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Tips for Tax Filing Season

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Tax filing season is here! Before you begin your 2020 income tax returns, check out these helpful tips.

When can I file my 2020 individual income tax return?

The Comptroller's Office will begin accepting and processing 2020 Maryland individual income tax returns on Friday, **February 12, 2021**. This is the same date the IRS will begin accepting and processing federal individual income tax returns. State returns submitted through the IRS's Free File program or through tax software companies will be transmitted to the Comptroller starting February 12.

The February 12, 2021 start date allows the IRS time to do additional programming and testing of IRS systems following the December 27, 2020 tax law changes that provided a second round of Economic Impact Payments and other benefits.

Fraud Warnings – How to Protect Your Refund

Refund fraud is more prevalent than ever. Remain diligent in protecting your personal identifying information, including your social security number, income, and withholding amounts. Beware of scammers who call, text, or email about needing your personal information for a refund or a federal stimulus payment. The Comptroller's Office will not initiate a text, email, or call seeking this information. Also, watch the Comptroller's [website](#) and social media channels ([YouTube](#), [Twitter](#), [Facebook](#)) for scam alerts.

Beware of email scams that may target businesses, schools, or local governments that ask for personal information of employees, such as W-2 forms. If you receive an email asking for these forms, call the person using a verified phone number and make sure it is a legitimate request. The agency will be sharing fraud prevention tips throughout the filing season.

How do I make sure my tax preparer is legitimate?

Check the Comptroller's website for [warning signs of suspicious preparers](#).

Warning signs to look for:

- You pay your preparer, but they do not sign your return.
 - Paid preparers must sign the return and have a PTIN, which is a number that starts with "P" and includes numbers. Ex. P00012345
- You never see your prepared final return or you are asked to sign a blank one.
- Your preparer promises you a certain refund amount.
- Your preparer tells you that you do not need documentation for something claimed on your return or shares documentation that is not yours that belongs to another taxpayer.
- Your preparer insists the refund go into the preparer's bank account.

Electronic Filing is Fast and Efficient!

To speed refunds during the pandemic, the Comptroller's Office urges taxpayers to file electronically with direct deposit. Maryland offers free filing of state returns to all taxpayers, regardless of income, through [iFile](#) on marylandtaxes.gov. Taxpayers with an income of \$72,000 and below can use [IRS Free File](#) to file federal returns for free. Some IRS Free File offers also include state tax filing.

Electronic filing also remains the most efficient way to file Maryland business tax returns. [bFile](#) allows you to file many business tax returns online for free.

Taxability of Maryland Unemployment Insurance Payments and Impact on Earned Income Tax Credits

Unemployment insurance payments must be included in your reported income and are subject to tax. To limit your taxes due when you file your return, you can elect to have federal and state taxes withheld from your unemployment insurance benefits or remit quarterly estimated tax payments to the IRS and the State of Maryland. The Comptroller's Office is aware legislation may be introduced during the 2021 session to exempt this income from tax in Maryland. If any such legislation is passed to change the taxability of unemployment insurance compensation, this guidance will be updated promptly.

Some things to know about federal stimulus initiatives:

- [Federal Economic Impact Payments Payment](#). The IRS issued a second round of economic impact payments beginning in late December 2020. Maryland follows the federal treatment of economic impact payments; these payments are not subject to Maryland tax.
- [Pandemic Unemployment Assistance](#). The newly enacted federal Pandemic Unemployment Assistance payments, like regular unemployment compensation, are taxable.
- [Payroll Protection Program](#). Maryland conformed to federal tax treatment of Payroll Protection Program loan forgiveness under the CARES Act; the forgiveness of these loans was not taxed at the Maryland level. The new federal stimulus bill also allows businesses to deduct business expenses paid for with Payroll Protection Loans.
- [Maryland Small Business COVID-19 Emergency Relief Grants](#). To the extent includable in federal adjusted gross income, Maryland COVID-19 grants issued by the Maryland Department of Commerce are taxable. Whether these grants are includable in federal adjusted gross income (FAGI) is a matter of federal law and may depend on what the grant was used for.

Additional guidance on the impact of the recent federal stimulus package, including Maryland's treatment of business deductions, will be issued in the coming weeks.

Pandemic Due Date Extensions

The Comptroller's Office has extended the due date for the following filings and payments ordinarily due between January 1, 2021 and April 14, 2021 to April 15, 2021.

| Tax | Original Due Date | New Due Date |
|---|-----------------------------------|---------------------|
| Individual and Fiduciary Declaration of Estimated Income Tax Filings and Payments | January 1, 2021 – April 14, 2021 | April 15, 2021 |
| Corporate and Pass-through Entity Income Tax Filings and Payments | January 1, 2021 – April 14, 2021 | April 15, 2021 |
| Sales and Use Tax | January 20, 2021 – April 14, 2021 | April 15, 2021 |
| Withholding Tax | February 1, 2021 – April 14, 2021 | April 15, 2021 |
| Admissions and Amusement Tax | January 1, 2021 – April 14, 2021 | April 15, 2021 |
| Alcohol Taxes | January 1, 2021 – April 14, 2021 | April 15, 2021 |
| Tobacco Taxes | January 1, 2021 – April 14, 2021 | April 15, 2021 |
| Motor Fuel Taxes | January 1, 2021 – April 14, 2021 | April 15, 2021 |
| Tire Recycling Fees | January 21, 2021 | April 15, 2021 |
| Bay Restoration Fees | January 20, 2021 – April 14, 2021 | April 15, 2021 |

Taxpayer Assistance – Online, Phone, and Email

You can search our interactive website marylandtaxes.gov to find answers to many of your questions about Maryland taxes. If you need additional information you may contact Taxpayer Service at [410-260-7980](tel:410-260-7980) from Central Maryland or at 1-800-MD TAXES from elsewhere. Assistance is available Monday - Friday, 8:30 a.m. - 4:30 p.m. Beginning February 1, 2021 through April 15, 2021 telephone assistance is extended till 7:00 p.m. **As an alternative, you can send an email to taxhelp@marylandtaxes.gov** and receive an answer in 2-3 business days.

Taxpayer Assistance – In Person

Due to the executive order set forth by Governor Hogan on December 17, 2020 to prevent the spread of COVID-19, along with continuing efforts to keep state employees and the customers they serve safe, there is a temporary suspension of in-person customer service operations at our facilities. However, you can schedule a virtual appointment by visiting our website and clicking on branch office locations. When in-person assistance resumes at our branch offices, it will be available [by appointment only](#).

Collections and Audit Status

Due to the pandemic, the Comptroller's Office is not currently issuing liens, attaching bank accounts, holding up the renewal of any license (including Maryland driver's licenses), or offsetting vendor payments for Maryland taxes. However, our collection agents are available to assist taxpayers who are having difficulty paying their taxes due to the pandemic. Taxpayers receiving notices from the Comptroller's Office during the current COVID-19 crisis should contact the email address on the notice for additional information. Further, taxpayers who are currently on a payment plan for delinquent business and/or income taxes and are unable to make those payments due to the COVID-19 crisis should contact this office at the following to discuss delaying payments:

Business taxpayers: cdcollectionbizz@marylandtaxes.gov

Individual income tax taxpayer: COVID19@marylandtaxes.gov

Note that interest continues to accrue on any unpaid balances. Audits and other compliance initiatives remain on hold except for those activities facing expiring statutory deadlines.