



COMPTROLLER  
*of* MARYLAND  
*Serving the People*

# Consolidated Revenue Report

F I S C A L Y E A R 2 0 0 5

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WILLIAM DONALD SCHAEFER  
Comptroller of Maryland



## MISSION

The Comptroller of Maryland, through the wise development and use of all resources, including technology and the workforce, meets its financial and revenue management and regulatory responsibilities while providing excellent, cost-effective services in both traditional areas and in new and expanded initiatives.

## VISION

Citizens, the professional community, and peers in government recognize the Comptroller of Maryland for its integrity, professional excellence, innovation, and commitment to helping people.

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## TO THE PEOPLE OF MARYLAND:

Most people think that all the Comptroller does is collect taxes, but there are a lot of other lesser-known duties and activities of my agency.

First, it's important that we make paying taxes as *easy* as possible. A major way we do this is by promoting electronic filing, including the option for Marylanders to file online for free by using iFile on [www.marylandtaxes.com](http://www.marylandtaxes.com).

We also make tax paying more equitable through an extensive compliance and regulatory program that works to make sure that everyone pays what he or she owes. This includes one rather creative way to embarrass scofflaws into paying up by posting their names on our Web site. We try hard to get everyone to pay his or her fair share.

We have a very aggressive field inspection program to ensure consistent and equitable payment of sales and use taxes and to reduce the illegal importation of cigarettes and alcohol from other states without paying tax – to level the playing field for our local businesses.

The Comptroller's Office is also responsible for estimating revenues so that the state and local governments can plan their budgets.

In addition, every year, people discover assets that they did not know they had because of an aggressive marketing program done by our agency. Through newspaper advertising and exhibits at public events like the Maryland State Fair, owners are reunited with funds and other unclaimed property such as the contents of safe deposit boxes.

Finally, hundreds of employees from this agency do extensive charity work — both as part of the agency's outreach program and as part of their own personal volunteer commitments. Their contributions to the Maryland Charity Campaign this year involved a 91 percent participation rate, the largest of any Maryland agency.

These are just some of the lesser-known activities that we're involved in. Please check out our Web site to see the others.

A handwritten signature in black ink that reads "William Donald Schaefer". The signature is written in a cursive, flowing style.

William Donald Schaefer  
Comptroller of Maryland

# ORGANIZATION

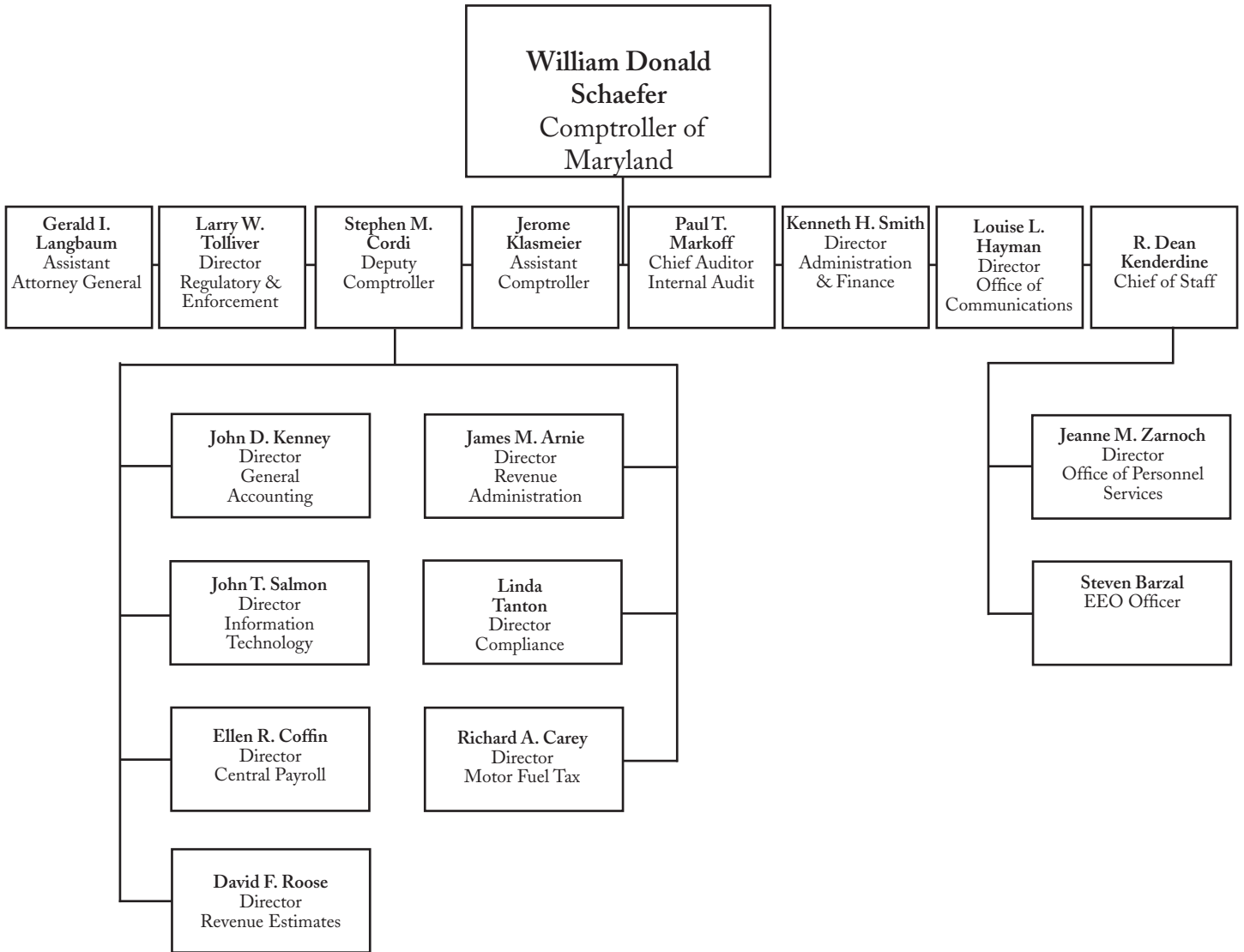
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## A BRIEF HISTORY OF THE COMPTROLLER OF MARYLAND

The Maryland state constitution of 1867 (Article VI, Section 2) describes the duties and responsibilities of the Office of the Comptroller stating that: *“The Comptroller shall have the general superintendence of the fiscal affairs of the State... prepare plans for the improvement and management of the revenue, and for the support of the public credit; prepare and report estimates of the revenue and expenditures of the State; superintend and enforce the prompt collection of all taxes and revenues, . . . preserve all public accounts.”*

This brief description encompasses one of the most important functions in state government. In collecting the bulk of Maryland’s general fund revenues; paying the state’s bills; regulating motor fuel, alcoholic beverages, and cigarettes; and providing technology services to other state agencies, the Comptroller’s Office touches the lives of many Marylanders.

# COMPTROLLER OF MARYLAND ORGANIZATIONAL CHART



# EXECUTIVE DIRECTION AND ADMINISTRATION

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## OFFICE OF THE COMPTROLLER

The Office of the Comptroller provides executive direction for the Comptroller of Maryland, including public affairs and staff support for the Comptroller and Deputy Comptroller as well as support for the Comptroller's responsibilities as a member of the Board of Public Works. Administrative support and direction for the 24 Registers of Wills is also provided by the Office of the Comptroller.

## OFFICE OF ADMINISTRATION AND FINANCE

The Office of Administration and Finance provides centralized budgeting, accounting and procurement activities for the Comptroller of Maryland. The office provides mailroom, and other administrative support services. This office also performs capital grant and loan administration as well as accounting for debt service on the state's general obligation bonds.

## OFFICE OF PERSONNEL SERVICES

The Office of Personnel Services promotes the recruitment, development, and retention of a diverse, competent, and motivated workforce that provides services to individuals, businesses, and government. The division coordinates, for all Comptroller divisions, the non-temporary and temporary employment process, agency classification and compensation issues and employee training; administers benefits such as health, retirement, special leave provisions, etc.; and provides related employee services.

# REVENUE ADMINISTRATION

## REVENUE ADMINISTRATION DIVISION

The Revenue Administration Division processes personal, corporation, fiduciary, employer withholding, estate, admissions and amusement, sales and use, and motor fuel tax returns, tire recycling and bay restoration fee returns. All remittances received with these returns are deposited through a centralized remittance processing center.

In addition, the division is responsible for providing assistance to taxpayers, adjusting taxpayer accounts, controlling all tax processing systems, accounting for and reporting all tax revenues received, and distributing the local income tax collected on Maryland state and local income tax returns to the subdivisions of Maryland.

## BUREAU OF REVENUE ESTIMATES

The Bureau of Revenue Estimates carries on continuing studies and reviews of the economic and revenue conditions of the state and how they affect the state's revenue. The bureau serves as executive secretariat to the Board of Revenue Estimates, which is composed of the state Comptroller, State Treasurer and Secretary of Budget and Management. The bureau is also responsible for legislative duties related to tax issues.

## COMPLIANCE DIVISION

This division is responsible for business tax audits, compliance programs, delinquent tax collection, tax hearings and appeals. Additionally, the Compliance Division is responsible for administering the Uniform Disposition of Unclaimed Property Act pursuant to Title 17 of the Commercial Law Article of the Annotated Code of Maryland.



# REGULATION

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## REGULATORY AND ENFORCEMENT DIVISION

The Regulatory and Enforcement Division administers regulation, enforcement and business licensing functions for the Maryland Comptroller's Office.

The division's Field Enforcement Bureau is responsible for enforcing the state's revenue laws relating to alcoholic beverages, tobacco, motor fuels, business licenses and the sales and use tax. The Alcohol and Tobacco Tax Bureau is responsible for monitoring the manufacture, storage, transportation, sale and distribution of alcoholic beverages and tobacco in Maryland, while collecting state taxes on beer, wine, distilled spirits, cigarettes and other tobacco products. The State License Bureau is responsible for monitoring business licenses required for many Maryland business activities, including licenses for traders; amusements; auctions; chain stores; construction; dry cleaners; garages; plumbers and gas fitters; restaurants; storage warehouses; vending machines and retail/vending machines which sell cigarettes.

The division's Motor Fuel Tax Bureau licenses and regulates motor fuel dealers (i.e., anyone bringing petroleum products into Maryland for a first sale), all motor fuel resellers and all motor fuel users with bulk storage. It registers and licenses interstate motor carriers based in Maryland under the International Fuel Tax Agreement (IFTA), and it registers petroleum transporters operating in and through Maryland. The bureau manages the collection of motor fuel taxes from licensed dealers and resellers and collects road use taxes from interstate motor carriers.

# FINANCIAL CONTROL

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## GENERAL ACCOUNTING DIVISION

The General Accounting Division sets statewide accounting policy, maintains the state's general ledger and other official accounting records, which account for all state funds; exercises overall appropriation control; audits all disbursements; approves warrants for all money paid into or out of the treasury; and countersigns and distributes all vendor checks. Furthermore, the Division promulgates general guidance on matters concerning internal control; prepares the state's comprehensive annual financial reports and certain other financial reports and manages the contract for the audit of the state's annual financial report and the audit of all federal grants to the state.

## CENTRAL PAYROLL BUREAU

The Central Payroll Bureau pays biweekly salaries to all state employees of the legislative, judicial and executive branches as well as the University of Maryland System. Special Payments for services of employees hired on a contractual basis are also paid through this system.

The Central Payroll Bureau provides timely payroll services to state employees, agency payroll offices and other partners through payment of wages, direct deposit services, and electronic data exchanges by the authorizing of payroll charges to agency budgets. The Bureau oversees payments of payroll taxes, subsidies, garnishments, dependent support payments, retirement and pension deductions and more than 120 other payroll deductions. The Bureau maintains a Web site that provides current payroll instructions and schedules, as well as interactive payroll documents and a net pay calculator.

# TECHNICAL SERVICES

## INFORMATION TECHNOLOGY DIVISION

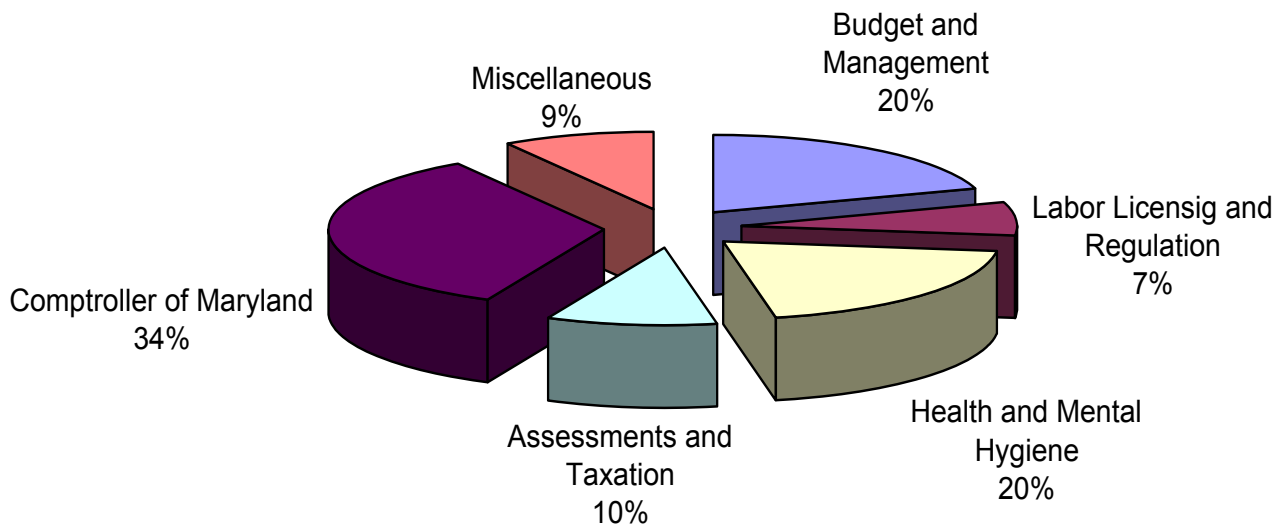
The Information Technology Division (ITD) is comprised of two programs: Comptroller IT Services and Annapolis Data Center (ADC) Operations

The Information Technology Division - Comptroller IT Services is responsible for the overall management and direction of the Information Technology efforts of the Comptroller of Maryland. This program supports the automated mainframe computer applications and Web development initiatives of the Comptroller's Office. This program also provides Information Technology Services to the Registers of Wills offices throughout the State.

This program provides the technical expertise to analyze, design, develop, implement and maintain the information technology solutions that support the business needs of the Comptroller of Maryland and provides enhanced services to Maryland taxpayers. The skills used to provide these services cover a broad range including systems analysis, project planning, programming, project management and ongoing production support.

The Information Technology Division - Annapolis Data Center Operations provides mainframe computer services for its parent agency, the Comptroller of Maryland, as well as many other State agencies. The ADC's operational costs are fully reimbursed from its customers via charges for computer usage and services rendered.

The ADC is the largest of the five mainframe data centers in the Maryland State government. Some of the applications supported by the ADC include the Maryland State Integrated Tax (SMART) System, the State Payroll System, the Maryland State Financial Management and Information System (FMIS), and Medicaid.



REVENUES COLLECTED BY  
THE  
COMPTROLLER'S OFFICE

# REVENUES COLLECTED BY THE COMPTROLLER'S OFFICE

## STATE AND LOCAL REVENUES COLLECTED BY THE COMPTROLLER'S OFFICE BY SOURCE AND FUND

(Dollars in Thousands)

The Comptroller's Office collects revenue on behalf of both the state and local governments. The \$11.2 billion in state receipts collected by the Comptroller's Office in fiscal year 2005 represents 45.7 percent of the \$24.4 billion in total state revenues received.

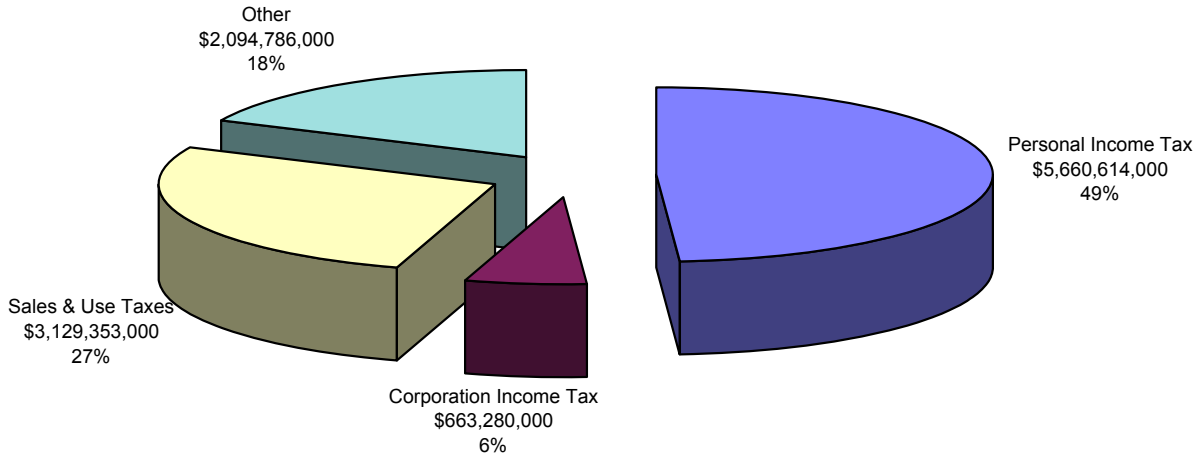
	FY 2005				FY 2004 Total	Increase/ (Decrease)	% Change
	General	State Special	Local	Total			
Personal Income Tax	\$ 5,660,614	\$ -	\$ 3,698,503	\$ 9,359,118	\$ 8,248,551	\$ 1,110,567	13.46
Corporation Income Tax	663,280	209,457	-	872,738	447,487	425,251	95.03
Sales and Use Tax	3,129,353	24,323	-	3,153,676	2,945,060	208,616	7.08
Motor Fuel Tax	13,159	739,712	-	752,872	746,156	6,716	0.90
Alcohol Taxes	27,341	-	-	27,341	26,863	478	1.78
Tobacco Taxes	276,044	-	-	276,044	272,430	3,614	1.33
Estate Tax	137,467	-	-	137,467	111,296	26,171	23.51
Admissions and Amusement Tax	-	1,374	58,365	59,739	58,961	778	1.32
Environmental Surcharge on Electricity	-	9,385	-	9,385	8,928	457	5.11
Emergency Telephone System Surcharge (911 Fee)	-	53,580	-	53,580	44,628	8,952	20.06
Electric Universal Service Program Surcharge	-	32,360	-	32,360	31,893	467	1.46
Unclaimed Property	152,259	7,125	-	159,384	103,275	56,109	54.33
Telecommunications Access Surcharge	-	7,278	-	7,278	7,611	(333)	(4.37)
Tire Recycling Fee	-	2,258	-	2,258	2,243	15	0.67
Bay Restoration Fee	-	7,523	-	7,523	-	7,523	NA
Miscellaneous	1,115	-	-	1,115	1,189	(74)	
<b>Total</b>	<b>\$ 10,060,632</b>	<b>\$ 1,094,375</b>	<b>\$ 3,756,868</b>	<b>\$ 14,911,876</b>	<b>\$ 13,056,571</b>	<b>\$ 1,855,305</b>	<b>14.21</b>

( ) denotes decrease

Detail may not add to total due to rounding

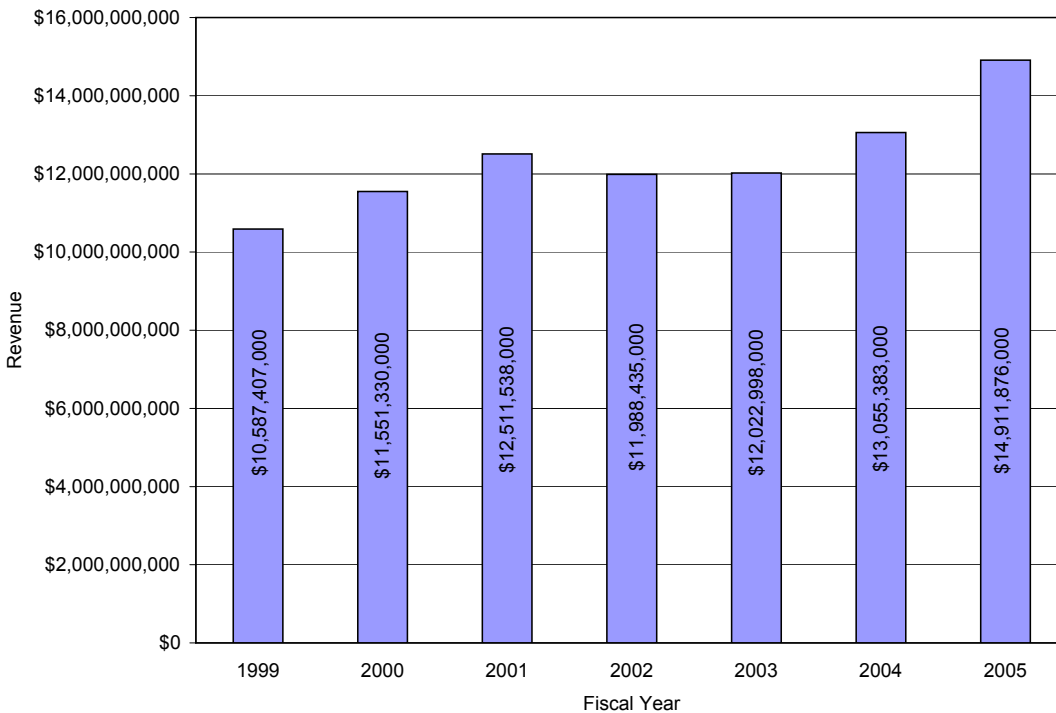
## GENERAL FUND REVENUE COLLECTIONS

During fiscal year 2005, the Comptroller's Office collected 87 cents of every revenue dollar (exclusive of interfund transfers deposited into the state's general fund). The following chart shows the principal sources of general fund revenues.



## STATE AND LOCAL REVENUES COLLECTED BY THE COMPTROLLER'S OFFICE

In fiscal year 1999, the Comptroller's Office collected \$10.6 billion in state and local revenues. In fiscal year 2005, these collections amounted to \$14.9 billion - an average annual increase of 5.87 percent. The following chart shows the annual amounts collected.



# REVENUES ADMINISTERED

Revenue Source	Rate (As of July 1, 2005)	Description
State Personal Income Tax	2% 1 <sup>st</sup> \$1,000; 3% 2 <sup>nd</sup> \$1,000; 4% 3 <sup>rd</sup> \$1,000; and 4.75% \$3,001 and over	Annual tax imposed upon individuals and fiduciaries as a percentage of Maryland taxable income (federal adjustable gross income with Maryland modifications).
Corporation Income Tax	7%	Annual tax on the net income of the corporation apportioned and allocated to Maryland.
County (Local) Income Tax	A minimum of 1% and a maximum of 3.20% of net taxable income	A tax imposed on resident individuals, certain nonresident individuals and fiduciaries by the 23 counties and Baltimore City. Each county sets its rate as a percentage of net taxable income.
Special Nonresident Tax	1.25%	A tax imposed on the Maryland taxable income of certain nonresident individuals.
Sales and Use Tax	5% tax levied on bracketed rate structure	A tax imposed on the sale or use of tangible personal property and certain enumerated services.
Admissions and Amusement Tax	Maximum 10% rate	A tax imposed by counties, incorporated cities towns on certain enumerated admissions and amusement charges.
Unclaimed Property	Actual value of property	Bank accounts, stock certificates and dividends, security deposits, payroll checks, insurance proceeds, etc., are presumed abandoned if without activity for a specified period. The property is turned over to the state by the holders.
Bay Restoration Fee	Per dwelling unit per month: Up to 3,000 units \$2.50 3,000 to 5,000 units \$1.25 5,000 units and over No fee	A monthly fee collected by local governments and wastewater disposal facilities for each dwelling unit; monies paid into the Bay Restoration Fund.
Environmental Surcharge on Electricity	Not to exceed the lesser of: .15 mill per kilowatt hour or \$1,000 per month	Environmental surcharge for each kilowatt hour of electric energy distributed to retail electric customers in Maryland; monies paid into the Environmental Trust Fund.
Emergency Telephone System Fee	\$.25 per month paid by each subscriber; counties can charge up to an additional \$.75 per subscriber per month	Created to provide grants to the counties to finance installation of a 911 system on a statewide basis and to provide grants to finance enhancements to existing systems.
Electric Universal Service Surcharge	\$.37 per month for residential; \$.37 to \$4,081.50 per month for non-residential based on annual electric bill	Charge paid by customers to public utilities to provide electric service to low-income Maryland customers. The Comptroller collects these revenues from the utility companies and distributes
Estate Tax	Unused federal credit	Imposed upon the transfer of a Maryland estate. Calculated as the amount by which the federal state death tax credit (as of 12/31/01) exceeds the total of Maryland inheritance taxes and taxes imposed by other states on property included in the Maryland estate. Regardless of the federal unified credit amount, the Maryland return must be calculated using

Revenue Source	Rate (As of July 1, 2005)	Description
Estate Tax (Continued)		a federal unified credit equal to an exclusion of \$1 million; for this reason the filing of a Maryland return may be required even when a federal return is not required.
Telecommunications Access Surcharge	\$.20 per month paid by	A tax imposed on telephone subscribers in Maryland to provide telephone service to hearing and speech impaired citizens.
Tire Recycling Fee	\$.80 per new tire	A fee imposed on each new tire. The fee applies to the first sale of a tire in Maryland which is not a sale to a wholesaler.
Alcoholic Beverages Taxes	<i>Per Gallon:</i> Distilled Spirits \$1.50 Wine \$ .40 Beer \$ .09	Wholesale tax on wine and distilled spirits reported monthly based on sales to retailers. Nonresident supplier, or wholesaler who self-imports beer, remits beer tax prior to entry into state.
Alcoholic Beverages Manufacturer's Licenses	Distillery \$2,000 Rectifying Plant \$ 600 Winery \$ 750 Limited Winery \$ 200 Brewery \$1,500 Pub-Brewery \$ 500 Micro-Brewery \$ 500	Annual license fee imposed to operate a distillery, rectifying plant, brewery or winery; pub-brewery and micro-brewery licenses are issued to holders of Class "B" retail licenses under certain conditions.
Alcoholic Beverages Wholesale Licenses	Beer, Wine, Liquor \$2,000 Wine & Liquor \$1,750 Beer & Wine \$1,500 Beer \$1,250 Wine \$1,250	Annual license fee authorizes holder to receive product from licensees and holders of nonresident dealer permits and to make sale and delivery of product to businesses and permit holders in Maryland and persons outside this state.
Alcoholic Beverages Licenses	Airplane Beer, Wine, Liquor \$200 Railroad Beer, Wine, Liquor \$200 Water Vessel Beer, Wine, Liquor \$150 Statewide Caterer's Beer, Wine, Liquor \$250-\$2,000	Annual license fee imposed to dispense alcohol beverages aboard airplanes, in rail cars, and on water vessels hired for the transportation of passengers. The Statewide Caterer's License (SCAT) permits the sale and storage of entities which operate in more than one subdivision. The SCAT license may be general or limited.
Alcoholic Beverages Permits	Ranges from \$2 - \$500	A variety of permits are issued authorizing the sale, shipment, transport, storage and solicitation of alcoholic beverages.
Cigarette Tax	\$1.00 per pack of 20 cigarettes; \$.05 per each cigarette in packages of more than 20	Wholesalers pay tax by purchasing tax stamps which are affixed to all packages of cigarettes before sale at retail.
Tobacco Licenses	Manufacturer \$ 25 Wholesaler \$750 Sub-Wholesaler \$500 Vendor \$500 Storage Warehouse \$ 25	Annual license fee imposed upon various dealers and handlers of cigarettes.
Other Tobacco Products	15% of the wholesale price	Tax is paid by wholesaler who sells other tobacco products (excludes cigarettes) to a retailer or consumer in the state. If tax is not paid by wholesaler, tax liability reverts to retailer or consumer.



Revenue Source	Rate (As of July 1, 2005)	Description
Motor Fuel Tax	\$.235 per gallon \$.2425 per gallon \$.235 per gallon	Tax on all gasoline used as a motor fuel. Tax on special fuels (diesel/kerosene) other than clean-burning fuels used as a motor fuel. Tax on clean-burning fuels used as a motor fuel.
Aviation Fuel Tax	\$.07 per gallon	Tax on motor fuel used to power aircraft not operated for common carriage or by government entities.
Motor Carrier Tax	\$.2425 per gallon for special fuels (diesel/kerosene) other than clean-burning fuels; \$.235 per gallon for gasoline and clean-burning fuels	Tax on motor carriers who operate commercial motor vehicles on Maryland highways.
IFTA Motor Carrier	Decal fee eliminated	Annual IFTA license and identification markers are required effective January 1, 2001 for all commercial motor vehicles operated by Maryland-based interstate motor carriers in Maryland and at least one other IFTA jurisdiction.
IFTA Fuel Trip Permit	\$42 per permit	Temporary 15-day permit fee in lieu of IFTA License.

For additional information on the calculation of taxes and the aforementioned fees including exemptions and credits, visit [www.marylandtaxes.com](http://www.marylandtaxes.com)

# PERSONAL INCOME TAX

During Fiscal Year 2005, the Comptroller's Office collected \$11.1 billion in state and local income tax payments and refunded \$1.7 billion to individual income taxpayers. The Comptroller's Office also collects and distributes the local income tax for Maryland subdivisions.

Table 1 reflects the gross collections and net revenues for the general fund. Table 2 displays the distribution of income tax revenue to Baltimore City, Maryland's 23 counties and the incorporated towns, and special taxing districts within those counties.

TABLE 1  
PERSONAL INCOME TAX  
FISCAL YEAR 2005

	Gross Revenues	Less					Net amount to the General Fund
		Refunds	Reserve for Subdivisions	Chesapeake Bay and Endangered Species Fund	Fair Campaign Fund	Maryland Cancer Fund	
Personal income tax	\$10,118,483,509	\$1,686,649,948	\$3,663,212,080	\$1,143,719	\$113,714	\$421,289	\$4,766,942,759
Personal estimated tax payments not claimed on returns	151,319,241						151,319,241
Employer withholding tax payments not claimed on returns	705,219,357	5,915,672					699,303,685
Fiduciary income tax	61,624,816	9,270,744	35,291,270	297	147	2,154	17,060,204
Fiduciary estimated tax payments not claimed on returns	36,979,544						36,979,544
Unidentified tax payments	\$10,985,893	\$5,208					\$10,991,101
<b>Total</b>	<b>\$11,062,640,574</b>	<b>\$1,701,841,572</b>	<b>\$3,698,503,350</b>	<b>\$1,144,016</b>	<b>\$113,861</b>	<b>\$423,443</b>	<b>\$5,660,614,332</b>

TABLE 2  
DISTRIBUTION OF LOCAL INCOME TAX RECEIPTS  
FISCAL YEAR 2005

*(Dollars in Thousands)*

County	Distribution to Cities & Towns	Distributions to Counties	Total Distributions
Allegany	\$ 2,215	\$ 22,797	\$ 25,012
Anne Arundel	3,898	324,664	328,562
Baltimore	-	519,889	519,889
Calvert	660	54,004	54,664
Caroline	479	9,690	10,169
Carroll	3,843	103,012	106,855
Cecil	1,821	41,530	43,351
Charles	1,018	77,210	78,228
Dorchester	583	9,647	10,230
Frederick	8,057	139,459	147,516
Garrett	350	9,327	9,677
Harford	2,969	148,855	151,824
Howard	-	255,795	255,795
Kent	557	8,492	9,049
Montgomery	24,157	954,616	978,773
Prince George's	17,211	403,561	420,772
Queen Anne's	352	28,935	29,287
St. Mary's	264	54,729	54,993
Somerset	209	6,374	6,583
Talbot	1,321	18,874	20,195
Washington	2,911	57,378	60,289
Wicomico	2,211	38,688	40,899
Worcester	1,496	11,478	12,974
Baltimore City	-	202,719	202,719
<b>Total</b>	<b>\$ 76,582</b>	<b>\$ 3,501,723</b>	<b>\$ 3,578,305</b>

# CORPORATION INCOME TAX

During fiscal year 2005, the Revenue Administration Division collected \$872.7 million in corporation income tax revenues. The revenues from Maryland's corporation income tax are allocated between the general fund and various transportation programs on the basis of a complex formula. The following table lists the revenues that were distributed to each of the various funds during fiscal year 2005.

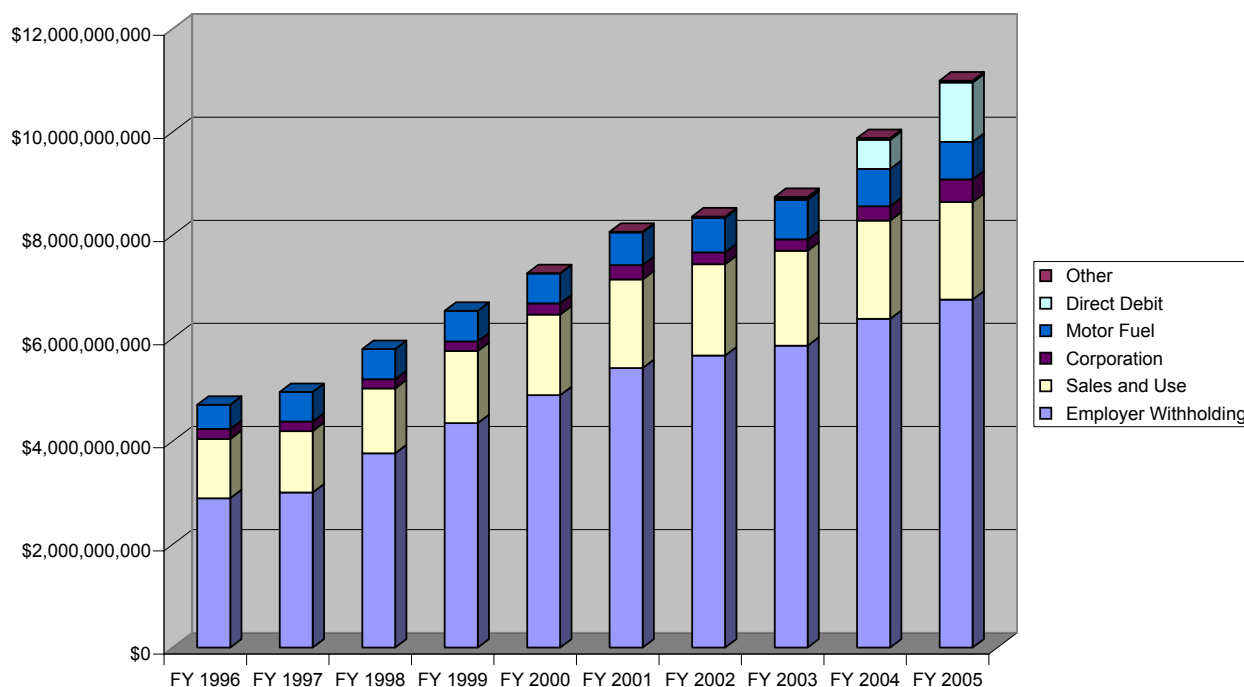
## ALLOCATION OF CORPORATION INCOME TAX RECEIPTS

*(Dollars in Thousands)*

General Fund	\$663,280
Special Fund:	
Distribution to Gasoline and Motor Vehicle Revenue Account	<u>209,457</u>
Total	\$872,738

Revenues from the gasoline and motor vehicle revenue account are distributed among the Department of Transportation and local governments as specified in Sections 8-402 and 8-403 of the Transportation Article.

### TAXES PAID BY ELECTRONIC FUNDS TRANSFER



**Note:** Fiscal year 2005 revenues include \$198,740,984 (\$207,784,377 less \$9,043,393 in refunds related to the Comptroller's settlement offer) collected from the legislatively-mandated Delaware holding company settlement, of which \$151,043,148 went to the general fund and \$47,697,836 to the Transportation Trust Fund.

## SALES AND USE TAX

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During fiscal year 2005, the Comptroller's Office collected \$3.15 billion in net sales and use tax receipts. Tax collections totaled \$3.18 billion, and refunds totaled \$25.6 million.

The taxable food and beverage group produced the largest amount of revenue (\$624.3 million), followed by the general merchandise group (\$568.0 million). The building and industrial supplies category produced the third largest amount (\$475.1 million).

Among the state's geographic regions, Baltimore County generated the most revenue (\$462.3 million), followed by Montgomery County (\$426.6 million), Prince George's County (\$385.4 million), Anne Arundel County (\$285.5 million), and Baltimore City (\$268.4 million).

Table 3 (on the following page) represents a two-year comparison of sales and use tax revenue by county. Table 4 presents sales and use tax collections by county and principal type of business for fiscal year 2005.

TABLE 3  
SALES AND USE TAX RECEIPTS BY COUNTY

*(Dollars in Thousands)*

	F.Y. 2005	F.Y. 2004	%	% of FY 2005 Total
			Change	
Allegany	\$ 32,606	\$ 32,056	1.72	1.03
Anne Arundel	285,453	273,852	4.24	8.98
Baltimore City	268,442	253,260	5.99	8.44
Baltimore	462,331	442,417	4.50	14.54
				0
Calvert	23,703	22,484	5.42	0.75
Caroline	6,074	5,443	11.59	0.19
Carroll	77,345	70,981	8.97	2.43
Cecil	26,170	24,679	6.04	0.82
Charles	79,016	72,569	8.88	2.49
Dorchester	12,030	10,792	11.47	0.38
Frederick	123,295	115,554	6.70	3.88
Garrett	14,317	13,644	4.93	0.45
Harford	98,543	90,922	8.38	3.10
Howard	140,841	129,692	8.60	4.43
Kent	8,945	8,174	9.43	0.28
Montgomery	426,649	403,693	5.69	13.42
Prince George's	385,415	353,788	8.94	12.12
Queen Anne's	16,313	16,218	0.59	0.51
St. Mary's	36,425	36,159	0.74	1.15
Somerset	3,118	2,819	10.61	0.10
Talbot	29,104	28,406	2.46	0.92
Washington	83,033	77,558	7.06	2.61
Wicomico	68,168	60,701	12.30	2.14
Worcester	57,359	56,459	1.59	1.80
District of Columbia	65,370	22,851	186.07	2.06
Other/Out-of-State Vendors	349,199	344,270	1.43	10.98
Total Gross Receipts	<u>\$ 3,179,264</u>	<u>\$ 2,969,441</u>	7.07	<u>100.00</u>
Less: Refunds	(25,588)	(24,381)	4.95	
Total Net Receipts	3,153,676	2,945,060	7.08	
Less: Distribution to TTF	(24,323)	(23,266)	4.54	
Amount to General Fund	<u>\$ 3,129,353</u>	<u>\$ 2,921,794</u>	7.10	

Notes: Detail may not add to total due to rounding.

TABLE 4  
SALES AND USE TAX GROSS RECEIPTS BY COUNTY AND PRINCIPAL TYPE OF  
BUSINESS FOR FISCAL YEAR 2005

*(Dollars in Thousands)*

County	Food & Beverage	Apparel	General Merchandise	Automotive	Furniture & Appliances
Allegany	\$ 8,310	\$ 1,881	\$ 7,777	\$ 2,421	\$ 1,837
Anne Arundel	68,897	18,699	51,980	28,910	27,067
Baltimore City	62,606	13,868	21,152	16,512	16,933
Baltimore	90,838	28,220	97,367	32,634	51,644
Calvert	7,098	484	4,233	1,899	1,062
Caroline	1,887	106	405	910	117
Carroll	15,482	1,777	21,114	4,829	4,990
Cecil	9,315	1,261	5,444	2,706	816
Charles	14,594	4,021	20,420	6,000	6,197
Dorchester	2,817	93	2,776	635	425
Frederick	22,932	3,692	23,688	7,736	9,126
Garrett	3,274	48	3,866	1,340	624
Harford	21,936	2,961	24,525	8,852	7,095
Howard	30,135	6,989	27,419	9,683	15,530
Kent	2,364	138	1,253	671	253
Montgomery	102,159	26,378	75,560	33,583	52,830
Prince George's	77,756	22,370	73,596	33,163	42,273
Queen Anne's	5,295	1,839	2,072	1,385	938
St. Mary's	9,177	386	9,056	5,303	1,931
Somerset	1,120	23	396	536	136
Talbot	6,535	585	5,447	2,207	2,052
Washington	17,206	4,838	21,404	6,192	7,726
Wicomico	10,724	2,591	17,295	3,826	3,262
Worcester	22,745	2,683	8,810	1,621	2,059
District of Columbia	1,203	907	7,711	820	15,983
Other: Out of State Vendors	7,887	4,999	33,252	6,967	87,674
<b>Total</b>	<b>\$ 624,292</b>	<b>\$ 151,837</b>	<b>\$ 568,018</b>	<b>\$ 221,341</b>	<b>\$ 360,580</b>

Note: Detail may not add to total due to rounding.

TABLE 4  
SALES AND USE TAX GROSS RECEIPTS BY COUNTY AND PRINCIPAL TYPE OF  
BUSINESS FOR FISCAL YEAR 2005

*(Dollars in Thousands)*

	<b>Building &amp; Industrial Supplies</b>	<b>Utilities &amp; Transportation</b>	<b>Hardware, Machinery &amp; Equipment</b>	<b>Miscellaneous</b>	<b>Assessment Collections</b>	<b>Total Collections</b>
Allegany	\$ 4,260	\$ 2,817	\$ 895	\$ 2,224	\$ 184	\$ 32,606
Anne Arundel	34,805	10,832	9,021	33,643	1,599	285,453
Baltimore City	34,622	50,408	7,135	43,103	2,103	268,442
Baltimore	63,807	42,601	7,936	44,129	3,155	462,331
Calvert	3,692	1,548	1,467	2,099	121	23,703
Caroline	929	434	339	899	48	6,074
Carroll	17,864	2,341	2,636	5,709	603	77,345
Cecil	3,712	59	634	2,056	167	26,170
Charles	14,893	5,620	1,625	5,181	465	79,016
Dorchester	1,505	747	462	2,267	303	12,030
Frederick	25,588	13,015	3,200	13,238	1,080	123,295
Garrett	1,772	641	452	2,222	78	14,317
Harford	17,861	4,245	2,304	7,995	769	98,543
Howard	17,012	5,494	4,025	22,695	1,859	140,841
Kent	1,631	717	867	1,046	5	8,945
Montgomery	48,329	31,281	6,474	47,977	2,078	426,649
Prince George's	69,572	19,198	10,408	34,745	2,334	385,415
Queen Anne's	1,712	884	510	1,668	10	16,313
St. Mary's	5,161	1,231	1,050	3,057	73	36,425
Somerset	319	59	81	445	3	3,118
Talbot	6,901	2,224	879	2,206	68	29,104
Washington	11,708	3,098	1,652	8,358	851	83,033
Wicomico	8,753	12,818	2,497	6,030	372	68,168
Worcester	5,794	469	387	12,411	380	57,359
District of Columbia	10,309	11,164	2,511	14,623	139	65,370
Other: Out of State Vendors	62,624	30,915	15,051	96,451	3,379	349,199
<b>Total</b>	<b>\$ 475,135</b>	<b>\$ 254,860</b>	<b>\$ 84,498</b>	<b>\$ 416,477</b>	<b>\$ 22,226</b>	<b>\$ 3,179,264</b>



# ADMISSIONS AND AMUSEMENT TAX

The Comptroller's Office is also responsible for administering, collecting, and distributing the admissions and amusement tax revenues to the counties and incorporated cities and towns in Maryland. The table below lists the net receipts and amounts distributed to counties (including municipalities within the counties) for fiscal year 2005.

TABLE 5  
ADMISSIONS AND AMUSEMENT TAX RECEIPTS AND DISTRIBUTIONS  
*(Dollars in Thousands)*

County	Net Receipts	Administrative Expense	Total Distributed
Allegany	\$ 229	\$ 5	\$ 224
Anne Arundel	7,676	189	7,487
Baltimore City	8,687	202	8,485
Baltimore	7,124	169	6,955
Calvert	448	11	437
Caroline	4	*	4
Carroll	772	18	754
Cecil	351	9	342
Charles	798	19	779
Dorchester	120	3	117
Frederick	1,310	31	1,279
Garrett	521	12	509
Harford	781	18	763
Howard	1,913	44	1,869
Kent	54	1	53
Montgomery	4,498	106	4,392
Prince George's	12,765	280	12,485
Queen Anne's	191	5	186
St. Mary's	122	3	119
Somerset	36	1	35
Talbot	100	1	99
Washington	559	13	546
Wicomico	459	11	448
Worcester	1,666	37	1,629
MD Stadium Authority	8,555	186	8,369
<b>Total</b>	<b>\$ 59,739</b>	<b>\$ 1,374</b>	<b>\$ 58,365</b>

\* Denotes less than \$ 500  
Detail may not add to total due to rounding.

# UNCLAIMED PROPERTY RECEIPTS

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The Comptroller's Office is responsible for administering the Uniform Disposition of Unclaimed Property Act. It is responsible for the care, custody, and control of all tangible property presumed abandoned or unclaimed. The value of the property may be claimed by its rightful owner at any time subsequent to this distribution. The table below presents an analysis of collections and distributions of unclaimed property receipts during fiscal year 2005.

**TABLE 6**

**UNCLAIMED PROPERTY RECEIPTS AND DISTRIBUTIONS**  
*(Dollars in Thousands)*

**Sources of Net Revenues from Miscellaneous Unclaimed Property:**

Life Insurance	\$	3,384
Other Insurance		8,691
Public Utilities		1,043
Corporations		113,935
Fiduciaries, Trustees and Other		2,765
Government Agencies		7,903
Banks and Financial Organizations		1,040
Nursing Homes		20,623
Total Net Revenues	\$	159,384

**Allocation of Net Revenues:**

Administrative Expenses	\$	6,625
Distributed to Maryland Legal Services Corporation		500
Transferred to General Fund		152,259
Total Net Revenues	\$	159,384

Note: Legislation enacted in 2003 reduced the holding period for unclaimed property from five to four years, and from four to three years one year later. Effective for property presumed abandoned for reporting periods ending on or after June 30, 2002.

# ALCOHOL AND TOBACCO TAXES

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During fiscal year 2005, the Comptroller's Office collected \$304.5 million in alcohol and tobacco tax revenues for the state's General Fund.

Table 7 presents a two-year comparison of alcohol and tobacco tax revenue.

TABLE 7  
COMPARISON OF ALCOHOL AND TOBACCO REVENUE

*(Dollars in Thousands)*

	<b>FY 2005</b>	<b>FY 2004</b>	<b>% Change</b>
Distilled Spirits Tax	\$ 13,168	\$ 12,915	1.96
Wine Tax	4,805	4,567	5.21
Beer Tax	9,368	9,381	(0.14)
Tobacco Tax	276,044	272,430	1.33
Other Receipts	1,115	1,189	(6.22)
Total Net Receipts	<u>\$ 304,500</u>	<u>\$ 300,482</u>	1.34

( ) denotes decrease

## MOTOR FUEL TAXES

During fiscal year 2005, the Comptroller's Office collected \$752.9 million in motor fuel tax revenues. Table 8 presents a two-year comparison of motor fuel tax receipts.

TABLE 8  
MOTOR FUEL TAX RECEIPTS

(Dollars in Thousands)

	FY 2005	FY 2004	% Change
Dealer Receipts	\$ 634,127	\$ 632,349	0.28
Special Fuels Receipts	115,073	113,199	1.66
Sellers of Jet Fuel & Aviation	894	1,391	(35.73)
Motor Carrier Temporary Permits	118	105	12.38
Miscellaneous Revenues	255	708	(63.92)
Refunds	(8,200)	(12,206)	(32.82)
	<hr/>	<hr/>	
Net Revenues Subtotal	\$ 742,268	\$ 735,546	0.91
IFTA Collections	16,281	15,816	2.94
IFTA Refunds	(5,677)	(5,206)	9.05
	<hr/>	<hr/>	
Net Revenues	\$ 752,872	\$ 746,156	0.90

( ) denotes decrease

Net motor fuel tax revenues are distributed among the general fund and selected special funds on the basis of a statutory formula. The following table presents the revenues that were distributed to each of the various funds during fiscal year 2005.

TABLE 9  
DISTRIBUTION OF MOTOR FUEL TAX REVENUE

(Dollars in Thousands)

Administrative Expenses	\$ 6,204
Waterways Improvement Fund	1,716
Fisheries Research and Development Fund	1,716
General Fund for Chesapeake Bay Related Programs	13,159
Gasoline and Motor Vehicle Revenue Account of the Transportation Trust Fund	729,379
Counties, Baltimore City, and Municipalities (30%)	\$ 218,814
Department of Transportation (70%)	510,565
Transportation Trust Fund (Aviation)	<hr/> 696
Total	\$ 752,872

Note: Detail may not add to total due to rounding

# GROSS MOTOR FUEL GALLONAGE REVENUE STATEMENT

TABLE 10  
GROSS MOTOR FUEL GALLONAGE & REVENUE STATEMENT  
FISCAL YEAR 2005

(Dollars in Thousands)

		<b>Actual Gallons</b>			
Gross Gallons Reported		3,225,409,646			
Less Adjustments:					
Temperature & stock adjustments:	4,120,825				
Federal exempt purchases	2,156,213				
Cost of collection allowance	<u>22,545,100</u>				
Less total adjustments		<u>28,822,138</u>			
Total taxable motor fuel gallons:		<u><u>3,196,587,508</u></u>			
		<b>Actual Gallons</b>	<b>Revenue</b>		
Motor vehicle fuel dealers		2,706,755,055	\$ 634,127	*	
Special fuel		489,832,453	\$ 115,073	*	
Gasohol		<u>-</u>	<u>-</u>		
Total taxable gallons sold:		<u><u>3,196,587,508</u></u>	<u>\$ 749,200</u>		
Sellers of jet fuel and aviation			\$ 894		
Motor carrier collections:					
Motor carrier permits	\$ 118				
IFTA Taxes- MD based carriers	2,536				
IFTA Taxes- from other jurisdictions	13,511				
IFTA Tax assessments	<u>234</u>				
Total motor carrier collections			16,399		
Penalties and interest			255		
Dishonored check fee			-		
Canadian exchange			-		
Total gross revenue			<u><u>\$ 766,748</u></u>		

\*Modified accrual basis of accounting

Note: Detail may not sum to total due to rounding

## OTHER REVENUES COLLECTED

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### ENVIRONMENTAL SURCHARGE ON ELECTRICITY

The Comptroller's Office also collects and distributes to the Environmental Trust Fund revenue collected from the environmental surcharge on electricity delivered in Maryland. This revenue is used to fund the Department of Natural Resources' Power Plant and Environmental Review Division and the Chesapeake Bay Research and Monitoring Division. During fiscal year 2005, \$9.4 million was collected from this revenue source.

### EMERGENCY TELEPHONE SYSTEM SURCHARGE (911 FEE)

The Comptroller's Office collects the emergency telephone system surcharge. This revenue is used to fund local emergency 911 telephone systems. During fiscal year 2005, \$53.6 million was collected from this revenue source.

### TELECOMMUNICATIONS ACCESS SURCHARGE

The Comptroller's Office collects the telecommunications access surcharge. This revenue is used to provide telephone service to the hearing and speech impaired citizens of Maryland. During fiscal year 2005, \$7.3 million was collected from this revenue source.

### TIRE RECYCLING FEE

The Comptroller's Office is responsible for collecting the tire recycling fee. The proceeds go to a special fund administered by the Department of the Environment for scrap tire removal and recycling. During fiscal year 2005, \$2.3 million was collected from this revenue source.

### ESTATE TAX

The Comptroller's Office collects the estate tax from the executors and administrators of Maryland-situs estates. During fiscal year 2005, \$137.5 million was collected from this source and deposited into the general fund.

### SAVINGS AND LOAN ASSOCIATION FRANCHISE TAX

This tax was repealed for tax years beginning after December 31, 2000.

### ELECTRIC UNIVERSAL SERVICE SURCHARGE

The Comptroller's Office collects revenue from public utilities that are deposited into the Universal Service Program Fund. Public utilities collect the surcharge from their customers. The program was established under Chapter 4, Acts of 1999 (House Bill 703) to assist low income Maryland electric customers with their bills. During fiscal year 2005, \$32.4 million was collected and transferred to the Department of Human Resources, which administers the program.

### BAY RESTORATION FEE

The Comptroller's Office collects revenue from the billing authorities of local governments and facilities that provide wastewater disposal services to Maryland residents and businesses. This revenue is deposited into the Bay Restoration Fund, which was established under Chapter 428, Acts of 2004. During fiscal year 2005, \$7.5 million was collected from the fee which will be used to upgrade Maryland's wastewater treatment plants and to fund cover crop activities under a water quality costs share program administered by the Department of Agriculture.

# LEGISLATION ENACTED IN 2005

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## Income Tax

### Income Tax HB 147 (Chapter 444) – Pass-Through Entity Tax

Increases the rate of estimated tax to be paid by a pass-through entity from 4.75 percent to 6 percent on the Maryland taxable income of its nonresident individual shareholders, partners or members. This new rate is the sum of the current highest marginal state income tax rate and the 1.25 percent lowest local tax rate.

The tax will also apply to the income of nonresident corporations. Individual shareholders, partners or members or corporations may claim a credit on their Maryland income tax returns for the tax paid by a pass-through entity. The legislation exempts from the tax a pass-through entity that is itself a pass-through entity that is formed under Maryland laws or has registered with the Department of Assessments and Taxation to do business in Maryland, a real estate investment trust or a publicly-traded pass-through entity that has agreed to file an annual information return with the Comptroller that provides certain specified information. Effective for tax years beginning after December 31, 2004.

### HB 147 (Chapter 444) – Qualified Production

Activities Eliminates the benefit of the recently-enacted federal deduction of income from a qualified production activity through a new addition modification on Maryland's personal and corporate income tax returns. Effective for tax years beginning after December 31, 2004.

### HB 147 (Chapter 444) – Eligible Rollover Distributions – Withholding

Requires that Maryland tax be withheld from an eligible rollover distribution to a resident if the payment is subject to mandatory federal withholding. The withholding rate is 7.75 percent, but will change with any increase or decrease in the top marginal state income tax rate for individuals. Effective July 1, 2005.

### HB 147 (Chapter 444) – Gambling Winnings – Withholding

Increases the rates of withholding from gambling winnings to 7.75 percent (from 7.25 percent) for residents and to 6 percent (from 4.75 percent) for nonresidents. These rates will change with any increase or decrease in either the lowest county rate or the top marginal state income tax rate for individuals. Effective July 1, 2005.

### HB 147 (Chapter 444) – Refund Interception Requests – Withholding

Requires an employer who is notified that an employee is subject to a tax refund interception request to withhold from the employee's wages based on the number of exemptions allowed on the employee's prior year income tax return. Effective July 1, 2005.

### HB 147 (Chapter 444) – Real Estate Sales

Increases the percentage applied to a payment received by a nonresident from the sale of real property and associated tangible personal property from 4.75 percent to 6 percent (the sum of the current highest marginal personal income tax rate and the 1.25 percent lowest local tax rate). These individuals may claim a credit on their Maryland income tax returns for the amount paid to the clerk of the circuit court or to the Department of Assessments and Taxation. Effective July 1, 2005.

### HB 147 (Chapter 444) – Heritage Rehabilitation Tax Credit

Requires the Department of Housing and Community Development to charge a reasonable fee, not to exceed 1 percent of the initial credit certificate issued for the project, to certify heritage structures and rehabilitations for purposes of the tax credit. The fee will only apply to a certification for commercial rehabilitation that is awarded an initial credit certificate on or after July 1, 2005. Effective June 1, 2005, the allowable credit may exceed the credit based on an estimated expenditure amount by \$250,000 if an application for approval of a plan to rehabilitate a commercial structure was submitted before June 1, 2002.

### HB 664 (Chapter 99) – Biotechnology Investment Incentive Tax Credit

Creates a new credit for up to 50 percent of the amount contributed during the tax year by an individual, corporation or Qualified Maryland Venture Capital Firm to a Qualified Maryland Biotechnology Company, subject to certain maximum amounts. A prospective investor must apply to the Department of Business and Economic Development (DBED) at least 30 days before making an investment. Within a second 30-day period, the DBED will issue an Initial Credit Certificate to the prospective investor; the investment must be made

## LEGISLATION ENACTED IN 2005

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within 10 days of receipt of the certificate. In the aggregate, Initial Credit Certificates authorized for any fiscal year by the DBED cannot exceed the amount appropriated by the governor for that fiscal year to the Biotechnology Investment Tax Credit Reserve Fund and will be issued on a first-come-first-served basis. A Final Credit Certificate may be redeemed by an investor for a tax year that begins on or after December 31, 2006. Effective July 1, 2005, for tax years 2005 and later.

### **SB 69 (Chapter 109) – Tax Return Preparer – Filing Requirements and Penalties**

Requires a tax return preparer to sign a return or claim for refund before presenting the return or claim to the taxpayer or nontaxable entity for signature. If the preparer is unavailable for signature, the return or claim must be signed by another preparer who has reviewed the entire preparation of the return or claim. The person who was primarily responsible for the preparation must sign the return or claim if prepared by more than one preparer. The return or claim must include the identifying number of the preparer, the preparer's employer, or both.

The legislation also provides for a penalty for the failure of a preparer to sign a return or claim as required of \$50, not to exceed \$25,000 for any one preparer for documents filed during any calendar year, and provides for the same penalties for a preparer who fails to report the required identifying number(s). Effective July 1, 2005.

### **SB 70 (Chapter 5) – Accelerated Monthly Reporting of Withholding**

Reduces, from every three months to every month, the frequency with which an employer who must file withholding tax returns on an accelerated schedule is required to file a return. Monthly returns must be filed until the Comptroller receives written notice that the employer no longer has employees or is no longer required to file the return. Withholding returns must be filed on an accelerated monthly schedule if withholding for the preceding calendar year was \$15,000 or more and the withholding for the pay period causes the total accumulated tax withheld to equal or exceed \$700. If these thresholds are met, the return must be filed and the tax paid within three business days following the payroll. Effective January 1, 2006.

### **SB 95 (Chapter 7) – Reduced Withholding Exemptions for Failure to File Return**

Mandates that an employer who is notified by the Comptroller that an employee has not filed a required Maryland income tax return base the amount of taxes to withhold from the employee's wages on one exemption. Effective July 1, 2005.

### **SB 341 (Chapter 142) – Holding Companies – Exemption from Modifications**

Changes the calculation of the aggregate effective tax rate (as defined in legislation enacted in the 2004 Session), for purposes of an exemption from the new requirements, to include the effective tax rate of a tax imposed by a foreign nation that has entered into a comprehensive treaty with the U.S. government. Last year's law change requires an add-back of illegitimate transactions between related entities or requires the holding company to file and report its income to Maryland. This year's legislation affords the same benefits to certain companies that have transactions with a related member in a foreign country as the law allowed to certain companies which had similar transactions with a related member in another state. Effective July 1, 2005, for tax years beginning after December 31, 2004.

### **SB 794 (Chapter 175) – Arts and Entertainment Districts – Qualifications**

Expands the definition of a qualified residing artist by allowing an artist to live in the county in which the arts and entertainment district is located rather than in the district itself. Specifies that the subtraction of income derived within an arts and entertainment district that may be claimed by a qualified residing artist from the publication, production or sale of an artistic work must have been written, composed or executed by the artist in the arts and entertainment district. Previously, the artistic work could have been written, composed or executed in any location. Effective June 1, 2005, for tax years beginning after December 31, 2004.

## **SALES AND USE TAX**

### **HB 37 (Chapter 191) – Tax-Free Back-to-School Shopping Period**

Allows a temporary exemption from the sales and use tax for the sale of any item of clothing or footwear, other than accessories, that costs \$100 or less. The tax-free period will extend from August 23, 2006 through August 27, 2006. Effective July 1, 2005.



# LEGISLATION ENACTED IN 2005

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## **HB 147 (Chapter 444) – Sales Tax Discount**

Bars a vendor from claiming a discount for a timely-filed sales and use tax return for the tax paid on purchases or use made by the vendor. Effective July 1, 2005.

## **SB 423 (Chapter 307) – Modular Buildings**

Requires that the sales and use tax be applied to 60 percent of the taxable price of a modular building, which is the estimated percentage of taxable building materials used in a conventional home. Effective July 1, 2005.

## **ESTATES AND TRUSTS**

### **HB 190 (Chapter 34) – Notice to Apparent Owner**

Alters the time by which the Maryland Department of Health and Mental Hygiene may file a claim against the estate of a deceased Maryland Medical Assistance Program. A claim must be presented by the earlier of 6 months after publication of the notice of the first appointment of the personal representative (was 6 months after the first appointment) and 2 months after the personal representative mails or delivers notification to the DHMH that the claim will be barred unless presented within 2 months of receipt of the notice. Effective July 1, 2005.

### **Abandoned Property HB 190 (Chapter 34) – Notice to Apparent Owner**

Requires the holder to send written notice to the apparent owner of presumed abandoned property only if the property is valued at \$100 or more. Effective July 1, 2005.

### **HB 206 (Chapter 36) – Publication of Notice**

Increases, from 180 to 365, the number of days after receipt of a report from the holder of property presumed abandoned that the Comptroller must publish a notice in a general circulation newspaper either in the county in which the last known address of the property's owner is located or, if this address not available or is out of state, in the county in which the property holder's principal place of business is located. Effective July 1, 2005.

## **ADMISSIONS AND AMUSEMENTS TAX**

### **SB 794 (Chapter 175) – Arts and Entertainment Districts – Qualifications**

Expands the definition of a qualified residing artist by including artists who live in the county in which the arts

and entertainment district is located rather than only those who live in the district itself. Under current law, a county or municipal corporation may exempt admission or amusement tax gross receipts collected by an arts and entertainment enterprise or a qualifying residing artist in an arts and entertainment district. Effective July 1, 2005, for tax years beginning after December 31, 2004.

## **OTHER CHANGES**

### **HB 147 (Chapter 444) – Insurance License – Tax Clearance**

Requires that all taxes administered by the Comptroller and unemployment insurance contributions owed by an applicant are paid, or an approved payment arrangement is in place, before a license may be renewed. Effective July 1, 2005.

### **HB 147 (Chapter 444) – Refund and Vendor Payment Intercepts**

Allows the Comptroller to withhold from any refund or vendor payment any amount of tax or other liability that the individual or business owes to a local government. The local government must have a reciprocal agreement to withhold and pay to the state amounts owed to the state from their vendor payments. Effective July 1, 2005.

### **SB 172 (Chapter 287) – Child Support Arrearages**

Requires the Comptroller to withhold from a vendor payment any amount in arrears under a child support agreement that exceeds \$150 if the Child Support Enforcement Administration provides in the case certain services under the Social Security Act. The legislation also provides certain investigative and appeal rights to the obligor. Effective October 1, 2005.

# TAXPAYER ASSISTANCE INFORMATION

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## Admissions and Amusement Tax

Contact: Admissions and Amusement Tax  
Revenue Administration Division  
301 West Preston Street  
Baltimore, Maryland 21201-2383

Or Call: In the Baltimore area ..... 410-767-1300  
Toll-free in Maryland..... 1-800-492-1751  
FAX ..... 410-767-1571  
e-mail - taxhelp@comp.state.md.us

## Alcohol and Tobacco Tax

Contact: Regulatory and Enforcement Division – Alcohol and Tobacco Tax Bureau  
Room 310  
P.O. Box 2999  
Louis L. Goldstein Treasury Building  
Annapolis, Maryland 21404-2999

Or Call: Central Maryland ..... 410-260-7314  
Toll-free in Maryland..... 1-888-784-0145  
FAX ..... 410-974-3201  
e-mail - att@comp.state.md.us  
Web site - <http://compnet.comp.state.md.us/red>

## Death Taxes

Contact: Revenue Administration Division  
Estate Tax  
P.O. Box 828  
Annapolis, Maryland 21404-0828

Or Call: Central Maryland ..... 410-260-7850  
Toll-free in Maryland..... 1-800-MD-TAXES  
FAX ..... 410-974-2968  
e-mail - taxhelp@comp.state.md.us

## Income Tax

Contact: Revenue Administration Division  
Revenue Administration Center  
Annapolis, Maryland 21411-0001

Or Call: Central Maryland ..... 410-260-7980  
Toll-free from elsewhere ..... 1-800-MD-TAXES  
Tax Forms ..... 410-260-7951  
FAX ..... 410-974-5808  
e-mail - taxhelp@comp.state.md.us

## Motor Fuel Tax

Contact: Motor Fuel Tax Division  
Room 317  
P.O. Box 1751  
Louis L. Goldstein Treasury Building  
Annapolis, Maryland 21404-1751

Or Call: Central Maryland ..... 410-260-7131  
Toll-free in Maryland (Licensing) ..... 1-888-784-0142  
(IFTA Inquiries) ..... 1-888-784-0141  
FAX ..... 410-974-3129  
e-mail - mft@comp.state.md.us

**New Business Information**

Contact: Taxpayer Registration Assistance Center  
Room 206  
301 West Preston Street  
Baltimore, Maryland 21201-2383

Or Call: In the Baltimore area ..... 410-767-1313  
Toll-free in Maryland..... 1-800-MD-TAXES  
FAX ..... 410-767-1571  
e-mail - taxhelp@comp.state.md.us

**Sales and Use Tax**

Contact: Revenue Administration Division  
Taxpayer Service Section  
301 West Preston Street  
Baltimore, Maryland 21201-2383

Or Call: In the Baltimore area ..... 410-767-1300  
Toll-free in Maryland..... 1-800-492-1751  
FAX ..... 410-767-1571  
e-mail - sut@comp.state.md.us

**Tire Recycling Fee**

Contact: Revenue Administration Division  
Taxpayer Service Section  
301 West Preston Street  
Baltimore, Maryland 21201-2383

Or Call: Central Maryland ..... 410-767-1300  
Toll-free in Maryland..... 1-800-492-1751  
FAX ..... 410-767-1571  
e-mail - taxhelp@comp.state.md.us

**Unclaimed Property**

Contact: Unclaimed Property Section  
Compliance Division  
301 West Preston Street  
Baltimore, Maryland 21201-2385

Or Call: In the Baltimore area ..... 410-767-1700  
Toll-free from elsewhere ..... 1-800-782-7383  
FAX ..... 410-333-7150  
e-mail - unclaim@comp.state.md.us

**Utility Surcharges (Environmental Surcharge on Electricity, Emergency Telephone System Surcharge (911 Fee), Telecommunications Access Surcharge and Electric Universal Service Surcharge)**

Contact: Revenue Administration Division  
Revenue Accounting  
110 Carroll Street  
Annapolis, Maryland 21411-0011

Or Call: In the Baltimore area ..... 410-260-7782  
Toll-free from elsewhere ..... 1-800-492-1751  
FAX ..... 410-974-2803  
e-mail - taxhelp@comp.state.md.us

FOR TAX INFORMATION, VISIT THE COMPTROLLER'S WEB SITE:

[www.marylandtaxes.com](http://www.marylandtaxes.com)

