

News Release

Comptroller Franchot Says bFile Ready for RELIEF Act Sales and Use Tax Credit

To qualify, vendors must file timely returns and sales tax collections for March, April and May cannot exceed \$6,000

ANNAPOLIS, Md. (May 18, 2021) - Comptroller Peter Franchot announced today that the agency's bFile system is now available for qualified business owners to claim a [Sales and Use Tax Credit](#) under the RELIEF Act of 2021.

"The RELIEF Act included many complicated tax provisions that were difficult to implement immediately," Comptroller Franchot said. "Our agency has worked tirelessly to make it easy for business taxpayers to understand the different types of relief they may be eligible for and to simplify the process so the aid can quickly get to those who need it most."

The legislation authorizes eligible vendors to claim an increased tax credit ONLY for the three consecutive sales periods of March, April and May – which typically are filed in April, May and June. However, taxpayers should note that [filing deadlines for those months have been extended to July 15, 2021](#) and will be considered "timely filed" if filed by the July 15th deadline.

To be eligible, a vendor must file a "timely" sales and use tax return using the Comptroller's [bFile system](#). Additionally, the gross amount of sales and use tax collected during the reporting period may not exceed \$6,000. The vendor must also forgo the timely filing discount to claim the RELIEF Act credit and the credit may not be applied to sales and use taxes collected by a marketplace facilitator.

This tax credit does not have to be reimbursed at any time.

When using bFile, the system will automatically recognize a vendor qualified for this credit and will automatically populate the amount of the sales tax credit on new

line 10.1. The “timely filing” discount will be blocked as an option if a RELIEF Act credit (up to \$3,000) appears on line 10.1, which may confuse some filers accustomed to receiving the “timely filing” discount.

For vendors reporting \$6,000 or less in gross collected sales tax for the reporting period, up to \$3,000 will appear as a tax credit. If the gross sales tax collected is less than \$3,000, the actual amount of sales tax collected will appear as a credit, bringing the balance owed for that reporting period to zero. For example:

- If your business collected \$5,000 in total sales tax for the March filing period, the full \$3,000 will show as a RELIEF Act Credit;
- If your business collected \$1,500 in sales tax for the March filing period, the full \$1,500 you collected in sales tax will show as a credit;
- If your business collected \$6,500 in sales tax for the March filing period, the bFile system will recognize the vendor is not eligible for the RELIEF Act credit and only the timely filing discount will show as an option;
- Eligible vendors who claim the RELIEF Act credit may not also claim the timely filing discount; and
- For vendors not eligible for the RELIEF Act credit, the timely filing discount may still be claimed, when filing your March, April and May returns by the extended July 15th deadline.

Businesses that already filed their monthly or quarterly sales tax return for the period ending March 31, 2021, but didn’t claim the RELIEF Act credit can email taxpayerrelief@marylandtaxes.gov for instructions on how to request an amendment of their March return.

For vendors that elect direct debit payment of any balance due after the credit is applied, their payments will be processed on the new July 15th filing deadline. However, payments by mailed check can be made prior to July 15th using the instructions provided on the bFile welcome page.

The Comptroller has published [Frequently Asked Questions on the Sales and Use Tax Credit](#) where Marylanders can get additional information. The [agency's Tax Alert](#) provides further guidance on the RELIEF Act of 2021, including the Sales and Use Tax Credit provision.

Additional questions about the RELIEF Act Sales and Use Tax Credit should be sent to taxpayerrelief@marylandtaxes.gov.

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