLAND TAX CREDIT TO THEIR BENEFICIARIES

Fiduciaries who elect to distribute the One Maryland Tax Credit to beneficiaries must provide the following information on Form 504CR if they are eligible for the One Maryland Economic Development Tax Credit:

1. Maryland taxable income;
2. Maryland taxable income from the project;
3. Non-project taxable income;
4. Number of qualified employees;
5. If the number of employees is fewer than 25 employees, the employer who is a fiduciary must state whether or not the qualified business entity had 25 filled qualified positions for at least five years from the time they have been eligible for the credit;
6. The tax year the project was put into service;
7. Amount of Maryland income tax required to be withheld from these qualified employees;
8. Total eligible project costs;
9. $5,000,000 maximum;
10. Total eligible start-up costs;
11. $500,000 maximum.

The distributive portion of these items must be furnished to each beneficiary of the fiduciary taxpayer on the beneficiary's respective Maryland Form 504 Schedule K-1. The fiduciary also must indicate on the Schedule K-1 whether or not the fiduciary is a qualified business entity which would be entitled to pass on a refundable credit or whether the credit is nonrefundable only. The fiduciary taxpayer must provide a copy of the final certification to each

beneficiary.

SPECIAL INSTRUCTIONS-II FOR FIDUCIARY MEMBERS OF QUALIFIED BUSINESS ENTITIES THAT ARE PASS-THROUGH ENTITIES

Based on the Maryland Form 510 Schedule K-1, a fiduciary member then may file the applicable Maryland income tax return, completing the Form 504CR, to claim the One Maryland Economic Development Tax Credit. The fiduciary member should complete Part P of Form 504CR in its entirety to compute the credit amounts and claim any of the credits allowed for the tax year.

For the sections in Part P-I, the member would only complete Column 2.

The PTE member (the member of the qualified business entity) must limit the amounts claimed for the project credit and start-up credit to the distributive portion of the PTE's taxable income as reported on Maryland Form 510 Schedule K-1.

The PTE member computes the tax on the member's share of the PTE's Maryland taxable income (line 1) using the highest rate actually used on the member's return and enter the result on line 6. The PTE member then will enter on line 7a that portion of line 6 which is attributable to the member's share of project taxable income. The tax on non-project income on line 8a is calculated by taking the tax calculated on line 7a, prorating it further on line 7b, and then subtracting line 7a from line 6; if the amount on line 8a is less than 0, enter 0. Line 8a also is further prorated by the factor on line 4b, to arrive at line 8b.

All amounts (except for line 13) entered in Section C of Part P-I, should reflect the PTE member's share of items as reported on the Maryland Form 510 Schedule K-1.

For Parts P-II, P-III, and P-IV, the PTE member should follow the preceding instructions for the respective parts.

Note: The member must include a copy of the PTE's final credit certification to claim the credit.

PART Q – OYSTER SHELL RECYCLING TAX CREDIT

An individual or corporation may claim a credit against the State income tax in an amount equal to $1 for each bushel of oyster shells recycled during the tax year. The credit may not exceed $750 per taxpayer.

Any unused credit amount for the tax year may not be carried forward to any other tax year.

To claim the credit, an individual or corporation must submit certification from the Maryland Department of Natural Resources, which verifies the amount of oyster shells recycled during the year.

This credit is claimed on line 1, Part Q, and also is entered on line 17, Part W, Business Tax Credit Summary.

No credit may be earned for any tax year beginning on or after January 1, 2018.

For additional information, contact:

Maryland Department of Natural Resources
Tawes State Office Building
580 Taylor Avenue
Annapolis, MD 21401
410-260-8300

PART R - BIO-HEATING OIL TAX CREDIT

An individual or corporation may claim a credit against the State income tax in an amount equal to 3¢ per gallon of bio-heating oil purchased for space or water heating. The credit may not exceed $500 per taxpayer.

Any unused credit amount for the tax year may not be carried forward to any other tax year.

To claim the credit, an individual or corporation shall apply to the Maryland Energy Administration (MEA) for an initial credit certificate for the number of gallons of bio-heating oil purchased for space or water heating. This credit is claimed on line 1, Part R, and also is entered on line 18, Part W, Business Income Tax Summary.

No credit may be earned for any tax year beginning on or after January 1, 2018.

For additional information, contact:

Maryland Energy Administration
60 West St, Ste 300
Annapolis, MD 21401
410-260-7655
meainfo@energy.state.md.us

Note: A copy of the certification by the Maryland Energy Administration must be included.

PART S - CELLULOSIC ETHANOL TECHNOLOGY RESEARCH AND DEVELOPMENT TAX CREDIT

An individual or corporation may claim a credit against the State income tax in an amount equal to 10% of the qualified research and development (R&D) expenses paid or incurred by the individual or corporation during the tax year. By September 15 of the calendar year following the end of the tax year in which the expenses were paid or incurred, an individual or corporation may apply to the Department of Business and Economic Development (DBED) for the credit allowed. By December 15 of the same calendar year, DBED will certify the amount of the tax credit approved. The total amount of credits approved by DBED for any tax year may not exceed $250,000.

To claim the approved credit, an individual or corporation must file an amended income tax return for the tax year in which the qualified R&D expenses were paid or incurred.

The amount of the approved credit is entered onto line 1, Part S, and on line 19, Part W, Business Tax Credit Summary. Also, this amount is an addition modification on the tax return.

The individual or corporation must include a copy of the DBED certification of the approved credit amount to the amended income tax return. Any credit in excess of the State income tax may be carried forward to succeeding tax years until the earlier of the full amount of the excess is used, or the expiration of the 15th tax year after the tax year in which the qualified R&D expenses were paid or incurred.

No credits may be earned for any tax year beginning on or after January 1, 2017.

For more information, contact:

Maryland Department of Business and Economic Development
Office of Finance Programs, Tax Incentives Group
401 E. Pratt St.
Baltimore, MD 21202
410-767-6438 or 410-767-4980
taxincentives@choosemaryland.org

PART T – MARYLAND WINERIES AND VINEYARDS TAX CREDIT

Businesses may claim a credit against the State income tax for qualified capital expenses made in connection with the establishment of new wineries or vineyards, or the capital improvements made to existing wineries or vineyards in Maryland.

The business may apply for tax credit in an amount equal to

but not more than 25% of incurred costs. The total amount of credits awarded to each business depends on the amount of eligible expenses and costs incurred with a limit of $500,000 for all businesses that apply. If the total amount of credits applied for exceeds $500,000 in a year, the credit will be prorated among the certified applicants.

"Qualified Capital Expenses" are all expenditures made by the business for the purchase and installation of equipment or agricultural materials for use in the production of agricultural products at a vineyard or in a winery. A list of a number of expenses that may be considered is available on the Department of Business and Economic Development's (DBED) Web site at **www.choosemaryland.org**.

Utilities, labor costs, service costs, repair costs, maintenance costs, construction costs, and general supplies are NOT eligible expenses.

A business must be certified as a qualified business entity that is eligible for the tax credit. Applications for certification are available from the DBED Web site. The business must submit an application, report of expenses and supporting documents to DBED by September 15 of the calendar year following the end of the tax year in which the expenses were incurred. DBED will review the application package and will certify the amount of tax credit the taxpayer may claim by December 15th of the same year.

The business must file an amended tax return with the Comptroller of Maryland for the year in which the expenses were incurred and include the certification from DBED.

This credit is claimed on line 1, Part T, and also is entered on line 20, Part W, Business Tax Credit Summary.

If the Wineries and Vineyards Tax Credits exceed the State income tax imposed for that year, the credits may be carried forward for 15 years.

No credit may be earned for any tax year beginning on or after July 1, 2018.

For additional information, contact:

Maryland Department of Business and Economic Development
Office of Finance Programs, Tax Incentives Group
401 E. Pratt St.
Baltimore, MD 21202
410-767-6438 or 410-767-4041
taxincentives@choosemaryland.org

PART U - FILM PRODUCTION ACTIVITY TAX CREDIT

A qualified film production entity may claim a credit against the State income tax for film production activities in the state in an amount equal to the amount stated in the final tax credit certificate approved by the Department of Business and Economic Development (DBED).

If the tax credit allowed exceeds the total tax otherwise payable by the qualified film production entity for that tax year, the qualified film production entity may claim a refund in the amount of the excess.

To claim the credit, before beginning a film production activity, a qualified film production entity shall apply with DBED for an initial credit certificate for the estimated production costs. To qualify as a film production entity, the estimated total direct costs incurred in Maryland must exceed $500,000. The credit claimed cannot exceed the amount stated in the final certificate.

Enter on line 1, Part U, the amount of tax credit certified by DBED. This amount is also entered on line 5, Part Y.

No credit may be earned for any fiscal year beginning on or after July 1, 2016.

For additional information, contact:

Catherine Batavik, Deputy Director
Maryland Film Office
Maryland Department of Business and Economic Development
401 E. Pratt St., 14th Floor
Baltimore, MD 21202
410-767-6342
cbatavik@choosemaryland.org

Note: A copy of the certification by DBED must be included.

PART V - ELECTRIC VEHICLE RECHARGING EQUIPMENT TAX CREDIT

An individual or corporation may claim a credit against the State income tax in an amount equal to 20 percent of the cost of any qualified electric vehicle recharging equipment placed in service by the taxpayer during the tax year. The credit may not exceed $400 for each individual recharging system or the State income tax for the tax year.

Any unused credit amount for the tax year may not be carried forward to any other tax year.

To claim the credit, an individual or corporation shall apply with the Maryland Energy Administration (MEA) for initial credit certificate for the number of individual recharging systems.

Note: Special Rules for 2014

The Electric Vehicle Recharging Equipment Tax Credit expired effective July 1, 2014. The credit may not be claimed for purchases of electric vehicle recharging equipment on or after that date. Individuals or corporations who made purchases of electric vehicle recharging equipment on or after that date may qualify for a rebate under a program administered by MEA.

For additional information, contact:

Maryland Energy Administration
60 West St, Ste 300
Annapolis, MD 21401
410-260-7655
meainfo@energy.state.md.us

Note: A copy of the certification(s) by Maryland Energy Administration must be included.

PART W - BUSINESS TAX CREDIT SUMMARY

This part is used to summarize all available nonrefundable tax credits reported on this form. If the total credits available in a particular tax year exceed the State income tax developed for that year, the excess may not be refunded.

Taxpayers will enter their respective current year credits in lines 1 through 22 of Part W, with the following exceptions:

- No entry is to be made on lines 2, 8, 12, 14 and 21 because the credits to which they relate are refundable credits and will be claimed on Part Y

Enter on line 23, the total of the credits listed on lines 1 through 22.

Enter on line 24 the carryover of excess credits unable to be used on last year's return. This amount comes from line 7, Part X, from 2013 Form 504CR.

Add lines 23 and 24 and enter the result on line 25. This is the tentative tax credit.

On line 26, enter the amount of recaptured tax credits (See instructions for Parts D and F).

Subtract line 26 from line 25 and enter the result on line 27.

On line 28, Part W, enter the State income tax from your return. Resident fiduciaries will enter line 23 (less amount from line 32) and nonresident fiduciaries will enter line 25 (less amount from line 32). If the amount if less than 0, enter 0.

On line 29, enter the lesser of line 27 or 28.

An addition to income is required for credits from Parts A, C, J-I, K-I, K-II, S and any credit carried over and claimed in the current year from the Employment Opportunity Tax Credit. These additions are comprised of lines 1, 3, 10a, 11 and 19 from Part W; and line 6 from Part Y. The totals of these amounts including any credit carried over and claimed in the current tax year from the Employment Opportunity Tax Credit are included on line 3a of Form 504.

PART X - EXCESS CREDIT CARRYOVER CALCULATION

Most credits may not exceed the Maryland income tax liability, but may be carried forward for a specified number of successive tax years or until fully applied. It is your responsibility to maintain a record of credits for which you qualify, credits that have been taken in prior years, and the amount of each credit that may be carried forward. To assist you, we have provided a table with the number of years for which each credit may be carried forward.

PART Y - REFUNDABLE BUSINESS INCOME TAX CREDITS

Part Y is used to report the refundable portion of business income tax credits:

On line 1, enter the One Maryland Economic Development Tax Credit from line 38, Part P-IV.

On line 2, enter the Biotechnology Investment Incentive Tax Credit from line 6, Part L.

On line 3, enter the Clean Energy Incentive Tax Credit from line 5, Part N.

On line 4, enter the Health Enterprise Zone Hiring Tax Credit from line 6, Part B.

On line 5, enter the Film Production Activity Tax Credit from line 1, Part U.

On line 6, enter the Small Business Research and Development Tax Credit from line 6, Part K-II.

On line 7, enter the Cybersecurity Investment Incentive Tax Credit from line 6, Part H.

On line 8, enter the total of all of the business income tax credits from lines 1 through 7.

If line 8 is less than 0, enter the result on the appropriate return as a negative number.

Continue to Part Z.

PART Z – CORPORATION AND PASS-THROUGH ENTITY (PTE) REFUNDABLE TAX CREDIT SUMMARY

On line 1, enter the sum of line 29 of Part W and line 8 of Part Y in block provided and on line 34 of Form 504. If less than 0, enter as a negative number.

Part	Credit	No carry-over	5 years	7 years	10 years	14 years	15 years	Until Fully Used
A	Enterprise Zone Tax Credit		X					
B	Health Enterprise Zone Hiring Tax Credit	X						
C	Maryland Disability Employment Tax Credit		X					
D	Job Creation Tax Credit		X					
E	Community Investment Tax Credit		X					
F	Businesses That Create New Jobs Tax Credit		X					
G	Qualified Vehicle Tax Credit	X						
H	Cybersecurity Investment Incentive Tax Credit	X						
I	Employer-Provided Long-Term Care Insurance Tax Credit		X					
J-I	Maryland Employer Security Clearance Costs Tax Credit							X
J-II	First-Year Leasing Costs Tax Credit for Qualified Small Business							X
K-I	Research and Development Tax Credit*			X				
K-II	Research and Development Tax Credits for Businesses Certified as a "Small Business"	X						
L	Biotechnology Investment Incentive Tax Credit	X						
M	Commuter Tax Credit	X						
N	Clean Energy Incentive Tax Credit	X						
O	Maryland-Mined Coal Tax Credit	X						
P	One Maryland Economic Development Tax Credit					X		
Q	Oyster Shell Recycling Tax Credit	X						
R	Bio-Heating Oil Tax Credit	X						
S	Cellulosic Ethanol Technology Research & Development Tax Credit						X	
T	Maryland Wineries and Vineyards Tax Credit						X	
U	Film Production Activity Tax Credit	X						
V	Electric Vehicle Recharging Equipment Tax Credit	X						

* The carryforward period for unused Research and Development Tax Credits from tax years prior to 2005 remains 15 years. The same credit cannot be applied against more than one type of tax by the same taxpayer.

Expired Tax Credits

The following credits have expired, but are eligible for the following carryover periods to the extent that the credit exceeds the tax.

Part	Credit	No carry-over	5 years	7 years	10 years	14 years	15 years	Until Fully Used
	Employment Opportunity Tax Creditt		X					
	Green Building Tax Credit				X			
	Long-Term Employment of Qualified Ex-Felons Tax Credit		X					
	Work-Based Learning Tax Credit		X					

MARYLAND FORM 504NR

FIDUCIARY NONRESIDENT INCOME TAX CALCULATION

14504N049

2014

OR FISCAL YEAR BEGINNING **2014, ENDING**

Print Using Blue or Black Ink Only

Name of estate or trust	Name and title of fiduciary	Federal Employer Identification Number
		▶

Part I – Reconciliation of Maryland and Federal Income (Loss)

Note: The sum of Columns B through E on Line 14 must always be equal to Column A on Line 14.

		Federal	Non-Maryland source		Maryland source	
		(A) Federal Income (Loss)	(B) Distributable income or (loss)	(C) Non-Distributable income or (loss)	(D) Distributable income or (loss)	(E) Non-distributable income or (loss)
1. Interest income	1.					
2. Dividend income	2.					
3. Business income or (loss)	3.					
4. Capital gain or (loss)	4.					
5. Rents, royalties, partnerships, etc.	5.					
6. Farm income or (loss)	6.					
7. Ordinary gain or (loss)	7.					
8. Other income. Specify type _____ and amount _____	8.					
9. Federal total income ▶	9.					
10. Federal deductions	10.					
11. Federal adjusted taxable income (Subtract line 10 from line 9.)	11.					
12. Income distribution deduction	12.					
13. Estate tax deduction	13.					
14. Federal taxable income without federal exemptions (Subtract lines 12 and 13 from line 11.)	14.	▶	▶	▶	▶	

15. **Non-Maryland Income Factor**. Add 14(B) and 14(C), then divide by 14(A); if greater than 1, enter 1; if less than 0, enter 0 . . . . . 15. ___.___ ___ ___ ___ ___ ___

PART II – Calculation of Nonresident Maryland Income Tax

16. a. Fiduciary's share of net Maryland modifications from Form 504, line 17 (Enter a net subtraction modification as a negative number.) . . . . . 16a _____
    b. Net Maryland modifications from non-Maryland sources (Multiply line 16a by line 15.) See Instruction 8 for alternate allocation method . . . . . 16b _____
    c. Net Maryland modifications from Maryland sources (Subtract line 16b from line 16a.) . . . . . ▶ 16c _____
17. a. Fiduciary's share of distributable income from Maryland source (from line 14 column (D)) . . . . . 17a _____
    b. Fiduciary's share of non-distributable taxable net income from Maryland source (from line 14 column (E)) . . . . . 17b _____
    c. Add lines 16c, 17a and 17b . . . . . 17c _____
    d. Maryland exemption (from Form 504, line 21) . . . . . 17d _____
    e. Fiduciary's taxable net income from Maryland sources (Subtract line 17d from line 17c.) . . . . . ▶ 17e _____
18. Enter taxable net income from Form 504, line 22 . . . . . ▶ 18 _____
19. Enter tax calculated for taxable net income from line 18 of this form using fiduciary tax rate schedule. (See instruction 14.) . . . . . 19 _____
20. Maryland Nonresident factor. Divide line 17e by line 18. If result is greater than 1.000000, enter 1.000000; if line 17e is less than 0, enter 0.000000. . . . . 20 ___.___ ___ ___ ___ ___ ___
21. **Maryland Tax**. Multiply line 19 by line 20. Enter result here and on Form 504, line 23 . . . . . 21 _____
22. **Special Nonresident Tax**. Multiply line 17e by 1.25% (.0125). Enter result here and on Form 504, line 24 . . . . . 22 _____

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MARYLAND FORM **504D**

FIDUCIARY DECLARATION OF ESTIMATED INCOME TAX

15504D049

2015

OR FISCAL YEAR BEGINNING **2015, ENDING**

Print in Blue or Black Ink Only

Federal Employer Identification Number (9 digits)		
Name of estate or trust		
Name and title of fiduciary		
Number and street		
City or town	State	ZIP code

For Office Use Only

ME	YE	EC	EC

USE THIS FORM TO REMIT ANY ESTIMATED PAYMENT DUE AT THIS TIME. IF FORMS ARE NEEDED TO MAKE ADDITIONAL INSTALLMENTS OF THE CURRENT TAX YEAR, SEE THE INSTRUCTIONS FOR MORE INFORMATION.

IMPORTANT: Review the instructions before completing this form. If you are using this form for subsequent estimated payments, you **do not** need to complete this worksheet if you previously have calculated the amount you need to pay each quarter.

Nonresident fiduciaries should use 2014 Form 504 and Form 504NR to calculate the 2015 estimated tax; however, they should use the tax rate schedule. (See instructions.)

ESTIMATED TAX WORKSHEET

1. Total income expected in 2015 (federal taxable income) . . . . . 1. _____
2. Federal exemption amount . . . . . 2. _____
3. Add lines 1 and 2 . . . . . 3. _____
4. Net modifications (See instructions.) . . . . . 4. _____
5. Line 3 plus or minus line 4 . . . . . 5. _____
6. Nonresident beneficiary deduction (See instructions.) . . . . . 6. _____
7. Balance (Subtract line 6 from line 5.) . . . . . 7. _____
8. Maryland exemption (Personal representatives use $600; other fiduciaries use $200.) . . . . . 8. _____
9. Maryland net taxable income of fiduciary . . . . . 9. _____
10. Maryland income tax (See instructions.) . . . . . 10. _____
11. Local income tax or special nonresident tax.
    Multiply the taxable income from line 9 by .0 __ __ __ (See instructions.) . . . . . 11. _____
12. Total Maryland and local income tax (Add lines 10 and 11.) . . . . . 12. _____
13. Credit for income tax paid to another state from Form 502CR (resident fiduciaries only), or paid by pass-through entities, Form 504CR and/or Form 502S. . . . . 13. _____
14. Total estimated tax (Subtract line 13 from line 12.) . . . . . 14. _____
15. Amount to be submitted with each declaration (Divide line 14 by four.) . . . . . 15. _____

STAPLE CHECK HERE

ESTIMATED TAX PAID FOR 2015 WITH THIS DECLARATION . . . . . ▶ $		

Make checks payable to and mail to:
COMPTROLLER OF MARYLAND
REVENUE ADMINISTRATION DIVISION
110 Carroll Street
Annapolis, Maryland 21411-0001
(Write Federal Employer Identification Number on check.)

COM/RAD-068

MARYLAND FORM **504D**

FIDUCIARY DECLARATION OF ESTIMATED INCOME TAX INSTRUCTIONS

2015

Who must file a declaration You must file a declaration of estimated tax if you are required to file a Maryland fiduciary income tax return and your taxable income would be expected to develop a tax of more than $500. You must file a declaration with payment in full within 60 days of receiving $500 or more of income from awards, prizes, lotteries or raffles, whether paid in cash or property if Maryland and local tax has not been withheld.

A personal representative of an estate is not required to remit estimated tax payments for the first two tax years of the estate.

When to file a declaration You must pay at least one-fourth of the total estimated tax on or before **April 15, 2015**. The remaining quarterly payments are due **June 15, 2015, September 15, 2015**, and **January 15, 2016**. You may pay the total estimated tax with your first payment, if you wish. If you are filing on a fiscal year basis, each payment is due on the 15th day of the 4th, 6th, 9th and 13th month following the beginning of the fiscal year.

Overpayment of tax If you overpaid your 2014 income tax (Form 504) you may apply all or part of the overpayment to your 2015 estimated tax. If the overpayment applied equals or exceeds the estimated tax liability for the first quarterly payment, you are not required to file the declaration. If the overpayment applied is less than the estimated tax liability, you should file the declaration and pay the balance of the first installment. Preprinted vouchers will be mailed to you for the remaining payments.

How to estimate your 2015 tax The Estimated Tax Worksheet is designed to develop an estimate of your 2015 Maryland and local income tax. Be as accurate as you can in forecasting your 2015 income. You may use your 2014 income and tax as a guide, but if you will receive more income in 2015, you must pay at least 110% of the tax that was developed for the prior year to avoid interest for underpayment of estimated tax. For the purpose of estimating, rounding all amounts to the nearest dollar is recommended.

Nonresident fiduciaries should use the 2014 Form 504 and Form 504NR to calculate their estimated tax for 2015 or 110% of the tax that was developed for 2014.

The annualized income installment method used for federal estimated tax purposes may be used to compute Maryland estimated tax.

Specific instructions:

Line 1. Total income expected in 2015 is your estimated federal taxable income.

Line 2. Federal exemption amount. Enter the exemption amount you expect to claim on your federal fiduciary income tax return.

Line 4. Net modifications. Fiduciaries are permitted those additions and subtractions allowed individuals. For further information, see the instructions for Form 502 for resident individuals or Form 505 for nonresident individuals. Only the fiduciary's allocable portion should be used.

Line 6. Nonresident beneficiary deduction. If any beneficiaries of the trust are nonresident individuals or corporations not doing business in this state, enter on this line the total income from intangible personal property less allocable expenses which you expect to accumulate (and not distribute) during the tax year for their benefit.

Line 8. Maryland exemption. The Maryland exemption allowed to a personal representative is $600. A fiduciary other than a personal representative is allowed $200.

Line 10. Maryland fiduciary income tax. Compute your tax on the amount on line 9 using the following tax rate schedule:

If taxable amount on line 9 is:		**Maryland Tax is:**			
Over:	but not over:				
$0	$1,000			2.00%	of the amount on line 9
$1,000	$2,000	$20.00	plus	3.00%	of excess over $1,000
$2,000	$3,000	$50.00	plus	4.00%	of excess over $2,000
$3,000	$100,000	$90.00	plus	4.75%	of excess over $3000
$100,000	$125,000	$4,697.50	plus	5.00%	of excess over $100,000
$125,000	$150,000	$5,947.50	plus	5.25%	of excess over $125,000
$150,000	$250,000	$7,260.00	plus	5.50%	of excess over $150,000
$250,000	--	$12,760.00	plus	5.75%	of excess over $250,000

Line 11. Local or special nonresident tax. Maryland counties and Baltimore City levy an income tax on residents which is a percentage of taxable net income. Using the following criteria, determine to which city, county or local taxing jurisdiction the fiduciary must pay the local income tax.

1. A personal representative should use the rate for the jurisdiction in which the decedent was domiciled on the date of death.

2. Other fiduciaries should use the rate for the jurisdiction in which the trust was created or is principally administered.

The amount you entered on line 9 is your taxable net income. Multiply that by your local tax rate using the following chart and enter on line 11.

Subdivision	**Rate**	**Subdivision**	**Rate**
Baltimore City	.0320	Harford County	.0306
Allegany County	.0305	Howard County	.0320
Anne Arundel County	.0256	Kent County	.0285
Baltimore County	.0283	Montgomery County	.0320
Calvert County	.0280	Prince George's County	.0320
Caroline County	.0273	Queen Anne's County	.0320
Carroll County	.0303	St. Mary's County	.0300
Cecil County	.0280	Somerset County	.0315
Charles County	.0303	Talbot County	.0240
Dorchester County	.0262	Washington County	.0280
Frederick County	.0296	Wicomico County	.0320
Garrett County	.0265	Worcester County	.0125

Nonresident Fiduciaries Use .0125

Changes in income Your situation may not require you to file a declaration on April 15, 2015. However, a large increase in income after that date may require you to file a declaration. If at any time during the year you need to amend your original declaration, simply increase or decrease the remaining payments.

Filing a return instead of the fourth payment Instead of making the fourth declaration payment on or before January 15, 2016, you may file your 2015 fiduciary income tax return provided you file on or before January 31, 2016, and pay in full with the return any balance of tax due.

Forms and information Declaration of estimated tax forms for fiduciaries and any additional information may be obtained from **www.marylandtaxes.com** or any branch office. You may also call 1-800-638-2937 or from Central Maryland 410-260-7980.

Payment instructions Make your check or money order payable to the "Comptroller of Maryland." Put your FEIN on your check. **Do not send cash.**

Mailing instructions Mail your declaration of estimated fiduciary income tax to:

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

Penalties and interest If you are required by law to file a declaration of estimated tax for any tax year and you either (1) fail to file on the date prescribed, (2) fail to pay the installment or installments when due or (3) estimate a tax less than 90% of the developed tax shown on the return for the current tax year and which estimate was less than 110% of the tax that was developed for the prior year, you will be subject to the penalties and interest as provided by law for failure to file a return and failure to pay tax when due.

COM/RAD-068

MARYLAND FORM **504E**

APPLICATION FOR EXTENSION TO FILE FIDUCIARY INCOME TAX RETURN

14504E049

2014

OR FISCAL YEAR BEGINNING **2014, ENDING**

Print Using Blue or Black Ink Only

Federal Employer Identification Number (9 digits)		
Name of estate or trust		
Name and title of fiduciary		
Number and street		
City or town	State	ZIP code

For Office Use Only

ME	YE	EC	EC

Tax Payment Worksheet

1. Total income tax liability for 2014 (You may estimate this amount.) . . . . . 1. Note: You must enter an amount on line 1. If you do not expect to owe tax, enter zero (0).		
2. Maryland income tax withheld. . . . . 2.		
3. 2014 estimated tax payments . . . . . 3.		
4. Other payments and credits . . . . . 4.		
5. Add lines 2, 3 and 4 . . . . . 5.		
6. Income tax balance due (Subtract line 5 from line 1.). If line 5 is more than line 1, enter zero (0). . . . . 6.		

TAX PAID WITH THIS EXTENSION . . . . . ▶ $		

Make checks payable to and mail to:
COMPTROLLER OF MARYLAND
REVENUE ADMINISTRATION DIVISION
110 Carroll Street
Annapolis, Maryland 21411-0001
(Write Federal Employer Identification Number on check.)

COM/RAD-056

MARYLAND FORM **504E**

APPLICATION FOR EXTENSION TO FILE FIDUCIARY INCOME TAX RETURN INSTRUCTIONS

2014

GENERAL INSTRUCTIONS

Purpose of Form

Use Form 504E to receive an automatic six-month extension to file Form 504.

To get the extension you MUST:

1. Fill in Form 504E correctly; AND,
2. file it by the due date of your return; AND,
3. pay ALL of the amount shown on line 6.

Fiduciaries requesting an extension of more than six months must enter on this application the reason for the request. No extension request will be granted for more than six months, except in the case of a fiduciary who is out of the United States. In no case will an extension be granted for more than one year from the due date for submitting the fiduciary tax return. See Administrative Release 4.

When to File Form 504E

File Form 504E by April 15, 2015. If you are filing on a fiscal year basis, file by the regular due date of your return.

Where to File

Mail payment and completed Form 504E to:

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

Filing Your Tax Return

You may file Form 504 at any time before the end of the extension period. Remember, Form 504E does not extend the time to pay taxes. If you do not pay the amount due by the regular due date, you will owe interest and be subject to a penalty.

Interest

You will owe interest on tax not paid by the regular due date of your return. The interest will accrue until you pay the tax. Even if you had a good reason not to pay on time, you will still owe interest.

Penalty

If tax and interest is not paid promptly, a penalty will be assessed on the tax.

How to Claim Credit for Payment Made with This Form

When you file your return, show the amount of any payment (line 6) sent with Form 504E on line 31 of your return.

COM/RAD-056

MARYLAND FORM 505 **NONRESIDENT INCOME TAX RETURN**

145050049

2014
$

OR FISCAL YEAR BEGINNING _____ 2014, ENDING _____

Print Using Blue or Black Ink

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

FILING STATUS
See Instruction 1 to determine if you are required to file.
CHECK ONE BOX ▶

1. ☐ Single (If you can be claimed on another person's tax return, use Filing Status 6.)
2. ☐ Married filing joint return or spouse had no income
3. ☐ Married filing separately ▶ _____ Spouse's Social Security number
4. ☐ Head of household
5. ☐ Qualifying widow(er) with dependent child
6. ☐ Dependent taxpayer (Enter 0 in Exemption Box (A). See Instruction 8.)

RESIDENCE INFORMATION- See Instruction 9.

Enter 2-letter state code for your state of legal residence. ▶ ☐

County (PA) ☐ City Borough or Township (PA) ☐

Were you a resident for the entire year of 2014? Yes ☐ No ☐
If no, attach explanation.

Are you or your spouse a member of the military? Yes ☐ No ☐

Did you file a Maryland income tax return for 2013? Yes ☐ No ☐

If "Yes," was it a ☐ Resident or a ☐ Nonresident return?

Advise dates you resided within Maryland for 2014. If none, enter "NONE."
FROM _____ **TO** _____

Check here for Maryland taxes withheld in error. ▶ ☐ (See inst. 4.)

EXEMPTIONS See Instruction 10. Check appropriate box(es). **NOTE:** If you are claiming dependents, you must attach the Dependents' Information Form 502B to this form in order to receive the applicable exemption amount.

A	☐ **Yourself**	☐ **Spouse**	**A.** Enter No. Checked. . . . ☐	See Instruction 10. **A. $** _____
B	▶ ☐ 65 or over ▶ ☐ Blind	▶ ☐ 65 or over ▶ ☐ Blind	**B.** Enter No. Checked. . . . ☐	X $1,000. . . . . **B. $** _____
C	Enter No. from line 3 of Dependent Form 502B. . . . . ☐			See Instruction 10. **C. $** _____
D	**Enter Total Exemptions (Add A, B and C).** . . . . . ▶ ☐			. . . .**Total Amount** **D. $** _____

INCOME AND ADJUSTMENTS INFORMATION (See Instruction 11.)

		(1) FEDERAL INCOME (LOSS)	(2) MARYLAND INCOME (LOSS)	(3) NON-MARYLAND INCOME (LOSS)
1. Wages, salaries, tips, etc	1			
2. Taxable interest income	2			
3. Dividend income	3			
4. Taxable refunds, credits or offsets of state and local income taxes	4			
5. Alimony received	5			
6. Business income or (loss)	6			
7. Capital gain or (loss)	7			
8. Other gains or (losses) (from federal Form 4797)	8			
9. Taxable amount of pensions, IRA distributions, and annuities	9			
10. Rents, royalties, partnerships, estates, trusts, etc. (Circle appropriate item.)	10			
11. Farm income or (loss)	11			
12. Unemployment compensation (insurance)	12			
13. Taxable amount of Social Security and Tier 1 Railroad Retirement benefits.	13			
14. Other income (including lottery or other gambling winnings)	14			
15. Total income (Add lines 1 through 14.)	15			
16. Total adjustments to income from federal return (IRA, alimony, etc.)	16			
17. Adjusted gross income (Subtract line 16 from line 15.) ▶	17			

Place CHECK or MONEY ORDER on top of your W-2 wage and tax statements and ATTACH HERE with **ONE** staple.

ADDITIONS TO INCOME (See Instruction 12.)

		Dollars	Cents
18. Non-Maryland loss and adjustments	18		
19. Other (Enter code letter(s) from Instruction 12.) ▶ ☐ ☐ ☐ ☐	19		
20. Total additions (Add lines 18 and 19.) ▶	20		
21. Total federal adjusted gross income and Maryland additions (Add lines 17 (Column 1) and 20.)	21		

SUBTRACTIONS FROM INCOME (See Instruction 13.)

22. Taxable Military Income of Nonresident ▶	22		
23. Other (Enter code letter(s) from Instruction 13.) ▶ ☐ ☐ ☐ ☐	23		
24. Total subtractions (Add lines 22 and 23.) ▶	24		
25. Maryland adjusted gross income before subtraction of non-Maryland income. (Subtract line 24 from line 21.)	25		

DEDUCTION METHOD See Instruction 15 (All taxpayers must select one method and check the appropriate box.)

STANDARD DEDUCTION METHOD (Enter amount on line 26a.) ☐ **ITEMIZED DEDUCTION METHOD** (Complete lines 26b, c and d.) ▶ ☐	26a		
Total federal itemized deductions (from line 29, federal Schedule A) ▶	26b		
State and local **income** taxes (See Instruction 16.) ▶	26c		
Net itemized deductions (Subtract line 26c from line 26b.)	26d		

26. Deduction amount (Multiply lines 26a or 26d by the AGI factor.) 26e _____ (from worksheet in Instruction 14) .▶ 26 _____

COM/RAD-022

MARYLAND FORM 505 2014

NONRESIDENT INCOME TAX RETURN

145050149

NAME _____ SSN _____

		Dollars	Cents
27. Net income (Subtract line 26 from line 25.)	27		
28. Total exemption amount (from EXEMPTIONS area, page 1) See Instruction 10	28		
29. Enter your AGI factor (from worksheet in Instruction 14)	29		
30. Maryland exemption allowance (Multiply line 28 by line 29.)	30		
31. Taxable net income (Subtract line 30 from line 27.) Figure tax on Form 505NR	31		
MARYLAND TAX COMPUTATION – COMPLETE FORM 505NR BEFORE CONTINUING.			
32 a. Maryland tax from line 16 of Form 505NR (Attach Form 505NR.)	32a		
32 b. Special nonresident tax from line 17 of Form 505NR (Attach Form 505NR.)	32b		
32 c. Total Maryland tax (Add lines 32a and 32b.)	32c		
33. Earned income credit from worksheet in Instruction 20. ▶	33		
34. Poverty level credit from worksheet in Instruction 20. ▶	34		
35. Other income tax credits for individuals from Part H, line 8 of Form 502CR (Attach Form 502CR.)	35		
36. Business tax credits . . . . . **You must file this form electronically to claim business tax credits on Form 500CR.**			
37. Total credits (Add lines 33 through 36.)	37		
38. Maryland tax after credits (Subtract line 37 from line 32c.) If less than 0, enter 0.	38		
39. Contribution to Chesapeake Bay and Endangered Species Fund (See Instruction 21.) ▶	39		
40. Contribution to Developmental Disabilities Services and Support Fund (See Instruction 21.) ▶	40		
41. Contribution to Maryland Cancer Fund (See Instruction 21.) ▶	41		
42. Total Maryland income tax and contributions (Add lines 38 through 41.)	42		
43. Total Maryland tax withheld (Enter total from and **attach your W-2 and 1099 forms if MD tax is withheld.**) ▶	43		
44. 2014 estimated tax payments, amount applied from 2013 return, payments made with Form 502E and Form MW506NRS ▶	44		
45. Refundable earned income credit from worksheet in Instruction 22 ▶	45		
46. Nonresident tax paid by pass-through entities (Attach Maryland Form 510 Schedule K-1.) ▶	46		
47. Refundable income tax credits from Part I, line 6 of Form 502CR (Attach Form 502CR. See Instruction 22.)	47		
48. Total payments and credits (Add lines 43 through 47.)	48		
49. Balance due (If line 42 is more than line 48, subtract line 48 from line 42.) ▶	49		
50. Overpayment (If line 42 is less than line 48, subtract line 42 from line 48.) ▶	50		
51. Amount of overpayment **TO BE APPLIED TO 2015 ESTIMATED TAX** ▶	51		
52. Amount of overpayment **TO BE REFUNDED TO YOU** (Subtract line 51 from line 50.) See line 55. **REFUND ▶**	52		
53. Interest charges from Form 502UP ☐ or for late filing ☐ (See Instruction 23.) Total ▶	53		
54. TOTAL AMOUNT DUE (Add line 49 and line 53.) . . .IF $1 OR MORE, PAY IN FULL WITH THIS RETURN.	54		

DIRECT DEPOSIT OF REFUND (See Instruction 23.) Be sure the account information is correct. **For Splitting Direct Deposit, see Form 588.** To comply with banking rules, check here ▶ ☐ if this refund will go to an account outside the United States. If checked, see Instruction 23.

55. For the direct deposit option, complete the following information, clearly and legibly: ▶ **55a.** Type of account: ▶ ☐ Checking ☐ Savings

55b. Routing number (9-digit) ▶ ___ ___ ___ ___ ___ ___ ___ ___ ___

55c. Account number ▶ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___

▶ ___ ___ ___ – ___ ___ ___ – ___ ___ ___ ___ Daytime telephone no.

___ ___ ___ – ___ ___ ___ – ___ ___ ___ ___ Home telephone no.

▶ ☐ ☐ ☐ CODE NUMBERS (3 digits per box)

Check here ☐ if you authorize your preparer to discuss this return with us. Check here ▶ ☐ if you authorize your paid preparer not to file electronically. Check here ▶ ☐ if you agree to receive your 1099G Income Tax Refund statement electronically. Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements and to the best of my knowledge and belief it is true, correct and complete. If prepared by a person other than taxpayer, the declaration is based on all information of which the preparer has any knowledge.

Make checks payable and mail to:
Comptroller of Maryland, Revenue Administration Division
110 Carroll Street, Annapolis, Maryland 21411-0001
(It is recommended that you include your Social Security Number on check using blue or black ink.)

Your signature _____ Date _____

Spouse's signature _____ Date _____

▶ Preparer's PTIN (required by law) _____ Signature of preparer other than taxpayer _____

Address and telephone number of preparer _____

MARYLAND FORM

505NR

NONRESIDENT INCOME TAX CALCULATION

ATTACH TO YOUR TAX RETURN

14505N049

2014

Print Using Blue or Black Ink Only

Social Security Number		Spouse's Social Security Number
Your first name	Initial	Last name
Spouse's first name	Initial	Last name

If you are filing Form 505, use the Form 505NR Instructions appearing on page 2 of this form.
If you are filing Form 515, use the Form 505NR Instructions appearing in Instruction 18 of the Form 515 Instructions.

PART I – CALCULATION OF TAX WITHOUT ALLOWING CERTAIN MODIFICATIONS

1. Enter Taxable net income from Form 505, line 31 (or Form 515, line 32) . . . . . 1. _____
2. Enter tax from Tax Table or Computation Worksheet Schedules I or II. . . . . 2. _____

Continue to Part II.

PART II – CALCULATION OF MARYLAND TAX

3. Enter your federal adjusted gross income from Form 505 (or Form 515), line 17 (Column 1). . . . . 3. _____
3a. Earned **Income** (See instructions.) . . . . . ▶ 3a. _____
4. Enter your federal adjusted gross income plus additions from Form 505 (or 515) line 21. . . . . 4. _____
5. Enter the Taxable Military Income of a Nonresident from line 22 of Form 505.. . . . . 5. _____
6a. Enter your subtractions from line 23 of Form 505 or Form 515 . . . . . 6a. _____
6b. Enter non-Maryland income from Form 505 (or 515) not included on lines 5 or 6a of this form (See instructions.). . . . . ▶ 6b. _____
7. Add lines 5 through 6b . . . . . 7. _____
8. Maryland Adjusted Gross Income. Subtract line 7 from line 4. . . . . 8. _____

If you are using the standard deduction, recalculate the standard deduction based on the income on line 8 and enter on line 8a . . . . . . 8a. _____

9. Maryland Income Factor. Divide line 8 by line 3. The factor cannot exceed 1.000000 and cannot be less than 0. If line 8 is 0 or less, the factor is 0. If line 8 is greater than 0 and line 3 is 0 or less, the factor is 1.000000 . . . . . 9. __.__ __ __ __ __ __
10. Deduction amount.

If you are using the standard deduction, multiply the standard deduction on line 8a by line 9 of this form and enter on line 10a . . . . . 10a. _____

If you are itemizing your deductions, multiply the deduction on Form 505, line 26d, by line 9 of this form and enter on line 10b . . . . . 10b. _____

Form 515 Users, see Instruction 18 in Form 515 Instructions.

11. Net income (Subtract line 10a or 10b from line 8.). . . . . 11. _____
12. Exemption amount. Multiply the total exemption amount on Form 505, line 28 (or Form 515, line 29) by line 9. . . . . 12. _____
13. Maryland Taxable Net Income (Subtract line 12 from line 11.) . . . . . 13. _____
14. Enter the tax amount from line 2 of this form. . . . . 14. _____
15. Maryland Nonresident factor: Divide the amount on line 13 on this form by line 1. If more than 1.000000, enter 1.000000. If 0 or less, the factor is 0. . . . . 15. __.__ __ __ __ __ __
16. Maryland Tax. Multiply line 14 by line 15. Enter this amount on Form 505, line 32a (Form 515, line 33).. . . . . 16. _____
17. Special nonresident tax. Multiply line 13 of this form by .0125. Enter this amount on Form 505, line 32b. If line 13 is 0 or less, enter 0 . . . . . 17. _____

FOR FORM 515 FILERS ONLY.

If you are: (1) a nonresident employed in Maryland and (2) you are a resident of a local jurisdiction that imposes a local income or earnings tax on Maryland residents, then you must file a Form 515 to report and pay a tax on your Maryland wages. Form 515 filers pay a local income tax instead of the Special Nonresident Tax.

18. Local Income Tax. Multiply line 13 of this form by the local rate of the Maryland county (or Baltimore City) where you are employed. Enter this amount on Form 515, line 40. If line 13 is 0 or less, enter 0 . . . . . 18. _____

MARYLAND FORM

505NR

NONRESIDENT INCOME TAX CALCULATION INSTRUCTIONS

2014

Using Form 505NR, Nonresident Income Tax Calculation, follow the line-by-line instructions below to figure your Maryland tax.

Line 1. Enter the taxable net income from Form 505, line 31.

Line 2. Find the income range in the tax table that applies to the amount on line 1 of Form 505NR. Find the Maryland tax corresponding to your income range. Enter the tax amount from the tax table. If your taxable income on line 1 is $50,000 or more, use the Maryland Tax Computation Worksheet schedules at the end of the tax table.

Line 3. Enter your federal adjusted gross income (FAGI) from Form 505, line 17 (column 1).

Line 3a. If you are claiming a federal earned **income** credit (EIC), enter the earned income you used to calculate your credit.

Earned income includes wages, salaries, tips, professional fees and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you must include in your federal AGI.

Line 4. Enter the amount from Form 505, line 21.

Line 5. Taxable Military Income of a nonresident, if applicable.

Line 6a. Enter the amount of your subtractions from line 23 of Form 505.

Line 6b. Enter any non-Maryland income (not including losses reported on lines 1 through 14 of column 3, or adjustments to income reported on line 16 of column 3) from Form 505 (or 515), that have not been included on lines 5 or 6a of this form.

Important Note: Make sure that you follow the instruction for line 6b above to arrive at the correct amount. The non-Maryland losses and adjustments should have been reported on line 18 of Form 505 (or 515) and included on the amounts reported on line 4 of this form.

Be sure to include the following items if not already included on lines 5 or 6a.

- Maryland salaries and wages should be included if you are a resident of a reciprocal state.
- Income subject to tax as a resident when required to file both Forms 502 and 505 should be included.
- Line 17 of column 3 on Form 505 (or 515) should also include income for wages earned in Maryland by a nonresident rendering police, fire, rescue or emergency services in an area covered under **a state of emergency declared by the Maryland Governor,** if the wages are paid by a **nonprofit organization** not registered to do business in the state and not otherwise doing business in the state, or by a state, county or political subdivision of a state, other than the State of Maryland.

Line 7. Add lines 5 through 6b.

Line 8. Subtract line 7 from line 4. This is your Maryland Adjusted Gross Income.

Line 8a. If you are using the standard deduction amount, recalculate the standard deduction (line 8) based on the Maryland adjusted gross income.

Line 9. Compute your Maryland income factor by dividing line 8 by line 3. Carry the factor to six decimal places. The factor cannot exceed 1.000000 and cannot be less than 0. If line 8 is 0 or less, the factor is 0. If line 8 is greater than 0 and line 3 is 0 or less, the factor is 1.000000.

Line 10a. If you are using the standard deduction, multiply the standard deduction on line 8a by the Maryland Income Factor (line 9) and enter on line 10a.

Line 10b. If you are itemizing your deductions, multiply the deduction on Form 505 line 26d by the Maryland Income Factor (line 9) and enter on line 10b.

Line 11. If you are using the standard deduction, subtract line 10a from line 8. If you are using itemized deductions, subtract line 10b from line 8.

Line 12. Multiply the total exemption amount on Form 505, line 28 by the factor on line 9.

Line 13. Subtract line 12 from line 11. This is your Maryland taxable net income.

Line 14. Enter the tax from line 2 of this form.

Line 15. Divide the amount on line 13 of this form by the amount on line 1. Carry this Maryland nonresident factor to six decimal places. If more than 1.000000, enter 1.000000. If 0 or less, enter 0.

Line 16. Multiply line 14 by line 15 to arrive at your Maryland tax. Enter this amount on line 16 and on Form 505, line 32a.

Line 17. Multiply line 13 by .0125. Enter this amount on line 17 and on Form 505, line 32b. If line 13 is 0 or less, enter 0.

On Form 505, add lines 32a and 32b and enter the total on line 32c.

Note: If you are using Form 505NR with Form 505, follow the instructions above. **If you are using Form 505NR with Form 515, follow Instruction 18 in the Form 515 instructions.**

MARYLAND FORM
505SU

NONRESIDENT SUBTRACTIONS FROM INCOME

ATTACH TO YOUR NONRESIDENT TAX RETURN

14505S049

2014

Print Using Blue or Black Ink Only

Social Security Number		Spouse's Social Security Number
Your first name	Initial	Last name
Spouse's first name	Initial	Last name

Subtractions from income. Determine which subtractions from income apply to you. See Instruction 13 in Nonresident Booklet for more information.

PART I To the extent one or more of these items is included in your federal adjusted gross income.

a. Payments from a pension system to firemen and policemen for job-related injuries or disabilities (but not more than the amount included in your total income) . . . . . a. _____

c. Amount of refunds of state or local income tax included on line 4 of Form 505 . . . . . c. _____

d. Distributions of accumulated income by a fiduciary, if income tax has been paid by the fiduciary to the State (but not more than the amount included in your total income) . . . . . d. _____

e. Profit (without regard to losses) from the sale or exchange of bonds issued by the State or local governments of Maryland . . . . . e. _____

j. Amount added to taxable income for the use of an official vehicle by a member of a state, county or local police or fire department. The amount is listed separately on your W-2 . . . . . j. _____

n. Payment received under a fire, rescue, or ambulance personnel length of service award program that is funded by any county or municipal corporation of the State . . . . . n. _____

r. Amount of interest on U.S. obligations; capital gains from the sale or exchange of U.S. obligations; dividends from mutual funds that invest in U.S. obligations . . . . . r. _____

s. Amount of interest and dividend income (including capital gain distributions) of a dependent child that is included in the parent's federal gross income under the Internal Revenue Code Section 1(g)(7) . . . . s. _____

t. Social Security, Tier I, Tier II and/or supplemental Railroad Retirement benefits included in your federal adjusted gross income . . . . . t. _____

u. Up to $5,000 of military retirement income received by a qualifying individual during the tax year. See Instruction 13 on who is a qualifying individual . . . . . u. _____

w. Lesser of $1,200 or the income subject to Maryland tax of the spouse with the lower income if both spouses have income subject to Maryland tax and file a joint return . . . . . w. _____

y. Any income that is related to tangible or intangible property that was seized, misappropriated or lost as a result of the actions or policies of Nazi Germany towards a Holocaust victim . . . . . y. _____

aa. Payments from a pension system to the surviving spouse or other beneficiary of a law enforcement officer or firefighter whose death arises out of or in the course of their employment . . . . . aa. _____

bb. 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. . . . . bb. _____

cc. Net subtraction modification to Maryland taxable income when using the federal special 5-year carryback period for a net operating loss under federal law compared to Maryland taxable income without regard to federal provisions. Complete and attach Form 500DM. See Administrative Release 38. cc. _____

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. Complete and attach Form 500DM. See Administrative Release 38 . . . . . cd. _____

dd. Income derived within arts and entertainment district(s) by a qualifying residing artist. Complete and attach Form 502AE . . . . . dd. _____

dm. Net subtraction modification from multiple decoupling provisions. Complete and attach Form 500DM . . dm. _____

ee. Amount received as a grant under the Solar Energy Grant Program administered by the Maryland Energy Administration but not more than the amount included in your total income. . . . . ee. _____

gg. Amount of income for services performed in Maryland by the civilian spouse of a member of the armed forces . . . . . gg. _____

hh. Net subtraction to adjust phase out of exemptions as a result of including U.S. obligations in your adjusted gross income . . . . . hh. _____

ii. Interest income from Build America Bonds. See Administrative Release 13 . . . . . ii. _____

jj. Gain resulting from a payment from the Maryland Department of Transportation as a result of the acquisition of a portion of the property on which your principal residence is located . . . . . jj. _____

MARYLAND FORM 505SU 2014

NONRESIDENT SUBTRACTIONS FROM INCOME
ATTACH TO YOUR NONRESIDENT TAX RETURN

14505S149

NAME _____ SSN _____

mm.	Amount received by a claimant for noneconomic damages as a result of a claim of unlawful discrimination	mm.	
nn.	Amount of student loan indebtedness discharged due to total or permanent disability or death. Attach notice	nn.	
oo.	Amount of qualified principal residence indebtedness included in federal adjusted gross income that was allowable as an exclusion under the Mortgage Debt Relief Act of 2007, as amended	oo.	
1.	**Subtotal.** Add all lines in Part I and enter the amount here	**1.**	

PART II To the extent one or more of these items apply to your Maryland income. Include only the part that is attributable to Maryland

f.	Child and dependent care expenses	f.	
g.	Amount of wages and salaries disallowed as a deduction due to the work opportunity credit allowed under the Internal Revenue Code Section 51	g.	
h.	Expenses up to $5,000 incurred by a blind person for a reader, or up to $1,000 incurred by an employer for a reader for a blind employee	h.	
i.	Expenses incurred for reforestation or timber stand improvement of commercial forest land	i.	
k.	Up to $6,000 in expenses incurred by parents to adopt a child with special needs through a public or nonprofit adoption agency; up to $5,000 for adoption of a child without special needs	k.	
l.	Purchase and installation costs of certain enhanced agricultural management equipment. Attach a copy of the certification	l.	
m.	Deductible artist's contribution. Complete and attach Form 502AC	m.	
o.	Value of farm products you donated to a gleaning cooperative. Attach a copy of the certification	o.	
q.	Unreimbursed charitable travel expenses. Complete and attach Form 502V	q.	
v.	The Honorable Louis L. Goldstein Volunteer Police, Fire, Rescue, and Emergency Medical Services Personnel Subtraction Modification Program. Attach a copy of the certification	v.	
xa.	Up to $2,500 per contract purchased for advanced tuition payments made to the Maryland Prepaid College Trust. See Administrative Release 32	xa.	
xb.	Up to $2,500 per account holder per beneficiary of the total of all amounts contributed to investment accounts under the Maryland College Investment Plan and Maryland Broker-Dealer College Investment Plan	xb.	
z.	Expenses incurred to buy and install handrails in an existing elevator in a qualified healthcare facility or other building in which at least 50% of the space is used for medical purposes	z.	
ff.	Amount of the cost difference between a conventional on-site sewage disposal system and a system that utilizes nitrogen removal technology, for which the Department of Environment's payment assistance program does not cover	ff.	
kk.	Qualified conservation program expenses up to $500 for an application approved by the Department of Natural Resources to enter into a Forest Conservation and Management Plan	kk.	
ll.	Payment received as a result of a foreclosure settlement negotiated by the Maryland Attorney General.	ll.	
pp.	Unreimbursed expenses incurred by a foster parent on behalf of a foster child	pp.	
2.	**Subtotal.** Add all lines in Part II and enter the amount here	**2.**	

PART III Share of Maryland subtractions flowing through to you from a pass-through entity or fiduciary.

b.	Net Maryland subtraction from Maryland Form 510 Schedule K-1 for your share of income from pass-through entities or fiduciaries not attributable to decoupling	b.	
dp.	Net subtraction decoupling modification from a pass-through entity. Complete and attach Form 500DM. See Administrative Release 38	dp.	
3.	**Subtotal.** Add all lines in Part III and enter the amount here	**3.**	

PART IV

4.	**TOTAL.** Add lines 1, 2, and 3, and enter the amount here and on line 23 of Form 505 **TOTAL**	**4.**	

MARYLAND FORM
505X

NONRESIDENT AMENDED TAX RETURN

14505X049

2014

Your first name and initial	Last name	Social Security Number	Check here if you are: ☐ 65 or over ☐ Blind
Spouse's first name and initial	Last name	Social Security Number	Check here if your spouse is: ☐ 65 or over ☐ Blind

Present address (No. and street)	City or town	State	ZIP code	Daytime telephone number

IF THIS IS BEING FILED TO CLAIM A NET OPERATING LOSS, CHECK THE APPROPRIATE BOX ☐ CARRY BACK
Attach copies of the federal loss year return and Form 1045, Schedules A and B. See Instruction 13. ☐ CARRY FORWARD

Is this address different from the address on your original return? . . . . . ☐ YES ☐ NO

Enter your state of legal residence _____.

Enter the local jurisdiction of which you are a resident _____.

Are you a resident of a local jurisdiction which imposes an income or earnings tax on Maryland residents? . . . . . ☐ YES ☐ NO

Enter dates you resided in Maryland _____ - _____.

Any changes from the original filing must be explained in Part III of this form.
Did you request an extension of time to file the original return? . . . . . ☐ YES ☐ NO

If yes, enter the date the return was filed _____.

Is an amended federal return being filed? . . . . . ☐ YES ☐ NO

Has your original federal return been changed or corrected by the Internal Revenue Service? . . . . . ☐ YES ☐ NO

STOP **You must use Form 502X if you are changing to Resident status.**

CHANGE OF FILING STATUS

Original	Amended	
☐	☐	Single
☐	☐	Married filing joint return or spouse had no income
☐	☐	Married filing separately _____ SPOUSE'S SOCIAL SECURITY NO.
☐	☐	Head of household
☐	☐	Qualifying widow(er) with dependent child
☐	☐	Dependent taxpayer

IMPORTANT NOTE: Read the instructions and complete page 2 first.

		A. As originally reported or as previously adjusted (See instructions)	**B.** Net change – increase or (-) decrease – explain on page 2	**C.** Corrected amount
1. Federal adjusted gross income.	1			
2. Additions to income.	2			
3. Total (Add lines 1 and 2.)	3			
4. Subtractions from income (See Instructions.).	4			
5. Total Maryland adjusted gross income (Subtract line 4 from line 3.)	5			
6. CHECK ONLY ONE METHOD (See Instruction 5.) **STANDARD DEDUCTION METHOD** ☐ **ITEMIZED DEDUCTION METHOD** ☐ Enter total Md. itemized deductions from Part II, on page 2.	6			
7. Net income (Subtract line 6 from line 5.)	7			
8. Exemption amount (See Instruction 5.)	8			
9. Taxable net income (Subtract line 8 from line 7.).	9			
10. **Maryland tax** from line 16 of revised Form 505NR	10			
11. **Special Nonresident tax** from line 17 of revised Form 505NR.	11			
12. Total Maryland tax (Add lines 10 and 11.).	12			
12a. Credits: Earned Income Credit ☐ Poverty Level Credit ☐ Personal Credit ☐ Business Credit XXXX Enter total credits	12a			
12b. Maryland tax after credits (Subtract line 12a from line 12.) If less than 0, enter 0	12b			
13. Contribution: A. ☐ B. ☐ C. ☐ Enter total contributions (See Instruction 8.)	13			
14. Total Maryland income tax and contribution (Add lines 12b and 13.)	14			
15. **Total Maryland tax withheld**.	15			
16. Estimated tax payments and payments made with Form 502E and Form MW506NRS . .	16			
17. Refundable earned income credit.	17			
18. Nonresident tax paid by pass-through entities	18			
19. Refundable income tax credits (Attach Form 502CR and/or 502S.)	19			
20. Total payments and credits (Add lines 15 through 19.)	20			
21. Balance due (If line 14 is more than line 20, subtract line 20 from line 14.)	21			
22. Overpayment (If line 14 is less than line 20, subtract line 14 from line 20.).	22			
23. Tax paid with original return, plus additional tax paid after it was filed (Do not include any interest or penalty.)	23			
24. Prior overpayment (Total all refunds previously issued.).	24			
25. **REFUND** (If line 21 is less than line 23, subtract line 21 from line 23.) (If line 24 is less than line 22, subtract line 24 from line 22.) (Add line 22 to line 23.) (See Instruction 10.) . . . . . **REFUND**	25			
26. **BALANCE DUE** (If line 21 is more than line 23, subtract line 23 from line 21.) (Add line 21 to line 24.) (If line 22 is less than line 24, subtract line 22 from line 24.) (See Instruction 10.)	26			
27. Interest and/or penalty charges on tax due and/or from Form 502UP (See Instruction 11.).	27			
28. **TOTAL AMOUNT DUE** (Add line 26 and line 27.) . . . . . **PAY IN FULL WITH THIS RETURN**	28			

MARYLAND FORM
505X
2014

NONRESIDENT AMENDED TAX RETURN

14505X149

NAME _____ SSN _____

I. INCOME AND ADJUSTMENTS TO INCOME: You must complete the following using the amounts from your federal income tax return. If there are no changes to the amounts claimed on your original Maryland return, check here ☐ and complete Column A and line 17 of Column C.

INCOME AND ADJUSTMENTS INFORMATION
(See Instruction 4.) (Use a minus sign (-) to indicate a loss.)

			A. Federal income or loss (-) as corrected	**B.** Maryland income or loss (-) as corrected	**C.** Non-Maryland income or loss (-) as corrected
1.	Wages, salaries, tips, etc	**1**			
2.	Taxable interest income	**2**			
3.	Dividend income	**3**			
4.	Taxable refunds, credits or offsets of state and local income taxes	**4**			
5.	Alimony received	**5**			
6.	Business income or loss	**6**			
7.	Capital gain or loss	**7**			
8.	Other gains or losses (from federal Form 4797)	**8**			
9.	Taxable amount of pensions, IRA distributions, and annuities	**9**			
10.	Rents, royalties, partnerships, estates, trusts, etc. (Circle appropriate item.)	**10**			
11.	Farm income or loss	**11**			
12.	Unemployment compensation	**12**			
13.	Taxable amount of Social Security and Tier 1 Railroad Retirement benefits	**13**			
14.	Other income (including lottery or other gambling winnings)	**14**			
15.	Total income (Add lines 1 through 14.)	**15**			
16.	Total adjustments to income from federal return (IRA, alimony, etc.)	**16**			
17.	Adjusted gross income (Subtract line 16 from 15.) (Carry the amount from line 17, column A, to page 1, line 1, column C.)	**17**			

II. ITEMIZED DEDUCTIONS: If you itemized deductions on your Maryland return, you must complete the following. If there are no changes to the amounts claimed on your original Maryland return, check here ☐ and complete Column A and line 11 of Column C.

			A. As originally reported or as previously adjusted	**B.** Net increase or decrease (-)	**C.** Corrected amount
1.	Medical and dental expense	**1**			
2.	Taxes	**2**			
3.	Interest	**3**			
4.	Contributions	**4**			
5.	Casualty or theft losses	**5**			
6.	Miscellaneous	**6**			
7.	Enter total itemized deductions from federal Schedule A	**7**			
8.	Enter state and local income taxes included on line 2 or from worksheet (See Instruction 4.)	**8**			
9.	Net deductions (Subtract line 8 from line 7.)	**9**			
10.	AGI factor (See instruction 14 of the nonresident instructions.)	**10**	.0	.0	.0
11.	Total Maryland deductions (Multiply line 9 by line 10.) (Enter on page 1, in each appropriate column of line 6.)	**11**			

III. EXPLANATION OF CHANGES TO INCOME, DEDUCTIONS AND CREDITS: Enter the line number from page 1 for each item you are changing and give the reason for each change. Attach any required supporting forms and schedules for items changed.

Check here ☐ if you authorize your preparer to discuss this return with us.

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief it is true, correct and complete. If prepared by a person other than taxpayer, the declaration is based on all information of which the preparer has any knowledge.

Make checks payable and mail to:
COMPTROLLER OF MARYLAND
Revenue Administration Division, 110 Carroll Street
Annapolis, Maryland 21411-0001
(It is recommended that you write your Social Security number on your check in blue or black ink.)

Your signature _____ Date _____

Signature of preparer other than taxpayer _____ Preparer's PTIN (Required by Law) _____

Spouse's signature _____ Date _____

Address and telephone number of preparer _____

MARYLAND FORM **505X**

NONRESIDENT AMENDED INCOME TAX RETURN INSTRUCTIONS

2014

You must file your Maryland Amended Form 505X electronically to claim, or change information related to, business income tax credits from Form 500CR.

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.

WHEN AND WHERE TO FILE

Generally, Form 505X must be filed within three years from the date the original return was due (including extensions) or filed. The following exceptions apply.

- A claim filed after three years, but within two years from the time the tax was paid is limited to the amount paid within the two years immediately before filing the claim.
- A claim for refund based on a federal net operating loss carryback must be filed within 3 years after the due date (including extensions) of the return for the tax year of the net operating loss.
- If the claim for refund or credit for overpayment resulted from a final determination made by an administrative board or an appeal of a decision of an administrative board, that is more than three years from the date of filing the return or more than two years from the time the tax was paid, the claim for refund must be filed within one year of the date of the final decision of the administrative board or final decision of the highest court to which an appeal of the administrative board is taken.
- If the Internal Revenue Service issues a final determination of adjustments that would result in a decrease to Maryland taxable income, file an amended return within one year after the final adjustment report or the final court decision if appealed.
- If the Internal Revenue Service issued a final determination of adjustments that would result in an increase to Maryland taxable income, file the amended return within ninety days after the final determination.

Do not file an amended return until sufficient time has passed to allow the original return to be processed. For current year returns, allow at least six weeks. Note that no refund for less than $1.00 will be issued.

The amended return must be filed with the **Comptroller of Maryland, Revenue Administration Division, 110 Carroll Street, Annapolis, Maryland 21411-0001.**

For more information regarding refund limitations, see Administrative Release 20.

PROTECTIVE CLAIMS

A protective claim is a claim for a specific amount of refund filed on an amended return with a request that the Comptroller delay acting on the refund request. The claim for refund may not be based on a federal audit. The delay requested must be due to a pending decision by a state or federal court which will affect the outcome of the refund, or for reasonable cause. The protective claim must be filed in accordance with the limitations outlined in the section **WHEN AND WHERE TO FILE.** The Comptroller may accept or reject a protective claim. If rejected, the taxpayer will be informed of a right to a hearing. We cannot accept a protective claim unless an original return has been filed.

PENALTIES

There are severe penalties for failing to file a tax return, failing to pay any tax when due, filing false or fraudulent returns or making a false certification. The penalties include criminal fines, imprisonment and a penalty on your taxes. In addition, interest is charged on amounts not paid when due.

To collect unpaid taxes, the Comptroller is directed to enter liens against the salary, wages or property of delinquent taxpayers.

PRIVACY ACT INFORMATION

The Revenue Administration Division requests information on tax returns to administer the income tax laws of Maryland, including determination and collection of correct taxes. If you fail to provide all or part of the requested information, the exemptions, exclusions, credits, deductions or adjustments may be disallowed and you may owe more tax. In addition, the law provides penalties for failing to supply information required by law or regulations.

You may look at any records held by the Revenue Administration Division which contain personal information about you. You may inspect such records, and you have certain rights to amend or correct them.

As authorized by law, information furnished to the Revenue Administration Division may be given to the United States Internal Revenue Service, 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. The information also may be obtained with a proper legislative or judicial order.

USE OF FEDERAL RETURN

Most changes to your federal return will result in changes on your Maryland return and you will need the information from your federal amendment to complete your Maryland amended return. Therefore, complete your federal return first. Maryland law requires that your income and deductions be entered on your Maryland return exactly as they were reported on your federal return. However, all items reported on your Maryland return are subject to verification, audit and revision by the Maryland Comptroller's Office.

If you are amending your federal return, attach a photocopy of the federal Form 1040X and any revised schedules to your Maryland Form 505X. If your tax has been increased by the Internal Revenue Service, you must report this increase to the Maryland Revenue Administration Division within 90 days from the final IRS determination.

---

1 NAME AND ADDRESS INFORMATION.

Enter the Social Security Number, correct name and current address in the boxes. Be sure to check the appropriate box if you or your spouse are 65 or over or blind on the last day of the tax year. If your address is different from the address on your original return, be sure to answer "Yes" to the first question.

2 QUESTIONS.

Answer all of the questions and attach copies of any federal notices, amended forms and schedules. If filing your amended return for a Net Operating Loss Carryback or Carryforward, check the appropriate box. Provide the dates you resided in Maryland for the tax year and explain any changes from your original filing in Part III of Form 505X.

3 FILING STATUS.

Enter the filing status you used on your original return and show any change of filing status. Your filing status should correspond to the filing status used on your federal return.

Generally, you may not change from married filing joint to married filing separately after the original due date of the

return. Any change in filing status to or from married filing joint requires the signature of both spouses. Enter a complete explanation in Part III of Form 505X.

4 COMPLETE PAGE 2 OF FORM 505X.

PART I - Page 2

Enter the amount of income (or loss) from your federal return as corrected in Column A. Enter the amount of your Maryland income (or loss) as corrected in Column B. Enter the amount of your non-Maryland income (or loss) as corrected in Column C.

PART II - Page 2

If you itemized deductions, enter your original or previously adjusted amounts in Column A. Enter any increase (or decrease) in Column B and enter the corrected amounts in Column C.

Any amount deducted as contributions of Preservation and Conservation Easements for which a credit is claimed on Form 502CR must be included on line 8. On line 10, enter the adjusted gross income factor from the worksheet in Instruction 5.

PART III

Use this section to provide a detailed explanation of the changes being made on the amended return. A filing status change must be fully explained here.

Enter the line number from page 1 for each item you are changing and state the reason for the change. Be sure to attach revised Form 505NR and any other required schedules or forms.

NOW COMPLETE PAGE 1 OF FORM 505X.

COLUMNS A-C

In Column A, enter the amounts from your return as originally filed or as previously adjusted or amended.

In Column B, enter the net increase or net decrease for each line you are changing. Use a minus sign (-) to indicate a decrease. Explain each change in Part III of Form 505X and attach any related schedule or form. If you need more space, show the required information on an attached statement. For Column C, add the increase in Column B to the amount in Column A, or subtract the Column B decrease from Column A. For any item you do not change, enter the amount from Column A in Column C.

5 FIGURE YOUR MARYLAND AND SPECIAL NONRESIDENT TAX.

LINE 1 – Income and adjustments from federal return. Copy the amounts from your federal amended return or as corrected by the IRS. Be sure to reconcile this figure to Part 1 of Form 505X and enter a complete explanation of the changes in Part III.

LINE 2 – Additions to income. For decoupling and tax preference items and amounts to be added when credits are claimed, include corrected Maryland Form(s) 500DM, 502TP, 502CR or 500CR. Enter an explanation of the changes in Part III.

LINE 4 – Subtractions from income. Enter items such as child care expenses, pension exclusion and other subtractions as shown in the 2014 Nonresident Income Tax Return Instructions. Enter an explanation of the changes in Part III and attach any corrected forms.

LINE 6 – Method of computation.

Standard deduction method. The standard deduction is 15% of the Maryland adjusted gross income with the following minimums and maximums.

Filing Status	
Single Married filing separately Dependent taxpayer	– Minimum of $1,500 and maximum of $2,000
Filing Status	
Married filing joint or spouse had no income Head of household Qualifying widow(er) with dependent child	– Minimum of $3,000 and maximum of $4,000

Itemized deduction method. Check the box and enter your total Maryland itemized deductions.

LINE 8 – Exemptions. The personal exemption is $3,200. This exemption amount is reduced once the taxpayer's federal adjusted gross income exceeds $100,000. ($150,000 if filing Joint, Head of Household or Qualifying Widow(er) with Dependent Child). If you are subject to this reduction, see the exemption chart in the 2014 Nonresident Income Tax Return Instructions. Taxpayers 65 years or over or blind get an additional exemption of $1,000.

Multiply the exemption amount by the AGI factor in the ADJUSTED GROSS INCOME FACTOR WORKSHEET to calculate the amount of the exemption to enter in column C of line 8 on the front of Form 505X. Use the exemption amount that you had claimed on your original return (or as previously adjusted) in Column A of line 8. The difference between these two figures should be entered in Column B of line 8.

Attach amended Form 502B if you are changing dependent information.

Adjusted Gross Income (AGI) Factor. **You must adjust your standard or itemized deductions and exemptions using the AGI factor calculated in the worksheet below. Carry this amount to six decimal places. NOTE: If Maryland adjusted gross income before subtractions (line 2) is 0 or less, use 0 as your factor. If your federal adjusted gross income (line 1) is 0 or less and line 2 is greater than 0, use 1 as your factor.**

ADJUSTED GROSS INCOME FACTOR WORKSHEET (5)

1. Enter your federal adjusted gross income (from line 17, column 1) . . . . .1 _____

2. Enter your Maryland adjusted gross income before subtraction of non-Maryland income (from line 25) . .2 _____

3. AGI factor. Divide line 2 by line 1 . . . .3 **.** _____

LINE 10 – Computing the tax. Complete Form 505NR following the instructions in the nonresident booklet using corrected figures to determine the tax. Line 16 of the revised Form 505NR is entered on line 10 of Form 505X. Line 17 of the revised Form 505NR is entered on line 11 of Form 505X.

6 EARNED INCOME CREDIT, POVERTY LEVEL CREDIT, CREDITS FOR INDIVIDUALS AND BUSINESS TAX CREDITS.

Enter each credit being claimed in the appropriate box on line 12a.

You may claim a credit equal to one-half (50%) of your federal earned income credit on line 12a. Since you are a nonresident, you must prorate the earned income credit using the Maryland income factor from line 9 of Form 505NR.

You may also claim a credit on line 12a equal to 5% of your earned income. If your income is less than the poverty level guidelines, refer to the nonresident instructions and worksheet to compute the allowable credit. You must prorate the poverty level credit using the Maryland income factor.

Personal income tax credits from Form 502CR and business tax credits from Form 500CR should be entered in the appropriate box on line 12a. If these amounts are different from the original return, be sure to attach the completed Form 502CR and/or Form 500CR with appropriate documentation or certifications.

If the total credits on line 12a are greater than the tax on line 12, enter zero on line 12b. The credits entered on line 12a are nonrefundable. For information concerning refundable credits, see Instruction 9.

You must file your amended return electronically to claim a business tax credit from Form 500CR. A paper version of Form 500CR is no longer available.

7 SPECIAL NONRESIDENT INCOME TAX.

The special nonresident tax is calculated on line 17 of revised Form 505NR.

8 CONTRIBUTIONS TO THE CHESAPEAKE BAY AND ENDANGERED SPECIES FUND, DEVELOPMENTAL DISABILITIES SERVICES AND SUPPORT FUND AND MARYLAND CANCER FUND.

Enter the amounts of your contribution in 13A for the Chesapeake Bay and Endangered Species Fund, 13B for the Developmental Disabilities Services and Support Fund and 13C for the Maryland Cancer Fund. Any contribution will increase your balance due or reduce your refund. Enter the total of your contributions in the appropriate columns. Additional information concerning the funds is contained in the Maryland tax instructions for the tax year of the amended return.

9 TAXES PAID AND CREDITS.

Write your taxes paid and credits on lines 15-20.

Enter the correct amounts on lines 15 through 19 and attach any additional or corrected W-2 statements, photocopies of cancelled checks or money orders for estimated account payments not credited on your original return. Attach corrected Form 502CR and other state returns, and/or Form 502S.

Refundable Earned Income Credit. You may be eligible for a refundable earned income credit if one-half (50%) of your federal earned income credit is greater than your Maryland tax. Refer to the Refundable Earned Income Credit Worksheet in the 2014 Nonresident Income Tax Return Instructions, and enter the allowable credit on line 17.

Refundable Income Tax Credits. Enter the total of your refundable income tax credits on line 19. Attach Form 502CR.

a. **NEIGHBORHOOD STABILIZATION CREDIT.** Beginning with tax year 1999, individuals certified by Baltimore County as qualified for the neighborhood stabilization credit may claim a credit equal to the property tax credit granted by Baltimore County. Attach a copy of the certification.

b. **SUSTAINABLE COMMUNITIES TAX CREDIT.** A credit is allowed for a percentage of qualified rehabilitation expenditures as certified by the Maryland Historical Trust. Attach a copy of Form 502S and certification.

c. **REFUNDABLE BUSINESS INCOME TAX CREDIT.** Form 500CR Instructions are available online at www.marylandtaxes.com. You must file Form 500CR electronically to claim a business income tax credit.

d. **IRC SECTION 1341 REPAYMENT.** If you repaid an amount this year reported as income on a prior year federal tax return that was greater than $3,000, you may be eligible for an IRC Section 1341 repayment credit. See Administrative Release 40.

e. **NONRESIDENT PTE TAX.** If you are the beneficiary of a trust, or a member of a PTE, for which nonresident PTE tax was paid, you may be entitled to a share of that tax. See Form 502CR Instructions.

10 BALANCE DUE OR OVERPAYMENT.

Calculate the balance due or overpayment by subtracting the total on line 20 from the amount on line 14 and enter the result on either line 21 or line 22.

Enter the tax paid with the original return plus any additional tax paid after filing on line 23 (do not enter interest or penalty paid) OR enter the overpayment from your original return plus any additional overpayments from prior amendments or adjustments on line 24.

If there is an amount on line 21:

- and line 21 is more than line 23, you owe additional tax. Enter the difference on line 26 and compute the interest due using the interest rates in Instruction 11.
- and there is also an amount on line 24, you owe additional tax. Add the two together and enter the total on line 26. Compute the interest due. See Instruction 11.
- and line 21 is less than line 23, you are due a refund. Enter the difference on line 25.

If there is an amount on line 22:

- and line 22 is more than line 24, you are due an additional refund. Enter the difference on line 25.
- and there is also an amount on line 23, you are due an additional refund. Add the two together and enter on line 25.
- and line 22 is less than line 24, you owe additional tax. Enter the difference on line 26 and compute the interest due using the interest rates in Instruction 11.

Previous interest and penalty

Interest and/or penalty charges for the year you are amending, whether previously paid or still outstanding, may be adjusted as a result of your amendment. Any payments made on the account have been applied first to penalty, then to interest and lastly to tax due. These payments may require reallocation depending on the result of the amendment. We will notify you of the net balance due or refund when we have completed processing your Form 505X.

NOTE: If all or part of the overpayment on your original return

2014 Tax Rate Schedules

Tax Rate Schedule I

For taxpayers filing as Single, Married Filing Separately, or as Dependent Taxpayers. This rate is also used for taxpayers filing as Fiduciaries.

If taxable net income is: At least:	but not over:	Maryland Tax is:			
$0	$1,000			2.00%	of taxable net income
$1,000	$2,000	$20.00	plus	3.00%	of excess over $1,000
$2,000	$3,000	$50.00	plus	4.00%	of excess over $2,000
$3,000	$100,000	$90.00	plus	4.75%	of excess over $3,000
$100,000	$125,000	$4,697.50	plus	5.00%	of excess over $100,000
$125,000	$150,000	$5,947.50	plus	5.25%	of excess over $125,000
$150,000	$250,000	$7,260.00	plus	5.50%	of excess over $150,000
$250,000		$12,760.00	plus	5.75%	of excess over $250,000

Tax Rate Schedule II

For taxpayers filing Joint, Head of Household, or for Qualifying Widows/Widowers.

If taxable net income is: At least:	but not over:	Maryland Tax is:			
$0	$1,000			2.00%	of taxable net income
$1,000	$2,000	$20.00	plus	3.00%	of excess over $1,000
$2,000	$3,000	$50.00	plus	4.00%	of excess over $2,000
$3,000	$150,000	$90.00	plus	4.75%	of excess over $3,000
$150,000	$175,000	$7,072.50	plus	5.00%	of excess over $150,000
$175,000	$225,000	$8,322.50	plus	5.25%	of excess over $175,000
$225,000	$300,000	$10,947.50	plus	5.50%	of excess over $225,000
$300,000		$15,072.50	plus	5.75%	of excess over $300,000

was credited to an estimated tax account for next year, we cannot reduce or remove this credit without specific authorization from you. If you have a balance due, and wish to apply monies credited to a 2015 estimated tax account, attach written authorization for the amount to be removed. Interest charges are assessed even if the balance due is removed from the 2014 account.

11 INTEREST ON TAX DUE AND INTEREST FOR UNDERPAYMENT OF ESTIMATED TAX.

Interest must be computed and paid on any balance of tax due. Interest is due from the date the return originally was due to be filed until the date the tax is paid. The annual interest rate has been 13% since January 1, 1993.

UNDERPAYMENT OF ESTIMATED TAX

If you do not meet the requirement for avoidance of interest for underpayment of estimated tax, obtain Form 502UP online at **www.marylandtaxes.com** or from any office of the Revenue Administration Division. Complete and attach it to your amended return. Enter any interest due on line 27 of Form 505X.

If you calculated and paid interest on underpayment of estimated tax with your original return, recalculate the interest based on your amended tax return, and attach a copy of a revised Form 502UP showing your recalculation.

12 SIGNATURE, ATTACHMENTS AND PAYMENT INSTRUCTIONS.

Sign and date your return on page 2 and attach all required forms, schedules and statements.

SIGNATURES

You must sign your return. Both spouses must sign a joint return. Your signature(s) signify that your return, including all attachments, is, to the best of your knowledge and belief, true, correct and complete, under the penalties of perjury.

TAX PREPARERS

If another person prepared your return, that person must also sign the return and enter their preparer's tax identification number (PTIN). The preparer declares that the return is based on all information required to be reported of which the preparer has knowledge, under the penalties of perjury. Penalties may be imposed for tax preparers who fail to sign the tax return and provide their preparers tax identification number.

ATTACHMENTS

Be sure to attach wage and tax statements (Forms W-2, 1099 and K-1) to the front of your return if you are claiming additional Maryland withholding. Be sure to attach all forms, schedules and statements required by these instructions. Do not attach worksheets. Enclose your check or money order, if required.

MAILING INSTRUCTIONS

Mail your return to:

Comptroller of Maryland
Revenue Administration Division
Amended Return Unit
110 Carroll Street
Annapolis, Maryland 21411-0001

PAYMENT INSTRUCTIONS

Make your check or money order payable to "Comptroller of Maryland." Write the type of tax and year of tax being paid on your check. It is recommended that you include your Social Security Number on check using blue or black ink. **DO NOT SEND CASH.**

13 NET OPERATING LOSS (NOL).

To claim a deduction for a federal NOL on the Maryland return, you must first calculate the NOL for federal purposes. A deduction will be allowed on the Maryland return for the amount of the loss actually utilized on the federal return. The amount of loss utilized for federal purposes is generally equal to the federal taxable income (before loss is used) or the federal modified taxable income as calculated for the year of carryback or carryforward.

An addition or subtraction modification may be required in a carryback or carryforward year when the federal NOL, or the year to which the NOL is carried, includes items included in certain provisions of the Internal Revenue Code from which the State of Maryland has decoupled, including certain special depreciation allowances and 5-year carryback provisions. For more information, refer to Administrative Release 38.

An NOL generated when an individual or a business entity is not subject to Maryland income tax law, in a tax year beginning on or after October 22, 2007, cannot be used as a deduction to offset Maryland income. For acquisitions or liquidations occurring on or after October 22, 2007, the acquiring business entity which is subject to Maryland income tax law cannot use the acquired or liquidated business entity's NOL as a deduction to offset Maryland income, if the acquired or liquidated business entity was not subject to Maryland income tax law when its NOL was generated. An NOL being carried forward from tax years beginning before October 22, 2007 can be used until exhausted.

An addition to income may be required in a carryback or carryforward year if the total Maryland additions to income exceeds the total Maryland subtractions from income **in the loss year**. The required addition to income represents a recapture of the excess additions over subtractions. The addition to income required is generally equal to the lesser of the NOL deduction in the carryback year or the net addition modification (NAM) in the loss year unless the loss year includes a decoupling modification. For more information regarding NAM, refer to Administrative Release 18.

If an election to forgo a carryback is made, a copy of the federal election for the loss year must be attached with the Maryland amended return.

You must attach copies of federal Form 1045 or 1040X, whichever was used for federal purposes, and a copy of the federal income tax return for the year of the loss. Also include Schedules A and B of Form 1045 or the equivalent worksheets used to develop the federal NOL and show the amounts utilized on the federal return in the carryback or carryforward years. Check the appropriate box on the front of Form 505X located directly below the name and address.

14 INCOME TAX ASSISTANCE.

For more information, visit our Web site at **www.marylandtaxes.com** 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.

REMINDER: Attach a revised Form 505NR to your 2014 Amended Nonresident Return.

MARYLAND FORM 510

PASS-THROUGH ENTITY INCOME TAX RETURN

145100049

2014

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OR FISCAL YEAR BEGINNING **2014, ENDING**

Print Using Blue or Black Ink Only

Name		
Number and street		
City or town	State	ZIP code
▶ Federal Employer Identification No. (9 digits)	Do not write in this space. ME ▶	
FEIN Applied for date	YE ▶	
▶ Date of Organization or Incorporation (MMDDYY)	Business Activity Code No. (6 digits)	

TYPE OF ENTITY: ▶ ☐ S Corporation ☐ Partnership ☐ Limited Liability Company ☐ Business Trust

CHECK HERE IF: ☐ Name or address has changed ☐ First filing of the entity ☐ Inactive entity ☐ Final return
▶ ☐ This tax year's beginning and ending dates are different from last year's because of an acquisition or consolidation.

AMENDED RETURN ▶☐

1. Number of members: a) Individual (including fiduciary) residents of Maryland _____ ◀ c) Nonresident entities _____ ◀
b) Individual (including fiduciary) nonresidents _____ ◀ d) Others _____ ◀
e) Total _____

2. Total distributive or pro rata share of income per federal return (Form 1065 or 1120S) — Unistate entities or multistate entities with no nonresident members also enter this amount on line 4 . . . . . ▶ **2** _____

ALLOCATION OF INCOME

(To be completed by multistate pass-through entities with nonresident members — unistate entities, and multistate entities with no nonresidents, go to line 4.)

3a. Non-Maryland income (for entities using separate accounting). Subtract this amount from line 2 and enter the difference on line 4 . . . . . ▶ **3a** _____

3b. Maryland apportionment factor from computation worksheet on Page 2 (for entities using the apportionment method). Multiply line 2 by this factor and enter the result on line 4 (If factor is zero, enter 000001.) . . . . ▶ **3b** .____ ____ ____ ____ ____ ____

4. Distributive or pro rata share of income allocable to Maryland . . . . . **4** _____

NOTE: Complete lines 5 through 19 only if there is an entry on line 1b or line 1c. Tax is calculated only for nonresident individual or nonresident entity members. (Investment partnerships see Specific Instructions.)

5. Percentage of ownership by individual nonresident members shown on line 1b (or profit/loss percentage, if applicable). If 100%, leave blank and enter the amount from line 4 on line 6. . . . . ▶ **5** .____ ____ ____ ____

6. Distributive or pro rata share of income for nonresident individual members (Multiply line 4 by the percentage on line 5.) . . . . . **6** _____

7. Nonresident individual tax (Multiply line 6 by 5.75%.) . . . . . **7** _____

8. Special nonresident tax (Multiply line 6 by 1.25%.) . . . . . **8** _____

9. Total Maryland tax on individual members (Add lines 7 and 8.) . . . . . **9** _____

10. Percentage of ownership by nonresident entities shown on line 1c (or profit/loss percentage, if applicable) If 100%, leave blank and enter the amount from line 4 on line 11. . . . . ▶ **10** .____ ____ ____ ____

11. Distributive or pro rata share of income for nonresident entity members (Multiply line 4 by percentage on line 10.) . . . . . **11** _____

12. Nonresident entity tax (Multiply line 11 by 8.25%.) . . . . . **12** _____

13. Total nonresident tax (Add lines 9 and 12.) . . . . . **13** _____

14. Distributable cash flow limitation from worksheet. See instructions. If worksheet used, check here. . . . . ▶ ☐ . . . ▶ **14** _____

15. Nonresident tax due (Enter the lesser of line 13 or line 14.) . . . . . **15** _____

16 a. Estimated pass-through entity nonresident tax paid with Form 510D and MW506NRS . . . . . ▶ **16a** _____

b. Pass-through entity nonresident tax paid with an extension request (Form 510E) . . . . . ▶ **16b** _____

c. Credit for nonresident tax paid on behalf of pass-through entity by another pass-through entity (Attach Maryland Form 510 Schedule K-1.) . . . . . ▶ **16c** _____

d. Total payments and credits (Add lines 16a through 16c.) . . . . . **16d** _____

17. Balance of tax due (If line 15 exceeds line 16d, enter the difference.) . . . . . ▶ **17** _____

18. Interest and/or penalty from Form 500UP _____ or late payment interest _____ . . Total ▶ **18** _____

19. Total balance due. (Add lines 17 and 18.) Pay in full with this return . . . . . **19** _____

NOTE: The total tax paid from lines 16d and 17 is to be reported either on the composite return or on the returns of the nonresident members. Nonresident entity and fiduciary members cannot file a composite return nor be included in the composite return filed by nonresident individual members. (See instructions.)

Complete line 20 only if there are no nonresident members. (Lines 1b and 1c are both zero.)

20. Amount TO BE REFUNDED (Enter the amount from line 16d if the amount on line 13 is zero.). . . . . ▶ **20** _____

Staple check here

▶ ☐☐☐
CODE NUMBERS (Three digits per box)

COM/RAD 069

MARYLAND FORM 510 2014

PASS-THROUGH ENTITY INCOME TAX RETURN

145100149

NAME _____ FEIN _____

SCHEDULE A – COMPUTATION OF APPORTIONMENT FACTOR (Applies only to multistate pass-through entities. See instructions.) NOTE: Special apportionment formulas are required for rental/leasing, transportation, financial institutions and manufacturing companies. See instructions.	Column 1 TOTALS WITHIN MARYLAND	Column 2 TOTALS WITHIN AND WITHOUT MARYLAND	Column 3 DECIMAL FACTOR (Column 1 ÷ Column 2 rounded to six places)
1A. Receipts a. Gross receipts or sales less returns and allowances			
b. Dividends			
c. Interest			
d. Gross rents			
e. Gross royalties			
f. Capital gain net income			
g. Other income (Attach schedule.)			
h. Total receipts (Add lines 1A(a) through 1A(g), for Columns 1 and 2.)			___.___ ___ ___ ___ ___ ◄
1B. Receipts Enter the same factor shown on line 1A, Column 3. Disregard this line if special apportionment formula used.			___.___ ___ ___ ___ ___
2. Property a. Inventory			
b. Machinery and equipment			
c. Buildings			
d. Land			
e. Other tangible assets (Attach schedule.)			
f. Rent expense capitalized (Multiply by eight.)			
g. Total property (Add lines 2a through 2f, for Columns 1 and 2.)			___.___ ___ ___ ___ ___ ◄
3. Payroll a. Compensation of officers			
b. Other salaries and wages			
c. Total payroll (Add lines 3a and 3b, for Columns 1 and 2.)			___.___ ___ ___ ___ ___ ◄

4. Total of factors (Add entries in Column 3.) . . . . . ___.___ ___ ___ ___ ___

5. Maryland apportionment factor Divide line 4 by four for three-factor formula, or by the number of factors used if special apportionment formula required. (If factor is zero, enter 000001 on line 3b, page 1.) . . . . . ___.___ ___ ___ ___ ___

ADDITIONAL INFORMATION REQUIRED

1. Address of principal place of business (if other than indicated on page 1): _____
2. Address at which tax records are located (if other than indicated on page 1): _____
3. Telephone number of pass-through entity tax department: _____
4. State of organization or incorporation: _____
5. Has the Internal Revenue Service made adjustments (for a tax year in which a Maryland return was required) that were not previously reported to the Maryland Revenue Administration Division? . . . . . ☐ Yes ☐ No

   If "yes", indicate tax year(s) here: _____ and submit an amended return(s) together with a copy of the IRS adjustment report(s) under separate cover.
6. Did the pass-through entity file withholding tax returns/forms with the Maryland Revenue Administration Division for the last calendar year? . . . . . ☐ Yes ☐ No
7. Is this entity a multistate corporation that is a member of a unitary group? . . . . . ► ☐ Yes ☐ No
8. Is this entity a multistate manufacturing corporation with more than 25 employees? If so, complete and attach Form 500MC to your Form 510. . . . . ► ☐ Yes ☐ No

SIGNATURE AND VERIFICATION: Under penalties of perjury, I declare that I have examined this return (including attachments) and, to the best of my knowledge and belief, it is true, correct and complete. (Declaration of preparer other than the taxpayer is based on all information of which preparer has any knowledge.) Check here ☐ if you authorize your preparer to discuss this return with us.

Signature of general partner, officer or member _____ Date _____ ► Preparer's PTIN (required by law) _____ Preparer's signature _____

Title _____ Preparer's name, address and telephone number _____

Make checks payable and mail to:
Comptroller of Maryland, Revenue Administration Division
110 Carroll Street
Annapolis, Maryland 21411-0001
(Write Federal Employer Identification Number on check.)

COM/RAD 069

MARYLAND FORM **510** SCHEDULE B

PASS-THROUGH ENTITY INCOME TAX RETURN MEMBERS' INFORMATION

14510B049

2014

Name shown on Form 510

Federal Employer Identification Number (9 digits)

PART I – INDIVIDUAL MEMBERS' INFORMATION

Enter the information in Social Security Number order.

	Social Security Number and name of member	Address	Check here if Maryland: Resident	Check here if Maryland: Non-Resident	Distributive or pro rata share of income (See Instructions.)	Distributive or pro rata share of tax paid (See Instructions.)	Distributive or pro rata share of tax credit (See Instructions.)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
	SUBTOTAL from additional Form 510 Schedule B for individual members						
					TOTAL:		

You must file Maryland Form 510 electronically to pass on business tax credits from Maryland Form 500CR and/or Maryland Form 502S to your members.

COM/RAD 069

MARYLAND FORM 510 SCHEDULE B

PASS-THROUGH ENTITY INCOME TAX RETURN MEMBERS' INFORMATION

14510B149

2014

Name shown on Form 510

Federal Employer Identification Number (9 digits)

PART II – FIDUCIARY MEMBERS' INFORMATION

Enter the information in Federal Employer Identification Number order.

	Federal Employer Identification Number and name of estate or trust	Address	Check here if Maryland: Resident	Check here if Maryland: Non-Resident	Distributive or pro rata share of income (See Instructions.)	Distributive or pro rata share of tax paid (See Instructions.)	Distributive or pro rata share of tax credit (See Instructions.)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
	SUBTOTAL from additional Form 510 Schedule B for fiduciary members						
					TOTAL:		

You must file Maryland Form 510 electronically to pass on business tax credits from Maryland Form 500CR and/or Maryland Form 502S to your members.

COM/RAD 069

MARYLAND FORM **510** SCHEDULE B

PASS-THROUGH ENTITY INCOME TAX RETURN MEMBERS' INFORMATION

14510B249

2014

Name shown on Form 510	Federal Employer Identification Number (9 digits)

PART III – PASS-THROUGH ENTITY MEMBERS' INFORMATION (INCLUDING S CORPORATIONS)
Enter the information in Federal Employer Identification Number order.

	Federal Employer Identification Number and name of Pass-Through Entity	Address	Is Member a Nonresident Entity: YES	NO	Distributive or pro rata share of income (See Instructions.)	Distributive or pro rata share of tax paid (See Instructions.)	Distributive or pro rata share of tax credit (See Instructions.)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
	SUBTOTAL from additional Form 510 Schedule B for PTE members						
					TOTAL:		

You must file Maryland Form 510 electronically to pass on business tax credits from Maryland Form 500CR and/or Maryland Form 502S to your members.

COM/RAD 069

MARYLAND FORM **510** SCHEDULE B

PASS-THROUGH ENTITY INCOME TAX RETURN MEMBERS' INFORMATION

14510B349

2014

Name shown on Form 510	Federal Employer Identification Number (9 digits)

PART IV – CORPORATION MEMBERS' INFORMATION (EXCLUDING S CORPORATIONS)

Enter the information in Federal Employer Identification Number order.

	Federal Employer Identification Number and name of Corporation	Address	Is Member a Nonresident Entity: YES	NO	Distributive or pro rata share of income (See Instructions.)	Distributive or pro rata share of tax paid (See Instructions.)	Distributive or pro rata share of tax credit (See Instructions.)
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							
11							
12							
13							
14							
15							
16							
	SUBTOTAL from additional Form 510 Schedule B for corporate members						
					TOTAL:		

You must file Maryland Form 510 electronically to pass on business tax credits from Maryland Form 500CR and/or Maryland Form 502S to your members.

COM/RAD 069

MARYLAND FORM 510C

COMPOSITE PASS-THROUGH ENTITY INCOME TAX RETURN

14510C049

2014

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OR FISCAL YEAR BEGINNING **2014, ENDING**

Print Using Blue or Black Ink Only

Name		
Number and street		
City or town	State	ZIP code
▶ Federal Employer Identification No. (9 digits)	Do not write in this space. ▶ ME	
FEIN Applied for date	▶ YE	
▶ Date of Organization or Incorporation (MMDDYY)		

☐ **AMENDED RETURN**

NOTE: YOU MUST COMPLETE MARYLAND FORM 510 BEFORE YOU BEGIN THIS RETURN. SEE ADMINISTRATIVE RELEASE 6.

1. Enter the total number of nonresident individual members of PTE listed on Form 510, line 1b . . . . ▶1. _____
2. Enter the number of eligible nonresident individual members who have elected to be included in this composite filing . . . . . ▶2. _____
3. Enter the total distributive or pro rata share of income for nonresident individuals included on line 2 of this form . . . . . ▶3. _____
4. Enter total exemption amount from Form 510C Schedule A, Column C . . . . . ▶4. _____
5. Enter total standard deduction from Form 510C Schedule A, Column D . . . . . ▶5. _____
6. Allowable exemptions and deductions. (Add lines 4 and 5.) . . . . . 6. _____
7. Enter the total flow-through decoupling modifications from Form 510C Schedule A, Column E If negative, enter negative. . . . . ▶7. _____
8. Enter total income allocable to MD from Form 510C Schedule A, Column F . . . . . ▶8. _____
9. Add lines 7 and 8 . . . . . 9. _____
10. MD taxable income. Subtract line 6 from line 9. (If less than zero, enter zero.) . . . . . 10. _____
11. MD tax. (Multiply line 10 by 7%.) . . . . . 11. _____
12. a. Enter total PTE nonresident tax from Form 510C Schedule A, Column G . . . . . ▶12a. _____
    b. Enter payment made with 502E extension request . . . . . ▶12b. _____
    c. Total payments (Add line 12a and 12b.) . . . . . 12c. _____
13. Balance Due. If line 11 is greater than 12c, subtract line 12c from line 11 and enter here; go to line 15 . . . . . ▶13. _____
14. Overpayment. If line 12c is greater than line 11, subtract line 11 from line 12c and enter amount here. . . . . ▶14. _____
15. Interest charge for late filing . . . . . ▶15. _____
16. Total BALANCE DUE (Add lines 13 and 15 or if line 15 exceeds line 14, enter the difference.) . . . . . 16. _____
17. Overpayment **TO BE REFUNDED** (Subtract line 15 from line 14.) . . . . . ▶17. _____

Staple check here

DIRECT DEPOSIT OF REFUND (See instructions.) Be sure the account information is correct. To comply with banking rules, check here ▶ ☐ if this refund will go to an account outside the United States. If checked, see instructions.

18. For the direct deposit option, complete the following information clearly and legibly.

    18a. Type of account: ▶ ☐ Checking ☐ Savings

    18b. ▶ ___ ___ ___ ___ ___ ___ ___ ___ ___ 9 Digit Routing Number

    18c. ▶ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ Account Number

SIGNATURE AND VERIFICATION: Under penalties of perjury, I declare that I have examined this return (including attachments) and, to the best of my knowledge and belief, it is true, correct and complete. Declaration of preparer other than the taxpayer is based on all information of which preparer has any knowledge. Check here ☐ if you authorize your preparer to discuss this return with us.

▶

Signature of general partner, officer or member | Date | Preparer's PTIN (required by law) | Preparer's signature

Title | Preparer's name, address and telephone number

Make checks payable and mail to: **Comptroller of Maryland**
Revenue Administration Division
110 Carroll Street
Annapolis, Maryland 21411-0001
(Write federal employer identification number on check.)

▶ ☐☐☐ CODE NUMBERS (Three digits per box.)

COM/RAD 071

MARYLAND FORM

510C

SCHEDULE A

14510C149

2014

Federal Employer Identification Number (9 digits) ▶		
Name		
Number and street		
City or town	State	ZIP code

MARYLAND COMPOSITE PASS-THROUGH ENTITY INCOME TAX RETURN
PASS THROUGH ENTITY MEMBER INFORMATION FOR COMPOSITE FILERS

A Member Name Social Security Number	B Number of Exemptions	C Exemption Amount	D Standard Deduction Amount	E PTE Decoupling Modifications	F Income Allocable to Maryland	G Distributive or Pro Rata Share of Tax Paid
SUBTOTAL of members from additional Form 510C Schedule A						
TOTALS						

COM/RAD 071

MARYLAND FORM 510C COMPOSITE PASS-THROUGH ENTITY INCOME TAX RETURN INSTRUCTIONS

2014

GENERAL INSTRUCTIONS

Pass-through entities (PTEs) may use Form 510C to file a composite income tax return on behalf of eligible nonresident individual members. **Nonresident members other than individuals may not participate in the composite return.** The Maryland tax of each nonresident individual member is calculated using the rate of 5.75% plus the 1.25%.

Note: A single member entity cannot file a composite return.

SPECIFIC INSTRUCTIONS

Who may use this form. Nonresident individual members of a PTE doing business in the State who meet the composite return requirements contained in Administrative Release 6 and elect to be included in a composite return may not be required to file Maryland nonresident returns individually. Instead, the PTE doing business in the State may file a composite return on behalf of such nonresident individual members if:

1. Form 510C accurately reflects the Maryland taxable income and tax liability of each individual member shown on the return;
2. Form 510C Schedule A is attached containing all required information for each individual member; and,
3. The PTE pays the tax, interest and penalty due by each individual member shown on the return.

Any overpaid amount will be refunded to the PTE. For more information, Administrative Release 6 may be obtained from our Web site at **www.marylandtaxes.com**.

Line 2 Enter the number of eligible nonresident individual members who have elected to be included on this composite return. Fiduciaries are not eligible and cannot be included.

Line 4 Enter the total exemption amount reported on Column C, Form 510C Schedule A. The exemption amount allowed for each nonresident individual member must be determined separately based on the individual member's filing status.

Generally, a nonresident is allowed the same number of exemptions that the nonresident is permitted on the federal return; however, the exemption amount is different, and is further prorated by the nonresident's Maryland income factor. See Instruction 10 of Form 505, Maryland Nonresident Income Tax Return to determine the exemption amount before multiplying it by the Maryland income factor, which is the nonresident's Maryland adjusted gross income (generally from Form 510C, Schedule A, Column F) divided by the nonresident's federal adjusted gross income (FAGI). If it is impracticable to determine all of the separate Maryland income factors, then the factor must be determined by using line 6 of Form 510 as the numerator (excluding the portion applicable to nonresident fiduciary members) and line 2 of Form 510 as the denominator (See Administrative Release 6).

Line 5 Enter the total standard deduction amount reported on Column D, Form 510C, Schedule A. The standard deduction amount allowed for each nonresident individual member must be determined separately based on the individual member's Maryland adjusted gross income, and then prorated by the nonresident's Maryland income factor. See Instruction 15 of Form 505, Maryland Nonresident Income Tax Return for determining the standard deduction amount. See the instruction for line 4 for the nonresident individual member's Maryland income factor.

Line 7 Enter the total PTE flow-through decoupling modification amount reported on Column E, Form 510C. No flow-through addition or subtraction modifications, other than the modification required as a result of Maryland's decoupling from the additional depreciation allowance and special 5-year net operating loss carryback provisions may be claimed on a composite return. See Administrative Release 38.

Line 15 If there is a balance due on line 13, interest may be due as result of late filing of Form 510C and payment of tax. Interest is due at the rate of 13% annually or 1.08% per month for any month or part of a month that a tax is paid after the original due date of the return. The Maryland Revenue Administration Division will calculate the interest and penalty for failure to pay the required amount of tax and notify the pass-through entity of any balance due.

Line 16 Total Balance Due. Add the amounts on lines 13 and 15 and enter the result, or, if the amount on line 15 exceeds line 14, enter the difference. The total amount due must be paid with the filing of Form 510C.

Schedule A Instructions. Complete the following for each eligible nonresident individual member who has elected to be included on this composite return.

Column A Member's full name and Social Security Number.

Column B Member's number of exemption allowance.

Column C Member's exemption amount. See instruction for Form 510C, line 4.

Column D Member's standard deduction. See instruction for Form 510C, line 5.

Column E Member's share of decoupling modification flow-through from the PTE. See instruction for Form 510C, line 7.

Column F Member's pro rata share of income allocable to Maryland. This is generally the member's portion of what is reported on line 4 of Form 510. If amount is less than 0, enter 0. **A PTE filing a composite return is not permitted to offset one member's income allocable to Maryland by a loss from another member.**

Column G Member's pro rata share of the nonresident withholding tax paid. This is the member's portion of what is reported on line 16d and line 17 of Form 510.

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 this is the case, do not enter your routing and account numbers, as the direct deposit option is not available to you. We will send you a paper check. Complete lines 18a, b and c of Form 510C if you want us to deposit your refund directly into your account at a bank or other financial institution (such as a mutual fund, brokerage firm or credit union) in the United States.

Signature Verification. An authorized general partner, officer or member of the PTE must sign and date Form 510C and enter his or her title. If a preparer is used, the preparer also must sign the return and enter the firm's name, address and Preparer's Tax Identification Number (PTIN). Penalties may be imposed for tax preparers who fail to sign the tax return and provide their Preparer's Tax Identification Number.

Attachments and Mailing Instruction. Mail the completed return and all required attachments to **Comptroller of Maryland, Revenue Administration Division, 110 Carroll Street, Annapolis, MD 21411-0001.** Must attach with Form 510C: (1) Form 510C Schedule A, (2) the PTE's Form 510 Schedule B, Part I for individual members; and (3) the members' Form 510 Schedule K-1 issued by the PTE.

Extension of Time to File. Use Form 502E to file an extension and make payment. See Administrative Release 4.

Amended Returns. If filing an amended return, check the Amended Return box on page 1 of Form 510C.

Privacy Act Information. The Tax-General Article of the Annotated Code of Maryland authorizes the Revenue Administration Division to request information on tax returns to administer the income tax laws of Maryland, including determination and collection of correct taxes. Code Section 10-804 provides that you must include your Social Security Number on the return you file. This is so we know who you are and can process your return. If you fail to provide all or part of the requested information, then applicable exemptions, credits, deductions or adjustments may be disallowed and you may owe more tax. In addition, the law provides penalties for failing to supply information required by law or regulations. You may look at any records held by the Revenue Administration Division which contain personal information about you. You may inspect such records, and you have certain rights to amend or correct them. As authorized by law, information furnished to the Revenue Administration Division may be given to the United States Internal Revenue Service, 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. The information may be obtained in accordance with a proper legislative or judicial order.

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MARYLAND FORM 510D

PASS-THROUGH ENTITY DECLARATION OF ESTIMATED INCOME TAX

15510D049

2015

OR FISCAL YEAR BEGINNING **2015, ENDING**

Print Using Blue or Black Ink Only

Federal Employer Identification Number (9 digits)		
Name		
Number and street		
City or town	State	ZIP code

For Office Use Only

ME	YE	EC	EC

USE THIS FORM TO REMIT ANY ESTIMATED PAYMENT DUE AT THIS TIME. IF FORMS ARE NEEDED TO MAKE ADDITIONAL INSTALLMENTS OF THE CURRENT TAX YEAR, SEE THE INSTRUCTIONS FOR MORE INFORMATION.

ENTITY TYPE:

☐ S CORPORATION ☐ PARTNERSHIP ☐ LIMITED LIABILITY COMPANY ☐ BUSINESS TRUST

IMPORTANT: Review the instructions before completing this form. If you are using this form for subsequent estimated payments, you **do not** need to complete this worksheet if you previously have calculated the amount you need to pay each quarter.

STAPLE CHECK HERE

ESTIMATED TAX WORKSHEET

1. Taxable income of nonresident individual members (including fiduciaries) expected for the tax year **BEGINNING** in 2015	1		
2. Estimated income tax liability (5.75% of line 1.)	2		
3. Special nonresident tax (1.25% of line 1.)	3		
4. Taxable income of nonresident entities expected for the tax year **BEGINNING** in 2015	4		
5. Estimated tax liability (8.25% of line 4.)	5		
6. Estimated tax due for the year (Add lines 2, 3 and 5.)	6		
7. Estimated tax due per quarter (Line 6 divided by four.)	7		

ESTIMATED TAX PAID FOR 2015 WITH THIS DECLARATION. ▶ **$**		

Make checks payable to and mail to:
COMPTROLLER OF MARYLAND
Revenue Administration Division
110 Carroll Street
Annapolis, Maryland 21411-0001
(Write Federal Employer Identification Number on check)

COM/RAD 073

MARYLAND FORM 510D PASS-THROUGH ENTITY DECLARATION OF ESTIMATED INCOME TAX INSTRUCTIONS

2015

Purpose of Form Form 510D is used by a pass-through entity (PTE) to declare and remit estimated tax.

General Requirements PTEs are required to pay tax on behalf of all nonresident members. For nonresident members that are individuals or nonresident fiduciaries, the tax is 5.75% in addition to the special nonresident tax of 1.25% of the nonresident member's distributive or pro rata share of income. For nonresident entity members, the tax is 8.25% of the nonresident member's distributive or pro rata share of income. A nonresident entity is an entity that is not formed under the laws of Maryland; and is not qualified by, or registered with the Department of Assessments and Taxation to do business in Maryland. The amount of tax due may be limited based on the distributable cash flow limitation. The Distributable Cash Flow Limitation worksheet is available in our PTE income tax instructions, which can be downloaded at **www.marylandtaxes.com**.

Certain PTEs meeting certain reporting requirements are exempt from the requirement to pay nonresident tax on behalf of its nonresident members. See instructions for Form 510 for more information.

When the tax is expected to exceed $1,000 for the tax year, the PTE must make quarterly estimated payments. 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 to avoid interest and penalty.

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 that was 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. However, if the pass-through entity has a short tax period of less than 4 months, it does not have to pay estimated tax nor file Form 510D.

Maryland law provides for the accrual of interest and imposition of penalty for failure to pay any tax when due.

If it is necessary to amend the estimate, recalculate the amount of estimated tax required using the estimated tax worksheet provided. Adjust the amount of the next installment to reflect any previous underpayment or overpayment. The remaining installments must be at least 25% of the amended estimated tax due for the year.

The PTE must issue a statement to each nonresident member showing the amount of tax paid on their behalf. Nonresident members must include the statement with their own income tax returns (Form 500, 504, 505 or 510) to claim credit for taxes paid on their behalf.

When to File File Form 510D on or before the 15th day of the 4th, 6th, 9th and 12th months following the beginning of the tax year or period for S corporations or by the 4th, 6th, 9th and 13th months following the beginning of the tax year for partnerships, LLCs and business trusts.

Tax Year or Period The tax year is shown at the top of Form 510D. The form used for filing must reflect the preprinted tax year in which the PTE's tax year begins.

If the tax year of the PTE is other than a calendar year, enter the beginning and ending dates of the fiscal year in the space provided at the top of Form 510D.

Name, Address, and Other Information Type or print the required information in the designated area.

Enter the exact PTE name with any "Trading As" (T/A) name if applicable.

Enter the Federal Employer Identification Number (FEIN). If the 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.

Filing electronically using Modernized Electronic Filing method (software provider must be approved by the IRS and Revenue Administration Division). **If filed electronically, do not mail 510D; retain it with company's records.**

If you need to make additional payments for the current tax year you may file electronically, or you can go to **www.marylandtaxes.com** and download another Form 510D.

Payment Instructions Include a check or money order made payable to **Comptroller of Maryland**. All payments must indicate the FEIN, type of tax and tax year beginning and ending dates. **DO NOT SEND CASH.**

Mailing Instructions Mail the completed Form 510D and payment to:

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

MARYLAND FORM 510E

APPLICATION FOR EXTENSION TO FILE PASS-THROUGH ENTITY INCOME TAX RETURN

14510E049

2014

OR FISCAL YEAR BEGINNING **2014, ENDING**

Print Using Blue or Black Ink Only

Federal Employer Identification Number (9 digits)		
Name		
Number and street		
City or town	State	ZIP code

For Office Use Only

ME	YE	EC	EC

STOP **IF NO TAX IS DUE WITH THIS EXTENSION, DO NOT MAIL THIS PAPER FORM, INSTEAD FILE THE EXTENSION AT: www.marylandtaxes.com** OR CALL 1-800-260-3664 OR FROM CENTRAL MARYLAND 410-260-7829 TO TELEFILE THIS FORM.

ENTITY TYPE:

- ☐ S CORPORATION
- ☐ PARTNERSHIP
- ☐ LIMITED LIABILITY COMPANY
- ☐ BUSINESS TRUST

IMPORTANT: Composite Return filers use Form 502E (See instructions).

INSTRUCTIONS FOR TAX PAYMENT WORKSHEET

Line 1 – **Tax liability** Enter the total amount of nonresident income tax the pass-through entity is expected to owe. Use Form 510 as a worksheet.

Line 2 – **Estimated tax payments** Enter the total amount of Maryland estimated tax paid with Form 510D for the tax year.

Line 3 – **Tax due** Subtract line 2 from line 1 and enter the result. This is the tax to be paid with the application for extension.

TAX PAYMENT WORKSHEET

1. Tax liability . . . . . 1. _____
2. Estimated tax payments. . . . . 2. _____
3. Tax due - Subtract line 2 from line 1. . . . . 3. _____

TAX PAID WITH THIS EXTENSION . . . . . ▶ $		

IF NO TAX IS DUE WITH THIS EXTENSION, DO NOT MAIL THIS PAPER FORM, UNLESS IT IS THE FIRST FILING OF THE ENTITY, INSTEAD FILE THE EXTENSION AT: **www.marylandtaxes.com** OR CALL 1-800-260-3664 OR FROM CENTRAL MARYLAND 410-260-7829 TO TELEFILE THIS FORM.

Make checks payable to and mail to:
COMPTROLLER OF MARYLAND
Revenue Administration Division
110 Carroll Street
Annapolis, Maryland 21411-0001
(Write Federal Employer Identification Number on check.)

MARYLAND FORM **510E**

APPLICATION FOR EXTENSION TO FILE PASS-THROUGH ENTITY INCOME TAX RETURN INSTRUCTIONS

2014

Purpose of Form Maryland law provides for an extension of time to file the pass-through entity income tax return (Form 510), but not to pay the tax due. Use Form 510E to remit any tax that may be due. Also use Form 510E if this is the first filing of the entity, even if no tax is due.
Note: Do not use this form for:

- Corporations (except S corporations);
- Entities filing a Composite Return; or,
- Employer withholding tax.

General Requirements Extensions are allowable for up to seven months from the original due date for S corporations and up to six months from the original due date for all other pass-through entities. An automatic extension will be granted if Form 510E is filed by the original due date.

- **If no tax is due -** File the extension online or telefile. You must use Form 510E if this is the first filing of the entity.
- **If tax is due -** Make full payment by using Form 510E.

Do not mail the Form 510E if, after completing the Tax Payment Worksheet, no additional tax is due. Instead, you may telefile or file on our Web site unless this is the first filing of the pass-through entity. However, if an unpaid liability is disclosed when the return is filed, penalty and interest charges may be due in addition to the tax.

When to file File Form 510E by the 15th day of the third month following the close of the tax year or period for an S corporation or by the 15th day of the fourth month for all other pass-through entities.

Name, Address and Other Information Type or print the required information in the designated area.

Enter the exact pass-through entity name and continue with any "Trading As" (T/A) name, if applicable.

Enter the Federal Employer Identification Number (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.

Check the applicable box for type of entity.

Tax Year or Period Enter the beginning and ending dates of the tax year in the space provided if the tax year is other than a calendar year.

The same tax year or period used for the federal return must be used for Form 510E.

How to file Complete the Tax Payment Worksheet.

If line 3 is zero, file in one of the following ways:

1) **Telefile** Request an automatic extension by calling 1-800-260-3664 or from Central Maryland 410-260-7829 to telefile this form. Please have the form available when making this call.
NOTE: Telefile service is available 24 hours a day, 7 days a week. Calling during non-peak hours will make it easier to file.
2) **Internet** File the extension at **www.marylandtaxes.com** and look for Online Services/Services for Business. If filed by Internet, do not mail 510E; retain it with the company's records.
3) **Filing electronically using Modernized Electronic Filing method** (software provider must be approved by the IRS and Revenue Administration Division). **If filed electronically, do not mail 510E; retain it with the company's records.**
4) **First filing of entity** Mail Form 510E.

If line 3 shows an amount due.

1) **Filing electronically using Modernized Electronic Filing method** (software provider must be approved by the IRS and Revenue Administration Division). **If filed electronically, do not mail 510E; retain it with company's records.**
2) **Payment Instructions** Include a check or money order made payable to **Comptroller of Maryland.** All payments must indicate the FEIN, type of tax and tax year beginning and ending dates. **DO NOT SEND CASH**.

Mail payment and completed Form 510E to:

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

MARYLAND FORM **510** SCHEDULE K-1

PASS-THROUGH ENTITY MEMBER'S INFORMATION

14510K049

2014

OR FISCAL YEAR BEGINNING 2014, ENDING

INFORMATION ABOUT THE PASS-THROUGH ENTITY (PTE)

PTE Name	PTE FEIN

Street Address

City	State	ZIP code

INFORMATION ABOUT THE MEMBER

Member Number	Member Name	Member's SSN/FEIN

Street Address	Resident	Distributive or Pro Rata Share Percentage
	☐ Yes ☐ No	%

City	State	ZIP code

A. Member's Income

1. Distributive or pro rata share of income from federal Schedule K-1 . . . . . 1. _____
2. Distributive or pro rata share allocable to Maryland (Nonresidents only) . . . . . 2. _____

B. Additions

1. Non-Maryland municipal interest and dividends . . . . . 1. _____
2. Tax preference items . . . . . 2. _____
3. Net decoupling modification . . . . . 3. _____
4. Net decoupling modification from another PTE . . . . . 4. _____
5. Other additions (Specify additions with amounts in part F of this form.) . . . . . 5. _____

C. Subtractions

1. Income from U.S. obligations . . . . . 1. _____
2. Work opportunity credit salary expense . . . . . 2. _____
3. Net decoupling modification . . . . . 3. _____
4. Net decoupling modification from another PTE. . . . . 4. _____
5. Other subtractions (Specify subtractions with amounts in part F of this form.). . . . . 5. _____

D. Nonresident Tax - Enter the member's distributive or pro rata share

1. Nonresident tax paid by this PTE . . . . . 1. _____
2. Nonresident tax paid by other PTEs on behalf of this entity . . . . . 2. _____
3. Total (Add lines 1 and 2. Members: Include this amount on Form 500, line 15f; Form 502CR, Part I, line 5; Form 504, line 33; Form 505, line 46; Form 510, line 16c.). . . . . 3. _____

E. Credits (*Required documentation or certification must be attached.)**

Nonrefundable Credits

1. Enterprise Zone Tax Credit*** . . . . . 1. _____
2. Maryland Disability Employment Tax Credit . . . . . 2. _____
3. Job Creation Tax Credit*** . . . . . 3. _____
4. Community Investment Tax Credit*** . . . . . 4. _____

COM/RAD 045

5. Businesses that Create New Jobs Tax Credit . . . . . 5. _____
6. Qualified Vehicle Tax Credit . . . . . 6. _____
7. Employer-Provided Long-Term Care Insurance Tax Credit . . . . . 7. _____
8. Security Clearance Costs Tax Credit*** . . . . . 8. _____
9. Small Business First-Year Leasing Security Clearance Costs Tax Credit*** . . . . . 9. _____
10. Research and Development Tax Credit*** . . . . . 10. _____
11. Commuter Tax Credit . . . . . 11. _____
12. Maryland-Mined Coal Tax Credit*** . . . . . 12. _____
13. Oyster Shell Recycling Tax Credit*** . . . . . 13. _____
14. Bio-Heating Oil Tax Credit*** . . . . . 14. _____
15. Cellulosic Ethanol Technology Research & Development Tax Credit*** . . . . . 15. _____
16. Wineries and Vineyards Tax Credit*** . . . . . 16. _____
17. Electric Vehicle Recharging Equipment Tax Credit*** . . . . . 17. _____

Refundable Credits

18. Cybersecurity Investment Incentive Tax Credit*** . . . . . 18. _____
19. Film Production Activity Tax Credit*** . . . . . 19. _____
20. Biotechnology Investment Incentive Tax Credit*** . . . . . 20. _____
21. Clean Energy Incentive Tax Credit*** . . . . . 21. _____
22. Health Enterprise Zone Hiring Tax Credit*** . . . . . 22. _____
23. Small Business Research & Development Tax Credit*** . . . . . 23. _____
24. Maryland Sustainable Communities Tax Credit*** . . . . . 24. _____

One Maryland Economic Development Tax Credit*

☐ Refundable ☐ Nonrefundable

25a. Total number of "qualified employees" . . . . . 25a. _____

25b. If the amount on line 25a is less than 25, has the PTE maintained at least 25 qualified employees for at least 5 years? ☐ Yes ☐ No

26. Tax year in which the project was put into service . . . . . 26. _____

Enter Member's Distributive or Pro Rata Share of the Following:

27. Portion of PTE's income attributable to project . . . . . 27. _____
28. Non-project taxable income from PTE . . . . . 28. _____
29. Number of "qualified employees" multiplied by $10,000 . . . . . 29. _____
30. Amount of Maryland income tax required to be withheld from employees reported on line 25a of this form. . . . . 30. _____
31. Total eligible cumulative project costs ($500,000 PTE minimum, $5,000,000 PTE maximum) . . 31. _____
32. Total cumulative eligible start-up costs ($500,000 PTE maximum) . . . . . 32. _____

F. Additional Information

_____

_____

_____

MARYLAND FORM **510** SCHEDULE K-1

PASS-THROUGH ENTITY SCHEDULE K-1 INSTRUCTIONS

2014

General Instructions

Use Form 510 Schedule K-1 to report the distributive or pro rata share of the member's income, additions, subtractions, nonresident tax, and credits allocable to Maryland.

Specific Instructions

Enter the fiscal year used by the pass-through entity in the header of this form, if the pass-through entity is not using a calendar year.

Information about the Pass-Through Entity

Enter the name, address, and Federal Employer Identification Number (FEIN).

Information about the Member

Enter the name, address, Social Security Number/Federal Employer Identification Number (FEIN), residency information, and percentage of distributive or pro rata share.

Section A. Member's Income

Line 1 - Enter federal distributive or pro rata share of income from federal Schedule K-1.

Line 2 - Enter nonresident member's distributive or pro rata share allocable to Maryland, as shown on Maryland Form 510, Schedule B.

Section B. Additions

Enter member's distributive or pro rata share of additions.

Section C. Subtractions

Enter member's distributive or pro rata share of subtractions.

Section D. Nonresident Tax

Line 1 - Complete only if member is a nonresident. Enter the member's distributive or pro rata share of any nonresident tax paid on behalf of the member by this pass-through entity. This line is the member's distributive or pro rata share of Maryland Form 510, lines 16a, 16b, and the additional tax paid with the return.

Line 2 - Enter the member's distributive or pro rata share of any nonresident tax paid on behalf of this entity by other pass-through entities. This line is the member's distributive or pro rata share of Maryland Form 510, line 16c.

Line 3 - Add lines 1 and 2 and enter total on line 3. Members: Include this amount on Form 500, line 15f; Form 502CR, Part I, line 5; Form 504, line 33; Form 505, line 46; Form 510, line 16c.

Section E. Credits

Nonrefundable – The PTE will enter the member's distributive or pro rata share of amount of any business tax credits reported on the Maryland Form 500CR section of its electronic return. The PTE member will report the share of credit on Form 500CR or Form 504CR (if the PTE member is a fiduciary taxpayer.)

Refundable – The PTE will enter the member's distributive or pro rata share of amount of any business tax credits from Maryland Form 500CR or Form 502S (See exception for One Maryland Economic Development Tax Credit below.). The PTE member will report the share of credit on Form 500CR or Form 504CR (if the PTE member is a fiduciary taxpayer).

One Maryland Economic Development Tax Credit – See Part P of Maryland Form 500CR Instructions for more information. If the PTE is a qualified business eligible to pass on a **refundable** One Maryland Economic Development Tax Credit, check the box for Refundable. If the PTE is a qualified business which is eligible to pass on only the **nonrefundable** portion of the One Maryland Economic Development Tax Credit, check the box for Nonrefundable.

Section F. Additional Information

The PTE will enter any other additions or subtractions from section B, line 5 or C, line 5 with amounts, as well as any other information needed to complete the member's return. For example, additional information may include Oil Depletion Allowance or Domestic Production Activities Deduction.

Note: All taxpayers, other than fiduciaries, must file their return electronically to claim or pass on a business income tax credit from Form 500CR. In addition, Corporations and Pass-through Entities must file their returns electronically to claim or pass on a Sustainable Communities Tax Credit from Form 502S.

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MARYLAND FORM 515

FOR NONRESIDENTS EMPLOYED IN MARYLAND WHO RESIDE IN JURISDICTIONS THAT IMPOSE A LOCAL INCOME OR EARNINGS TAX ON MARYLAND RESIDENTS

TAX RETURN

145150049

2014

$

OR FISCAL YEAR BEGINNING _____2014 ENDING _____

Social Security Number		Spouse's Social Security Number	
Your First Name	Initial	Last Name	
Spouse's First Name	Initial	Last Name	
Present Address (No. and street)			
City or Town	State	ZIP code	
Name of county and incorporated city, town or special taxing area in which you were employed on the last day of the taxable period. (See Instruction 6)	MD County	City, town or taxing Area	

FILING STATUS
See Instruction 1 and 2 to determine if you are required to file.
CHECK ONE BOX ▶

1. ☐ Single (If you can be claimed on another person's tax return, use Filing Status 6.)
2. ☐ Married filing joint return or spouse had no income
3. ☐ Married filing separately ▶ _____ Spouse's Social Security number
4. ☐ Head of household
5. ☐ Qualifying widow(er) with dependent child
6. ☐ Dependent taxpayer (Enter 0 in Exemption Box (A) - See Instruction 7)

RESIDENCE INFORMATION-See Instruction 8

Enter 2-letter state code for your state of legal residence. ▶ ☐

County (PA) ☐ City, Borough or Township (PA) ☐

Were you a resident for the entire year of 2014? Yes ☐ No ☐
If no, attach explanation.

Are you or your spouse a member of the military? Yes ☐ No ☐

Did you file a Maryland income tax return for 2013? Yes ☐ No ☐

If "Yes," was it a ☐ Resident or a ☐ Nonresident return?

Advise dates you resided within Maryland for 2014. If none, enter "NONE."

FROM_____ **TO** _____

Check here for Maryland taxes withheld in error. ▶ ☐ (See inst. 4)

EXEMPTIONS See Instruction 9. Check appropriate box(es). **NOTE:** If you are claiming dependents, you must attach the Dependents' Information Form 502B to this form in order to receive the applicable exemption amount.

A ☐ **Yourself** ☐ **Spouse** **A.** Enter No. Checked. . . ☐ See Instruction 9. **A.$** _____

B ▶ ☐ 65 or over ▶ ☐ 65 or over ▶ ☐ Blind ▶ ☐ Blind **B.** Enter No. Checked. . . ☐ X $1,000. . . . . **B.$** _____

C Enter No. from line 3 of Dependent Form 502B. . . . . ☐ See Instruction 9. **C.$** _____

D Enter Total Exemptions (Add A, B and C). . . . . ▶ ☐ **. . .Total Amount D.$** _____

INCOME AND ADJUSTMENTS INFORMATION (See Instruction 10.)

		(1) FEDERAL INCOME (LOSS)	(2) MARYLAND WAGE INCOME	(3) NON-MARYLAND INCOME (LOSS)
1. Wages, salaries, tips, etc.	1			
2. Taxable interest income	2			
3. Dividend income	3			
4. Taxable refunds, credits or offsets of state and local income taxes	4			
5. Alimony received	5			
6. Business income or (loss)	6			
7. Capital gain or (loss)	7			
8. Other gains or (losses) (from federal Form 4797)	8			
9. Taxable amount of pensions, IRA distributions, and annuities	9			
10. Rents, royalties, partnerships, estates, trusts, etc. (Circle appropriate item.)	10			
11. Farm income or (loss)	11			
12. Unemployment compensation (insurance)	12			
13. Taxable amount of social security and tier 1 railroad retirement benefits	13			
14. Other income (including lottery or other gambling winnings)	14			
15. Total income (Add lines 1 through 14.)	15			
16. Total adjustments to income from federal return (IRA, alimony, etc.)	16			
17. Adjusted gross income (Subtract line 16 from line 15.) ▶	17			

Place CHECK or MONEY ORDER on top of your W-2 wage and tax statements and ATTACH HERE with **ONE** staple.

ADDITIONS TO INCOME (See Instruction 11.)

		Dollars	Cents
18. Non-Maryland loss and adjustments	18		
19. Other (Enter code letter(s) from Instruction 11.) ▶ ☐ ☐ ☐	19		
20. Total Additions (Add lines 18 and 19.) ▶	20		
21. Total federal adjusted gross income & Maryland additions (Add lines 17 (Column 1) and 20.)	21		

SUBTRACTIONS FROM INCOME (See Instruction 12.)

22. Taxable military income of nonresident ▶	22		
23. Other (Enter code letter(s) from Instruction 12.) ▶ ☐ ☐ ☐	23		
24. Total Subtractions (Add lines 22 and 23.) ▶	24		
25. Maryland adjusted gross income before subtraction of non-Maryland income (Subtract line 24 from line 21.)	25		

COM/RAD-023

MARYLAND FORM 515 2014

FOR NONRESIDENTS EMPLOYED IN MARYLAND WHO RESIDE IN JURISDICTIONS THAT IMPOSE A LOCAL INCOME OR EARNINGS TAX ON MARYLAND RESIDENTS

TAX RETURN

145150149

NAME _____ SSN _____

26. Amount from line 25 (Maryland adjusted gross income before subtraction of non-Maryland income.) 26

DEDUCTION METHOD (All taxpayers must select one method and **check the appropriate box**)

27. STANDARD DEDUCTION METHOD See Instruction 14 and enter amount ▶ ☐

ITEMIZED DEDUCTION METHOD See Instruction 15 and enter amount ☐ ▶ 27

28. Net income (Subtract line 27 from line 26.) 28

29. Total exemption amount (from EXEMPTIONS area, page 1). See Instruction 16. 29

30. Enter your AGI factor (from the worksheet in Instruction 13). 30

31. Maryland exemption allowance (Multiply line 29 by line 30.). 31

32. Taxable net income (Subtract line 31 from line 28.) Figure tax on Form 505NR 32

MARYLAND TAX COMPUTATION – Complete Form 505NR before continuing

33. Maryland tax from line 16 of Form 505NR. (Attach Form 505NR.). 33

34. Earned income credit (1/2 of federal earned income credit). See Instruction 19. . . . . ▶ 34

35. Poverty level credit (See Instruction 19.) . . . . . ▶ 35

36. Income tax credits from Part H, line 8 of Form 502CR. (Attach Form 502CR.) 36

37. Business tax credits . . . . . **You must also file Form 505 electronically to claim a business income tax credit.**

38. Total credits (Add lines 34 through 36.) 38

39. Maryland tax after credits (Subtract line 38 from line 33.) If less than 0, enter 0. 39

LOCAL TAX COMPUTATION

40. Local tax from line 18 of Form 505NR. Enter local tax rate used. See Instruction 20 . 0 ___ ___ ___. 40

41. Local earned income credit (from Local Earned Income Credit Worksheet in Instruction 20.) 41

42. Local poverty level credit (from Local Poverty Level Credit Worksheet in Instruction 20.) 42

43. Total credits (Add lines 41 and 42.) 43

44. Local tax after credits (Subtract line 43 from line 40.) If less than 0, enter 0 44

45. Total Maryland and local tax (Add lines 39 and 44.). 45

46. Contribution to Chesapeake Bay and Endangered Species Fund . . . . . ▶ 46

47. Contribution to Developmental Disabilities Services and Support Fund. . . . . ▶ 47

48. Contribution to Maryland Cancer Fund . . . . . ▶ 48

49. Total Maryland income tax, local income tax and contributions (Add lines 45 through 48.) 49

50. Total Maryland and local tax withheld (Enter total from and attach your W-2 and 1099 forms if MD and/or local tax is withheld.) . . . . . ▶ 50

51. 2014 estimated tax payments, amount applied from 2013 return and payment made with Form 502E . . . ▶ 51

52. Refundable earned income credit (from worksheet in Instruction 19.) . . . . . ▶ 52

53. Enter amount of Maryland tax from line 39 **if Pennsylvania resident** . . . . . ▶ 53

54. Refundable personal income tax credits from Part I, line 6 of Form 502CR (Attach Form 502CR. See Instruction 21.) 54

55. Total payments and credits (Add lines 50 through 54.) 55

56. Balance due (If line 49 is more than line 55, subtract line 55 from line 49.). . . . . ▶ 56

57. Overpayment (If line 49 is less than line 55, subtract line 49 from line 55.). . . . . ▶ 57

58. Amount of overpayment **TO BE APPLIED TO 2015 ESTIMATED TAX** ▶ 58

59. Amount of overpayment **TO BE REFUNDED TO YOU** (Subtract line 58 from line 57.). . . . . **REFUND** ▶ 59

60. Interest charges from Form 502UP ☐ or for late filing ☐ . . . . . Total ▶ 60

61. TOTAL AMOUNT DUE (Add line 56 and line 60.) IF $1 OR MORE, PAY IN FULL WITH THIS RETURN 61

▶ ___ ___ ___ – ___ ___ ___ – ___ ___ ___ ___ ___ ___ ___ ___ ___ ___ ▶

Daytime telephone no. Home telephone no. CODE NUMBERS (3 digits per box)

Check here ☐ if you authorize your preparer to discuss this return with us. Check here ▶ ☐ if you agree to receive your 1099G Income Tax Refund statement electronically. Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements and to the best of my knowledge and belief it is true, correct and complete. If prepared by a person other than taxpayer, the declaration is based on all information of which the preparer has any knowledge.

Make checks payable and mail to:
Comptroller of Maryland
Revenue Administration Division, 110 Carroll Street
Annapolis, Maryland 21411-0001

Your signature Date

Spouse's signature Date

▶ Preparer's PTIN (Required by Law) Signature of preparer other than taxpayer

Address and telephone number of preparer

COM/RAD-023

MARYLAND FORM **515**

INCOME TAX RETURN INSTRUCTIONS

For nonresidents employed in Maryland who reside in jurisdictions that impose a local income or earnings tax on Maryland residents.

2014

DUE DATE

Your return is due by April 15, 2015. If any due date falls on a Saturday, Sunday or legal holiday, the return must be filed by the next business day.

COMPLETING THE RETURN

You must use blue or black ink when completing your return. **DO NOT** use pencil or red ink. Submit the original return, not a photocopy. If no entry is needed for a specific line, leave blank. Do not enter words such as "none" or "zero" and do not draw a line to indicate no entry.

You may round off all cents to the nearest whole dollar. Fifty cents and above should be rounded to the next higher dollar.

PENALTIES

There are severe penalties for failing to file a tax return, failing to pay any tax when due, filing a false or fraudulent return or making a false certification. The penalties include criminal fines, imprisonment and a penalty on your taxes. In addition, interest is charged on amounts not paid.

To collect unpaid taxes, the Comptroller is directed to enter liens against the salary, wages or property of delinquent taxpayers.

EXPLANATION OF TAX

The individual's employer shall withhold the Maryland local income tax. The individual shall not be required to file Maryland Form 515, nor the employer withhold the local tax, if the Comptroller determines that the locality in which the individual resides does not impose a tax on Maryland residents with respect to income from salary, wages or other compensation for personal services performed in the locality or, if it does impose such a tax, that it provides an exemption, credit or other procedure whereby the income of residents of Maryland is rendered free of taxation and withholding.

1 Who is a nonresident?

In general, every individual other than a resident of Maryland is a nonresident.

You are a nonresident if you do not have your permanent home in Maryland and did not maintain a place of abode (that is, a place to live) in Maryland for more than six months of the tax year.

If you establish or abandon legal residence in Maryland during the tax year, you are taxable as a resident for the portion of the year during which your legal residence was in Maryland. (See Form 502 Instructions.)

2 Who must file?

Decide if you must file a nonresident Maryland income tax return, Form 515. In general, you are liable for local income tax and must file this return if you are a nonresident of Maryland AND you received salary, wages or other compensation for personal services performed in any county of Maryland or in Baltimore City **AND you lived in a jurisdiction that imposes a local income or earnings tax on Maryland residents** AND you are required to file a federal return. **For more information, visit www.marylandtaxes.com**.

TO DETERMINE IF YOU ARE REQUIRED TO FILE A MARYLAND RETURN:

a. Add up all of your federal **gross** income (except any income which is exempt by law) to determine your total income.

b. Do not include Social Security or Railroad Retirement benefits in your total federal income.

c. Add to your total federal income any Maryland additions to income. Do not include any additions related to non-Maryland income or loss. (See Instruction 11.) **This is your Maryland gross income**.

d. If you are a dependent taxpayer, add to your total federal income any Maryland additions and subtract any Maryland subtractions. (See Instructions 11 and 12.) **This is your Maryland gross income**.

e. You must file a Maryland return if your Maryland gross income equals or exceeds the income levels in Table 1.

f. If you or your spouse is 65 or over, use Table 2, "Minimum Filing Levels for Taxpayers 65 or Over" on this page.

MINIMUM FILING LEVELS TABLES

TABLE 1
MINIMUM FILING LEVELS FOR TAXPAYERS UNDER 65

Single person (including dependent taxpayers)	$ 10,150
Joint Return	$ 20,300
Married persons filing separately	$ 3,950
Head of Household	$ 13,050
Qualifying widow(er)	$ 16,350

TABLE 2
MINIMUM FILING LEVELS FOR TAXPAYERS 65 OR OVER

Single, age 65 or over	$ 11,700
Joint Return, one spouse, age 65 or over	$ 21,500
Joint Return, both spouses, age 65 or over	$ 22,700
Married persons filing separately, age 65 or over	$ 3,950
Head of Household, age 65 or over	$ 14,600
Qualifying widow(er), age 65 or over	$ 17,550

MARYLAND TAX WITHHELD IN ERROR:

If Maryland tax was withheld in error from your income, you must file to obtain a refund of the withholding. Complete all of the information at the top of the form through the filing status, residence information and exemption areas. Enter your federal adjusted gross income on line 17 in both columns 1 and 3 and line 24. Then complete lines 50-55, 57 and 59.

Sign the form and attach withholding statements (Form W-2 or 1099) showing Maryland tax withheld equal to the refund you are claiming.

Your form is then complete. You must file within three years of the original due date to receive any refund.

3 What income is taxable?

If you are required to file Form 515, then you are subject to **local income tax** on that portion of your federal adjusted gross income from salary, wages or other compensation for personal services performed in any county of Maryland or Baltimore City. **If you have income other than wages subject to Maryland tax, you must also file Form 505.** For more information, visit our Web site at **www.marylandtaxes.com** 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. If you are required to file Form 515 and you reside in any state other than Pennsylvania, your wages are also subject to Maryland **state income tax**.

4 Use of federal return.

First complete your 2014 federal income tax return.

You will need the information from your federal return to complete your Maryland return. Before you continue beyond this point, complete your federal return. Maryland law requires that your income and deductions be entered on your Maryland return exactly as they were reported on your federal return. However, all items reported on your Maryland return are subject to verification, audit and revision by the Comptroller's Office.

5 Name and address information.

Complete the "Name," "Address" and "Social Security Number" boxes.

The Social Security Number(s) (SSN) must be a valid number issued by the Social Security Administration of the United States Government. If you, your spouse or dependent(s) do not have a SSN **and you are not eligible to get a SSN, you must apply for an Individual Tax Identification Number (ITIN) with the IRS. You should wait until you have received it before you file. Enter it wherever your SSN is requested on the return.**

A missing or incorrect SSN or ITIN could result in the disallowance of any credits or exemptions you may be entitled to and result in a balance due.

A Valid SSN or ITIN is required for any claim of exemption for a dependent. If you have a dependent who was placed with you for legal adoption and you do not know his or her SSN, you must get an Adoption Tax Identification Number (ATIN) for the dependent from the IRS. If your child was born and died in this tax year and you do not have a SSN for the child, complete just the name and relationship of the dependent and enter code **322**, in one of the code number boxes located to the right of the telephone number area on page 2 of the form.

6 County, city, town information.

Fill in the boxes for MARYLAND COUNTY and CITY, TOWN OR TAXING AREA based on where in Maryland you were employed on the last day of the tax period (December 31, 2014 for calendar year taxpayers).

IF YOU WORKED IN BALTIMORE CITY:

Leave the MARYLAND COUNTY box blank.

Write "Baltimore City" in the CITY, TOWN OR TAXING AREA box.

IF YOU WORKED IN A MARYLAND COUNTY (NOT BALTIMORE CITY):

1. Write the name of the county in the MARYLAND COUNTY box.
2. Find the county in the list below.
3. If you worked in one of the areas listed under the county, write its name in the CITY, TOWN OR TAXING AREA box.
4. If you did not work in one of the areas listed for the county, leave the CITY, TOWN OR TAXING AREA box blank.

7 Filing status.

Check the filing status box that matches the filing status you used on your federal return unless you are a dependent taxpayer.

A dependent taxpayer is one who can be claimed as a dependent on another person's federal return. If married, taxpayer and spouse must file separate returns. A dependent taxpayer may not claim a personal exemption for himself. Check the box for filing status 6.

Generally, if you filed a joint federal return for 2014, you must file a joint Maryland return. Married couples who file joint federal returns may file separate Maryland returns when one spouse is a resident of Maryland and the other spouse is a nonresident of Maryland. If you and your spouse filed separate federal returns, you must file separate Maryland returns. A surviving spouse may file a joint return with a decedent if a joint federal return was filed.

8 Residence information.

Answer all questions and fill in the appropriate boxes. If you are a Pennsylvania Resident, enter your County of legal residence as well as your City, Borough or Township.

LIST OF INCORPORATED CITIES, TOWNS AND TAXING AREAS IN MARYLAND

ALLEGANY COUNTY
BARTON
BELAIR
BOWLING GREEN-ROBERT'S PLACE
CRESAPTOWN
CUMBERLAND
ELLERSLIE
FROSTBURG
LAVALE
LONACONING
LUKE
MCCOOLE
MIDLAND
MT. SAVAGE
POTOMAC PARK ADDITION
WESTERNPORT

ANNE ARUNDEL COUNTY
ANNAPOLIS
HIGHLAND BEACH

BALTIMORE COUNTY
NO INCORPORATED CITIES OR TOWNS

BALTIMORE CITY

CALVERT COUNTY
CHESAPEAKE BEACH
NORTH BEACH

CAROLINE COUNTY
DENTON
FEDERALSBURG
GOLDSBORO
GREENSBORO
HENDERSON
HILLSBORO
MARYDEL
PRESTON
RIDGELY
TEMPLEVILLE

CARROLL COUNTY
HAMPSTEAD
MANCHESTER
MT. AIRY
NEW WINDSOR
SYKESVILLE
TANEYTOWN
UNION BRIDGE
WESTMINSTER

CECIL COUNTY
CECILTON
CHARLESTOWN
CHESAPEAKE CITY
ELKTON
NORTH EAST
PERRYVILLE
PORT DEPOSIT
RISING SUN

CHARLES COUNTY
INDIAN HEAD
LA PLATA
PORT TOBACCO

DORCHESTER COUNTY
BROOKVIEW
CAMBRIDGE
CHURCH CREEK
EAST NEW MARKET
ELDORADO
GALESTOWN
HURLOCK
SECRETARY
VIENNA

FREDERICK COUNTY
BRUNSWICK
BURKITTSVILLE
EMMITSBURG
FREDERICK
MIDDLETOWN
MT. AIRY
MYERSVILLE
NEW MARKET
ROSEMONT
THURMONT
WALKERSVILLE
WOODSBORO

GARRETT COUNTY
ACCIDENT
DEER PARK
FRIENDSVILLE
GRANTSVILLE
KITZMILLER
LOCH LYNN HEIGHTS
MOUNTAIN LAKE PARK
OAKLAND

HARFORD COUNTY
ABERDEEN
BEL AIR
HAVRE DE GRACE

HOWARD COUNTY
NO INCORPORATED CITIES OR TOWNS

KENT COUNTY
BETTERTON
CHESTERTOWN
GALENA
MILLINGTON
ROCK HALL

MONTGOMERY COUNTY
BARNESVILLE
BROOKEVILLE
CHEVY CHASE SEC. 3
TOWN OF CHEVY CHASE (FORMERLY SEC. 4)
CHEVY CHASE SEC. 5
CHEVY CHASE VIEW
CHEVY CHASE VILLAGE
DRUMMOND
FRIENDSHIP HEIGHTS
GAITHERSBURG
GARRETT PARK
GLEN ECHO
KENSINGTON
LAYTONSVILLE
MARTIN'S ADDITION NORTH CHEVY CHASE
OAKMONT
POOLESVILLE
ROCKVILLE
SOMERSET
TAKOMA PARK
WASHINGTON GROVE

PRINCE GEORGE'S COUNTY
BERWYN HEIGHTS
BLADENSBURG
BOWIE
BRENTWOOD
CAPITOL HEIGHTS
CHEVERLY
COLLEGE PARK
COLMAR MANOR
COTTAGE CITY
DISTRICT HEIGHTS
EAGLE HARBOR
EDMONSTON
FAIRMOUNT HEIGHTS
FOREST HEIGHTS
GLENARDEN
GREENBELT
HYATTSVILLE
LANDOVER HILLS
LAUREL
MORNINGSIDE
MT. RAINIER
NEW CARROLLTON
NORTH BRENTWOOD
RIVERDALE PARK
SEAT PLEASANT
UNIVERSITY PARK
UPPER MARLBORO

QUEEN ANNE'S COUNTY
BARCLAY
CENTREVILLE
CHURCH HILL
MILLINGTON
QUEEN ANNE
QUEENSTOWN
SUDLERSVILLE
TEMPLEVILLE

ST. MARY'S COUNTY
LEONARDTOWN

SOMERSET COUNTY
CRISFIELD
PRINCESS ANNE

TALBOT COUNTY
EASTON
OXFORD
QUEEN ANNE
ST. MICHAELS
TRAPPE

WASHINGTON COUNTY
BOONSBORO
CLEARSPRING
FUNKSTOWN
HAGERSTOWN
HANCOCK
KEEDYSVILLE
SHARPSBURG
SMITHSBURG
WILLIAMSPORT

WICOMICO COUNTY
DELMAR
FRUITLAND
HEBRON
MARDELA SPRINGS
PITTSVILLE
SALISBURY
SHARPTOWN
WILLARDS

WORCESTER COUNTY
BERLIN
OCEAN CITY
POCOMOKE CITY
SNOW HILL

9 Exemptions.

Determine which exemptions you may claim and check the appropriate boxes on the form.

EXEMPTIONS ALLOWED

You are permitted the same number of exemptions which you are permitted on your federal return; however, the exemption amount is different on the Maryland return. Even if you are not required to file a federal return, the federal rules for claiming exemptions still apply to you. Refer to the federal income tax instructions for further information.

In addition to the exemptions allowed on your federal return, you and your spouse are permitted to claim exemptions for being age 65 or over or for blindness. These additional exemptions are in the amount of $1,000 each.

If any other dependent is 65 or over, you receive an extra exemption of up to $3,200 that is not permitted on the federal return. Make sure you check both boxes.

Complete the Dependent Form 502B and the exemption area on the front of the Form 515 to determine the amount of exemption allowance to enter on line 29.

10 Income and adjustments.

Complete lines 1-17 of the Federal Income column using the figures from your federal return.

Enter in the Maryland Wage Income column all salaries or wages derived from Maryland sources. Enter in the Non-Maryland Income/Loss column all other income or loss. Adjustments to federal gross income are not generally applicable to Maryland unless they pertain to compensation for services performed in Maryland.

If you also have income from Maryland such as business income, rental income, lottery winnings, etc., other than salary, wages or other compensation for services performed in Maryland, you must file two nonresident returns. The wage income is taxed on Form 515 and the non-wage income on Form 505.

11 ADDITIONS TO INCOME.

Determine which additions to income apply to you.

Write the appropriate amounts on lines 18 and 19 and the total on line 20 of Form 515. Instructions for each line:

Line 18. NON-MARYLAND LOSS. Enter the total amount of non-Maryland losses and adjustments to Federal income that were realized or paid attributable to a non-Maryland source.

Line 19. OTHER ADDITIONS TO INCOME. If one or both of these apply to you, enter the total amount on line 19 and identify each item using the code letter.

▼ **CODE LETTER**

e. Wages, salaries or other compensation for services performed in Maryland that are not subject to federal tax because of a treaty.

g. Pickup contributions of a state retirement or pension system member. (The pickup amount will be stated separately on your W-2 form.)

12 Subtractions from income.

Determine which subtractions from income apply to you. Write the appropriate amounts on lines 22 and 23 and the total on line 24 of Form 515. Instructions for each line:

Line 22. TAXABLE MILITARY INCOME OF NONRESIDENT. Enter the amount of military pay included in your federal adjusted gross income that you received while in the active service of any branch of the armed forces of the United States.

Line 23. OTHER SUBTRACTIONS FROM INCOME. If one or more of these apply to your Maryland income, enter the total amount on line 23 and identify each item using the code letter.

▼ **CODE LETTER**

f. Child care expenses. You may subtract the cost of caring for your dependents while you work. There is a limitation of $3,000 ($6,000 if two or more dependents receive care.) Copy the amount from line 6 of either federal Form 2441 or Form 1040A Schedule 2.

h. Expenses up to $5,000 incurred by a blind person for a reader, or up to $1,000 incurred by an employer for a reader for a blind employee.

j. Amount added to your taxable income for the use of an official vehicle used by a member of a state, county or local police or fire department. The amount is stated separately on Form W-2.

w. Lesser of $1,200 or the Maryland income of the spouse with the lower income if both spouses have Maryland income and you file a joint return.

gg. Amount of income for services performed in Maryland by the spouse of a member of the armed services, if the spouse is not domiciled in Maryland and is in Maryland solely to be with the servicemember serving in compliance with military orders, pursuant to the Military Spouses Residency Relief Act. See Administrative Release 1.

hh. If you have received income from U.S. obligations and your federal adjusted gross income exceeds $100,000 ($150,000

EXEMPTION AMOUNT CHART

The personal exemption is $3,200. This exemption is reduced once the taxpayer's federal adjusted gross income exceeds $100,000 ($150,000 if filing Joint, Head of Household, or Qualifying Widow(er) with Dependent Child). This reduction applies to the additional dependency exemptions as well; however, it does not apply to the taxpayer's age or blindness exemption of $1,000. Use the chart to determine the allowable exemption amount based upon the filing status. **NOTE**: For certain taxpayers with interest from U.S. obligations see Instruction 12, code hh for applicable exemption adjustment.

If Your federal AGI is		Single or Married Filing Separately **Each Exemption is**	Joint, Head of Household or Qualifying Widow(er) **Each Exemption is**	Dependent Taxpayer (eligible to be claimed on another taxpayer's return) **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

if filing Joint, Head of Household or Qualifying Widow(er)), enter the difference, if any, between the exemption amount based upon your federal adjusted gross income and the exemption amount based upon your federal adjusted gross income after subtracting your U.S. obligations using the EXEMPTION ADJUSTMENT WORKSHEET (12A).

hh. EXEMPTION ADJUSTMENT WORKSHEET (12A)

Line 1: ENTER the exemption amount to be reported on line 29 of Form 515 using the chart in Instruction 9. . . . . .$_____

Line 2: ENTER your federal adjusted gross income as reported in Column 1 of line 17 of your Form 515 . . . . . $_____

Line 3: Enter your income from U.S. obligations to be included on line 23 of Form 515. . .$ _____

Line 4: Subtract amount on line 3 from amount reported on line 2.. . . . . .$ _____

Line 5: Recalculate your exemption amount using the chart in Instruction 9, using the income from line 4. Remember to add your $1,000 exemptions for age and blindness if applicable . . . . . .$ _____

Line 6: Subtract the exemption amount calculated on line 1 from the exemption amount calculated on line 5. If the amount is less than zero (0), enter zero (0). If the amount is zero, you have already received the maximum exemption that you are entitled to claim on Form 515 . . . . . .$ _____

If the amount is greater than zero (0), enter this amount as a subtraction on line 23 of Form 515 with subtraction code "hh."

Example:

Pat and Chris Jones had a federal adjusted gross income of $180,000. They also had $40,000 on interest from U.S. Savings bonds and had a dependent son whom they claimed on the Maryland tax return. Using Instruction 9, they found that the exemption amount on their Maryland return (based upon $180,000 of income) was $2,400 ($800 for three exemptions). If it were not for the $40,000 of U.S. Savings bonds, their federal adjusted gross income would have been $140,000 and their exemption amount would have been $9,600 ($3,200 for three exemptions). Therefore, Pat and Chris Jones are entitled to claim a subtraction of $7,200 ($9,600- $2,400) on line 23 using code letter hh.

13 ADJUSTED GROSS INCOME (AGI) FACTOR.

You must adjust your standard or itemized deductions and exemptions using the AGI factor calculated in the AGI FACTOR WORKSHEET (13A). You must carry this amount to six decimal places.

NOTE: If Maryland adjusted gross income before subtractions (Line 2) is 0 or less, use 0 as your factor. If your federal adjusted gross income (line 1) is 0 or less and line 2 is greater (or less) than 0, use 1.000000 as your factor.

AGI FACTOR WORKSHEET (13A)

1. Enter your federal adjusted gross income (from line 17, Column 1) . . . . . $ _____
2. Enter your Maryland adjusted gross income before subtraction of non-Maryland income (from line 25) . . . . . $ _____
3. AGI factor. Divide line 2 by line 1 and enter on Form 515, line 30. If less than 0 or greater than 1.000000, enter 1.000000. . . . . _____

14 STANDARD DEDUCTION.

Complete line 27 and check the box for Standard Deduction Method.

The Standard Deduction Method gives you a standard deduction without the need to itemize deductions. Use the appropriate worksheet to determine the total standard deduction for your filing status and Maryland income.

You must adjust the total standard deduction using the AGI factor from Instruction 13 to figure your Maryland standard deduction.

STANDARD DEDUCTION WORKSHEET (14A) PART I

If your filing status is:

Single, Married filing separately or Dependent taxpayer

Worksheet 1

If your income on line 26 is:	**Your standard deduction is:**
$10,000 or less . . . . . $	**1,500**

or

If your income is between $10,000 - $13,333

Enter your income from above: . . . . . $ _____

Multiply by 15 percent (.15) . . . . . X **.15**

This is your standard deduction $ _____

or

If your income on line 26 is:	**Your standard deduction is:**
$13,333 or over. . . . . $	**2,000**

Enter your standard deduction on Part II, line 1.

If your filing status is:

Married filing jointly, Head of household or Qualifying widow(er)

Worksheet 2

If your income on line 26 is:	**Your standard deduction is:**
$20,000 or less . . . . . $	**3,000**

or

If your income is between $20,000 - $26,667

Enter your income from above: . . . . . $ _____

Multiply by 15 percent (.15) . . . . . X **.15**

This is your standard deduction $ _____

or

If your income on line 26 is:	**Your standard deduction is:**
$26,667 or over. . . . . $	**4,000**

Enter your standard deduction on Part II, line 1.

STANDARD DEDUCTION CALCULATION - PART II

1. Enter your standard deduction from Standard Deduction Worksheet (14A) . . . . . $ _____
2. Enter your AGI factor (from line 3, Instruction 13.) . . . . . _____
3. Total Maryland standard deduction (Multiply line 1 by line 2.). Enter here and on line 27. . . . . $ _____

15 ITEMIZED DEDUCTIONS.

If you figure your tax by the Itemized Deduction Method, complete line 27 and check the box for Itemized Deduction Method.

To use the ITEMIZED DEDUCTION METHOD, you must itemize your deductions on your federal return and complete federal Form 1040 Schedule A.

Enter the amount from federal Schedule A, line 29, Total Itemized Deductions, onto line 1 of the BASIC ITEMIZED DEDUCTIONS WORKSHEET (15A). **USE FEDERAL FORM 1040 SCHEDULE A.**

Complete lines 1 through 5 and enter the result on line 27 of Form 515. Also, any amounts deducted as contributions of Preservation and Conservation Easements for which a credit is claimed on Form 502CR must be added to line 2 of the BASIC ITEMIZED DEDUCTION WORKSHEET (15A).

BASIC ITEMIZED DEDUCTIONS WORKSHEET (15A)

1. Total federal itemized deductions (from line 29, federal Schedule A.) . . . . . 1 _____
2. State and local income taxes included in federal Schedule A, line 5. . . . . 2 _____
3. Net deductions (Subtract line 2 from line 1.) 3 _____
4. Enter your AGI factor (from line 3, Instruction 13). . . . . 4 _____
5. Total Maryland itemized deductions (Multiply line 3 by line 4.) Enter here and on line 27. . . . . 5 _____

NOTE: Certain "high income" taxpayers are required to reduce or limit their federal itemized deductions. If you had to reduce your total federal itemized deductions, use the Itemized Deduction Worksheet For High-Income Taxpayers (Worksheet 15B) to calculate the amount of state and local income taxes to be entered on line 2 the BASIC ITEMIZED DEDUCTIONS WORKSHEET (15A).

You are not required to itemize deductions on your Maryland return because you itemized on your federal return. Figure your tax each way to determine which method is best for you.

Your Maryland itemized deductions are limited to those deductions related to Maryland income. You must adjust the total itemized deductions on line 3 of the BASIC ITEMIZED DEDUCTION WORKSHEET (15A) using the AGI factor. On line 27 enter the itemized deductions as calculated on line 5 of the BASIC ITEMIZED DEDUCTION WORKSHEET (15A).

NOTE: If you elected to deduct general **sales** tax, instead of state and local **income** tax, do not enter that amount on line 2 of the BASIC ITEMIZED DEDUCTION WORKSHEET (15A).

If your unreimbursed business expenses include depreciation to which an adjustment is required for Maryland purposes, complete Form 500DM to calculate the addition modification "l" or subtraction modification "bb."

16 EXEMPTION ALLOWANCE COMPUTATION.

You must adjust the total exemption amount on line 29 using the AGI factor from Instruction 13 to figure your Maryland exemption allowance.

17 FIGURE YOUR TAXABLE NET INCOME.

Subtract line 31 from line 28, and enter this amount on line 32. Go to Form 505NR using Instruction 18.

The 2014 Maryland tax rate schedules are shown so you can see the tax rate that applies to all levels of income; however, do not use them to figure your tax. Instead use the tax tables if your income is under $50,000; otherwise, use the appropriate row in the Maryland Tax Computation Worksheet Schedules at the end of the tax tables to figure your tax. The tax tables and the Maryland Tax Computation Worksheet Schedules in the nonresident tax booklet have been based on these tax rate schedules.

18 FIGURE THE MARYLAND TAX.

You must use the tax table if your taxable income is less than $50,000. Using Form 505NR, Nonresident Income Tax Calculation, follow the line-by-line instructions below to figure your Maryland tax.

Line 1. Enter the taxable net income from Form 515, line 32.

Line 2. Find the income range in the tax table that applies to the amount on line 1 of Form 505NR. Find the Maryland tax corresponding to your income range. Enter the tax amount from the tax table. Tax tables are located at the end of the instructions in the nonresident tax booklet.

If your taxable income on line 1 is $50,000 or more, use the Maryland Tax Computation Worksheet Schedules appropriate for your filing status at the end of the tax tables, or refer to the tax rate schedules.

Line 3. Enter your federal adjusted gross income (FAGI) from Form 515, line 17 (column 1).

Line 3a. If you are claiming a federal earned income credit (EIC), enter the earned income you used to calculate your federal EIC. Earned income includes wages, salaries, tips, professional fees and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you included in federal AGI.

Line 4. Enter the amount from Form 515, line 21.

Line 5. Enter Taxable Military Income of a nonresident, from line 22 of Form 515.

Line 6a. Enter the amount of your subtractions from line 23 of Form 515.

Line 6b. Enter any non-Maryland income (not including losses reported on lines 1 through 14 of column 3, or adjustments to income reported on line 16 of column 3) from Form 515 that have not been included on line 5 or 6a of Form 505NR.

Important Note: Make sure that you follow the instruction for line 6b above to arrive at the correct amount. The non-Maryland losses and adjustments should have been reported on line 18 of Form 515 and included on the amounts reported on line 4 of Form 505NR.

- Line 17 of column 3 also should include any income from Maryland sources (other than wages) that was included in Maryland taxable income on Form 505.
- Income subject to tax as a resident when required to file both a Form 502 and 515 should be included.
- Line 17 of column 3 also should include income for wages earned in Maryland by a nonresident rendering police, fire, rescue or emergency services in an area covered under a state of emergency declared by the Maryland Governor, if the wages are paid by a nonprofit organization not registered to do business in the state and not otherwise doing business in the state, or by a state, county or political subdivision of a state, other than the State of Maryland.

NONRESIDENT ITEMIZED DEDUCTION WORKSHEET FOR HIGH-INCOME TAXPAYERS (15B)

Calculation of State and Local Income Tax Limitation.

1. ENTER the amount from line 29 of federal Schedule A . . . . . 1. $ _____
2. ENTER the total of lines 4, 14 and 20, plus any gambling and casualty or theft losses included in line 28 of federal Schedule A . . . . . 2. $ _____
3. Federal itemized deductions that were limited (SUBTRACT line 2 from line 1.) . . . . . 3. $ _____
4. Federal itemized deductions subject to limitation (ENTER the total of lines 9, 10, 11, 12, 13, 19, 27 and line 28 less any gambling and casualty or theft losses included in 28 of federal Schedule A.). . . . . 4. $ _____
5. DIVIDE line 3 by line 4. . . . . 5. _____%
6. ENTER the amount of state and local income taxes from line 5 of federal Schedule A. . . . . 6. $ _____
7. MULTIPLY line 5 by line 6. Enter here and on line 2 of the BASIC ITEMIZED DEDUCTION WORKSHEET A. . . . . 7. $ _____

Line 7. Add lines 5 through 6b.

Line 8. Subtract line 7 from line 4. This is your Maryland Adjusted Gross Income.

Line 8a. If you are using the standard deduction amount, recalculate the standard deduction (line 8) based on the Maryland adjusted gross income.

Line 9. Compute your Maryland income factor by dividing line 8 by line 3. Carry the factor to six decimal places. The factor cannot exceed 1 (100%) and cannot be less than zero (0%). If line 8 is 0 or less, the factor is 0. If line 8 is greater than 0 and line 3 is 0 or less, the factor is 1.

Line 10. If you are using the standard deduction, multiply the standard deduction from line 1 of the NONRESIDENT STANDARD DEDUCTION WORKSHEET (14A) in Instruction 14 by the factor on line 9 of this form, and enter the result on line 10a. If you are itemizing your deductions, multiply the net deductions from line 3 of your BASIC ITEMIZED DEDUCTIONS WORKSHEET (15A) in Instruction 15 by the factor on line 9 of this form, and enter the result on line 10b.

Line 11. If you are using the standard deduction, subtract line 10a from line 8. If you are using itemized deductions, subtract line 10b from line 8.

Line 12. Multiply the total exemption amount on Form 515, line 29 by the factor on line 9.

Line 13. Subtract line 12 from line 11. This is your Maryland taxable net income.

Line 14. Enter the tax from line 2 of this form.

Line 15. Divide the amount on line 13 of this form by the amount on line 1. Carry this Maryland nonresident factor to six decimal places. If more than 1.000000, enter 1.000000. If 0 or less, enter 0.000000.

Line 16. Multiply line 14 by line 15 to arrive at your Maryland tax. Enter this amount on line 16 and on Form 515, line 33.

Line 17. Skip line 17 (used only when filing Form 505) and complete Form 515 through line 39 and then return to complete line 18 of this form.

Line 18. Find the local tax rate for the Maryland county in which you were employed as of the last day of 2014. Enter the local rate in the space provided for the rate on Form 515, line 40, then return to this form. Multiply line 13 by this local tax rate and enter this amount on line 18 and on Form 515, line 40. If line 13 is 0 or less, enter 0 on line 18 and on Form 515 line 40.

Return to Form 515 to complete remainder of return.

2014 TAX RATE SCHEDULES

Tax Rate Schedule I

For taxpayers filing as Single, Married Filing Separately, or as Dependent Taxpayers. This rate is also used for taxpayers filing as Fiduciaries.

If taxable net income is: At least:	but not over:	Maryland Tax is:			
$0	$1,000			2.00%	of taxable net income
$1,000	$2,000	$20.00	plus	3.00%	of excess over $1,000
$2,000	$3,000	$50.00	plus	4.00%	of excess over $2,000
$3,000	$100,000	$90.00	plus	4.75%	of excess over $3,000
$100,000	$125,000	$4,697.50	plus	5.00%	of excess over $100,000
$125,000	$150,000	$5,947.50	plus	5.25%	of excess over $125,000
$150,000	$250,000	$7,260.00	plus	5.50%	of excess over $150,000
$250,000		$12,760.00	plus	5.75%	of excess over $250,000

Tax Rate Schedule II

For taxpayers filing Joint, Head of Household, or for Qualifying Widows/Widowers.

If taxable net income is: At least:	but not over:	Maryland Tax is:			
$0	$1,000			2.00%	of taxable net income
$1,000	$2,000	$20.00	plus	3.00%	of excess over $1,000
$2,000	$3,000	$50.00	plus	4.00%	of excess over $2,000
$3,000	$150,000	$90.00	plus	4.75%	of excess over $3,000
$150,000	$175,000	$7,072.50	plus	5.00%	of excess over $150,000
$175,000	$225,000	$8,322.50	plus	5.25%	of excess over $175,000
$225,000	$300,000	$10,947.50	plus	5.50%	of excess over $225,000
$300,000		$15,072.50	plus	5.75%	of excess over $300,000

19 EARNED INCOME, POVERTY LEVEL AND OTHER CREDITS FOR INDIVIDUALS AND BUSINESSES.

You may claim a credit on line 34 equal to one-half of the earned income credit on your federal return **multiplied by the Maryland income factor from line 9 of Form 505NR.**

EARNED INCOME CREDIT.

If you claimed an earned income credit on your federal return, then you may claim one-half (50%) of the federal credit multiplied by the Maryland income factor from line 9 of Form 505NR. If you filed a joint federal return, but a separate Maryland return, you may claim a combined total of up to one-half the federal credit. Complete Part I of the EARNED INCOME CREDIT WORKSHEET (19A) to calculate the amount to enter on line 34 of Form 515.

This is not a refundable credit.

POVERTY LEVEL CREDIT.

You may claim a credit on line 35 of 5% of your earned income multiplied by the Maryland income factor if your income is less than the poverty income guidelines. You also may be eligible for a refundable earned income credit. Complete Part II of the POVERTY LEVEL CREDIT WORKSHEET (19A) to calculate the Poverty Level Credit.

CREDITS FOR INDIVIDUALS.

a. **Credits for Income Taxes Paid to Other States.** This

credit is not available for nonresident taxpayers.

b. **Credit for Child and Dependent Care Expenses.** If you were eligible for a Child and Dependent Care Credit on your federal income tax return and your income is below certain thresholds, you are entitled to a tax credit equal to a percentage of the federal credit.

c. **Quality Teacher Incentive Credit.** If you are a qualified Maryland teacher who paid tuition to take graduate level courses required to maintain certification, you may be eligible for a tax credit.

d. **Credit for Aquaculture Oyster Floats.** If you purchased a new aquaculture oyster float during the tax year, you may be entitled to a credit of up to $500 for the cost of the float.

e. **Long-Term Care Insurance Tax Credit.** If you paid a premium for a long-term care insurance policy for yourself or certain resident family members, you may be eligible for a tax credit.

f. **Credit for Preservation and Conservation Easements.** If you donated an easement to the Maryland Environmental Trust or the Maryland Agricultural Land Preservation Foundation to preserve open space, natural resources, agriculture, forest land, watersheds, significant ecosystems, viewsheds or historic properties, you may be eligible for a credit.

g. **Health Enterprise Zone Practitioner Tax Credit.** If you are a qualified "Health Enterprise Zone (HEZ) Practitioner," you may be able to claim a credit against your state tax liability for income that you earned for practicing health care in an HEZ.

For additional information regarding any of the above income tax credits, see the instructions for Form 502CR, Income Tax Credits. Form 502CR and instructions are available from any office of the Comptroller or visit our Web site at **www.marylandtaxes.com.**

BUSINESS TAX CREDITS.

Business tax credits cannot be claimed on Form 515. You must also file Form 505 electronically to claim business income tax credits.

REFUNDABLE EARNED INCOME CREDIT.

If one-half of your prorated federal earned income credit is greater than your Maryland tax you may also be eligible for a refundable earned income credit. This credit is the amount by which 25% of your federal earned income credit multiplied by the Maryland income factor exceeds your Maryland tax liability. Complete Part III of the REFUNDABLE EARNED INCOME CREDIT WORKSHEET (19A) and enter the result on line 52 of Form 515.

20 LOCAL INCOME TAX AND LOCAL CREDITS.

Maryland counties and Baltimore City may levy an income tax which is a percentage of Maryland taxable income. Use the LOCAL TAX RATE CHART and Form 505NR to figure your local income tax. Use the Maryland county (or Baltimore City) **in which you were employed on the last day of the tax year** and which you showed in the box at the top of Form 515.

2014 Tax Rate Chart

Subdivision	2014
Baltimore City	.0320
Allegany County	.0305
Anne Arundel County	.0256
Baltimore County	.0283
Calvert County	.0280
Caroline County	.0273
Carroll County	.0304
Cecil County	.0280
Charles County	.0303
Dorchester County	.0262
Frederick County	.0296
Garrett County	.0265
Harford County	.0306
Howard County	.0320
Kent County	.0285
Montgomery County	.0320
Prince George's County	.0320
Queen Anne's County	.0320
St. Mary's County	.0300
Somerset County	.0315
Talbot County	.0240
Washington County	.0280
Wicomico County	.0320
Worcester County	.0125

Local earned income credit. If you calculated an earned income credit on line 34 of Form 515, complete the LOCAL EARNED INCOME CREDIT WORKSHEET (20A).

LOCAL EARNED INCOME CREDIT WORKSHEET (20A)

1. ENTER federal earned income credit from your federal return . . . . . 1._____
2. Enter your local tax rate . . . . . 2. .0 __ __ __
3. MULTIPLY line 2 by 10 and enter on line 4. 3. _____ X 10

   Example: .0256
   x 10
   .256

4. Local earned income credit rate . . . . . 4._____
5. Multiply line 1 by line 4. . . . . 5._____
6. Multiply line 5 by the Maryland income factor __.__ __ __ __ __ __ (from line 9 of Form 505NR).
   Enter here and on line 41 of Form 515 . . . 6._____

Note: In lieu of multiplying by 10, you may simply move the decimal point one place to the right and enter on line 4.

Local poverty level credit. If you calculated a poverty level credit on line 35 of Form 515, complete the LOCAL POVERTY LEVEL CREDIT WORKSHEET (20B).

LOCAL POVERTY LEVEL CREDIT WORKSHEET (20B)

Refer to the STATE POVERTY LEVEL CREDIT WORKSHEET in Instruction 19. If the amount on line 3 is greater than the amount on line 4, you are eligible to claim the local poverty level credit. Complete this worksheet to calculate the amount of your credit.

A. ENTER the amount from line 2 of the STATE POVERTY LEVEL CREDIT WORKSHEET (19A). . . . . A._____

B. ENTER your local tax rate from line 2 of the LOCAL TAX WORKSHEET . . . . . B. .0 __ __ __

C. MULTIPLY line A by line B. . . . . C. _____

D. Multiply line C by the Maryland income factor __.__ __ __ __ __ __ (from line 9 of Form 505NR).
   Enter the amount here and on line 42 of Form 515 . . . . . D. _____

21 TAXES PAID AND CREDITS.

Write your taxes paid and credits on lines 50-54. Line 50. Write the total Maryland and local tax withheld as shown on the wage and tax statements (Forms W-2, W-2G or 1099) you have received. Add up the amounts identified as Maryland and local tax withheld on each form and write the total on line 50. Attach Forms W-2, W-2G and 1099 to your return **if Maryland tax is**

withheld. You will not get credit for your withholding, if you do not attach Forms 1099, W-2, or W-2G substantiating Maryland withholding.

IMPORTANT: Your wage and tax statements contain many numbers. Be sure you add only the amounts identified as Maryland and local tax withheld.

Line 51. Enter on line 51 the total of:

a. Maryland estimated tax payments

AND

b. payment made with a request for an automatic extension of time to file your return.

Line 52. If one-half of your federal earned income credit is greater than your Maryland state income tax, you may be eligible for a refundable earned income credit. See Instruction 19 and complete the REFUNDABLE EARNED INCOME CREDIT WORKSHEET (19A) to calculate this credit.

Line 53. Complete this line only if you are a Pennsylvania resident. Residents of local jurisdictions that impose a local income or earnings tax on Maryland residents are subject to both the State and the local tax on wages earned in Maryland.

Line 54. REFUNDABLE INCOME TAX CREDITS. Enter the amount from line 6, Part I of Form 502CR.

NOTE: See Sustainable Communities Tax Credit, Form 502S, for qualifications and instructions.

22 OVERPAYMENT OR BALANCE DUE.

Calculate the balance due (line 56) or overpayment and refund (line 57).

23 TELEPHONE NUMBERS, CODE NUMBER, SIGNATURES AND ATTACHMENTS.

Enter your telephone numbers, and sign and date your return. Be sure to attach all required forms, schedules and statements.

CODE NUMBER

If special circumstances apply, you may not owe the interest for underpayment of estimated tax. Refer to Form 502UP for additional information. Enter the applicable code number in one of the code number boxes located to the right of the telephone number area. Enter code **300** if you are a farmer or fisherman or enter code **301** if your income was received unevenly throughout the year. Attach your completed Form 502UP if you have entered code **301**.

SIGNATURES

You must sign your return. Your signature(s) signifies that your return, including all attachments, is, to the best of your knowledge and belief, true, correct and complete, under penalties of perjury.

Both spouses must sign a joint return. If your spouse cannot sign because of injury or disease and tells you to sign, you can sign your spouse's name in the proper space on the return followed by the words "By (your name), spouse." Be sure to also sign in the space provided for your signature.

If a power of attorney is necessary, complete federal Form 2848 and attach to your return.

TAX PREPARERS

If another person prepared your return, that person also must sign the return and enter their Preparer's Tax Identification Number (PTIN). The preparer declares that the return is based on all information required to be reported of which the preparer has knowledge, under the penalties of perjury.

Penalties may be imposed for tax preparers who fail to sign the tax return and provide their PTIN.

ATTACHMENTS

Be sure to attach wage and tax statements (Forms W-2, W-2G and 1099) to the front of your return if Maryland tax was withheld. Be sure to attach all forms, K-1s, schedules and statements required by these instructions. Place your check or money order on top of your wage and tax statements and fasten with one staple on the front of your tax return.

24 PAYMENT AND MAILING INSTRUCTIONS AND DEADLINES

ELECTRONIC PAYMENT OF BALANCE DUE

If your tax return has a balance due, you may pay electronically at **www.marylandtaxes.com** by selecting BillPay. The amount you designate will be debited from your bank or financial institution on the date that you choose.

PAYMENT BY CHECK OR MONEY ORDER

Make your check or money order payable to "Comptroller of Maryland." Use blue or black ink. Do not use red ink. It is recommended that you include your SSN, type of tax and year of tax being paid on your check. **DO NOT SEND CASH.**

For alternative methods of payment, such as a credit card, visit our website at **www.marylandtaxes.com**.

MAILING INSTRUCTIONS

Mail your return to:

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

Sending your return by certified mail will not result in special handling and may delay your refund.

DUE DATE

Returns must be mailed by April 15, 2015, for calendar year taxpayers. Persons filing on a fiscal year basis must file by the 15th day of the fourth month following the close of the fiscal year.

EXTENSION OF TIME TO FILE

Follow the instructions on Form 502E to request an automatic extension of the time to file your 2014 return. Filing this form extends the time to file your return, but does not extend the time to pay your taxes. Payment of the expected tax due is required with Form 502E by April 15, 2015. You can pay by electronic funds withdrawal (direct debit) or credit card on our Web site. If no tax is due and you requested a federal extension, you do not need to file Form 502E or take any other action to obtain an automatic extension.

COMBAT ZONE EXTENSION

Maryland allows the same six-month extension for filing **and paying** personal income taxes for military and support personnel serving in a designated combat zone or qualified hazardous duty area and their spouses as allowed by the IRS. For more detailed information visit **www.irs.gov**. If you are affected by the extension enter **912** in one of the code number boxes to the right of the telephone number area.

25 AMENDED RETURNS.

You must file an amended return to make certain changes to your original return. These include changes in income, filing status, amount of deductions, the number of exemptions and the amount of additions to income and subtractions from income. **Note**: Changes made as part of an amended return are subject to audit for up to three years from the date the amended return is filed.

INCOME TAX ASSISTANCE

For more information, visit our Web site at **www.marylandtaxes.com** 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.

EARNED INCOME CREDIT, POVERTY LEVEL CREDIT and REFUNDABLE EARNED INCOME CREDIT WORKSHEET (19A)

PART I – Earned Income Credit

1. Maryland tax (from line 33 of Form 515) . . . . . **1** _____

2. Federal earned income credit _____ x 50% (.50). . . . . **2** _____

3. Multiply line 2 by the Maryland income factor __ . __ __ __ __ __ __ (from line 9 of Form 505NR).
Enter this amount here and on line 34 of Form 515 . . . . . **3** _____

4. Subtract line 3 from line 1. If less than zero (0) enter zero (0) . . . . . **4** _____

If line 4 is greater than zero (0), you may qualify for the Poverty Level Credit. Go to Part II.
If line 4 is zero (0), you may qualify for the Refundable Earned Income Credit. Go to Part III.

PART II – Poverty Level Credit

If you checked filing status 6 on your Maryland return, you are not eligible for this credit.

1. Enter the amount from line 21, of Form 515. If you checked filing status 3 (married filing separately) and you filed a joint federal return enter your joint federal adjusted gross income plus any Maryland additions . . . . . **1** _____

2. Enter the total of your salary, wages, tips and other employee compensation and net profit from self-employment. (Do not include a farm or business loss.) Also include your distributive share of pass-through entity income. . . . . **2** _____

3. Find the number of exemptions in the chart that is the same as the number of exemptions entered on your federal tax return. Enter the income level that corresponds to the exemption number . . . . . **3** _____

4. Enter the amount from line 1 or 2, whichever is larger. . . . . **4** _____

Compare lines 3 and 4. If line 4 is greater than or equal to line 3, STOP HERE.
You do not qualify for this credit.
If line 3 is greater than line 4, continue to line 5.

5. Multiply line 2 of Part II by 5% (.05). . . . . **5** _____

6. Multiply line 5 by the Maryland income factor __ . __ __ __ __ __ __ (from line 9 of Form 505NR) Enter that amount here and on line 35 of Form 515. . . . **6** _____

POVERTY INCOME GUIDELINES

NUMBER OF EXEMPTIONS ON FEDERAL RETURN	INCOME LEVEL
1	$11,670
2	$15,730
3	$19,790
4	$23,850
5	$27,910
6	$31,970
7	$36,030
8	$40,090

If you have more than 8 exemptions, add $4,060 to the last income level for each additional exemption.

PART III – Refundable Earned Income Credit

COMPUTE THIS CREDIT ONLY IF LINE 4 IN PART I IS ZERO.

1. Multiply your federal earned income credit _____ by the Maryland income factor __ . __ __ __ __ __ __ (from line 9 of Form 505NR). . . . . **1** _____

2. Multiply line 1 x 25% (.25) and enter the result . . . . . **2** _____

3. Enter your Maryland tax from Part I, line 1 . . . . . **3** _____

4. Subtract line 3 from line 2. If less than zero (0) enter zero (0). This is your refundable earned income credit.
If line 4 is greater than zero (0), enter the amount on line 52 of Form 515 . . . . . **4** _____