

**MARYLAND FORM 510C COMPOSITE PASS-THROUGH ENTITY INCOME TAX RETURN**



**2014**

14510C049

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. \_\_\_\_\_

**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.)



**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](http://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.