

From the Desk of the
Comptroller



Tax season is like the playoffs in my agency. We prepare all year long and pledge to perform at our best. And like our World Champion Baltimore Ravens, we deliver.

Our commitment to excellence stems from the agency's core motto of ***Serving the People***. It really is a testament to the nearly 1,200 employees of the Comptroller's Office that we can achieve such high levels of customer service and professionalism in this important function that works to the benefit of all Marylanders.

Each year we quickly and accurately process hundreds of millions of dollars in refunds for Maryland taxpayers and provide FREE tax services to more than 7,500 Marylanders. We also work hard to recapture more than \$100 million in outstanding tax debts, prevent more than 10,000 taxpayers from claiming over \$25 million in fraudulent refunds and continue to improve our tax processing and customer service into one of the most efficient, easiest-to-use systems in the nation.

I am proud to report that this year we had made filing taxes online at marylandtaxes.com an easier and more efficient process. Our new and improved Website is easier to navigate. Information is organized by tax type or topic and we have created a Maryland Tax Resource Library, which is a one-stop collection of commonly referenced tax-related resources.

Additionally, recognizing the necessity for tax preparers to have access to various documents and the ability to complete certain tasks on behalf of their clients, my office has recently unveiled a tax preparer's online service center, **pServices**. The initial phase allows the tax preparer to view the client's Form 1099-G information. More information will be available to preparers in the years to come. I encourage you to read more about this service on page three.

As always, I encourage taxpayers to file electronically. It's the most accurate, efficient and secure way to file. Filing electronically eliminates the problem of barely legible or indecipherable paper returns, and generally allows Marylanders to get their refunds in three business days if they use direct deposit. More than two million Marylanders filed electronically last tax season and we expect those numbers to continue to grow.

Electronic filing also saves the state of Maryland millions of dollars in processing costs. In addition, by eliminating the printing and mailing of costly and unnecessary paper forms and booklets, we save the state thousands more dollars and more than 26 million pieces of paper each year.

I often joke about being introduced as the tax collector but honestly, it is the greatest privilege of my professional life to serve as your Comptroller and to have your continuing support.



REVENUES

Helpful Filing Tips...

Comptroller Peter Franchot shared some important information today to assist taxpayers in completing their personal income tax returns this tax-filing season.

As you know, the filing deadline for 2012 tax returns is Monday, April 15.

There are a few changes and tips for filing 2012 returns:

- Tax Booklets – Tax booklets, forms and instructions are available from the Comptroller’s Website at http://taxes.marylandtaxes.com/Resource_Library/default.shtml. Taxpayers can find a limited supply of 2012 tax booklets at various libraries throughout the state, as well as at any of the Comptroller’s branch offices. Taxpayers may also request a tax booklet by calling (410) 260-7951 or by email to taxforms@comp.state.md.us.
- Hours – Branch offices will be open from 8:30 a.m. to 4:30 p.m., Monday through Friday. Offices will also have extended hours on Saturday, April 13, from 9 a.m. to 1 p.m. and from 8 a.m. to 7 p.m. on April 15, to help taxpayers fill out and electronically file their tax forms for free.
- Libraries and Post Offices – The Comptroller’s Office no longer supplies all local post offices with tax booklets. We have sent a limited supply of tax booklets to requesting libraries.
- What is needed to file – Before taxpayers file a Maryland income tax return, they are required to complete a federal income tax return. Often the same documentation required to complete the federal income tax return is also required to complete the Maryland return. Additionally, supporting documentation for Maryland credits and modifications may be necessary for preparing the Maryland return. For more information on credits, modifications and necessary documentation please go to Individual Tax Forms and Instructions section of the agency’s Website.
- Discarding old returns – Generally, taxpayers should keep tax records for at least three years from the date of filing a return or filing deadline, whichever is later.
- New Income Tax Rates – The Maryland General Assembly has approved new income tax rates and rate brackets for individuals for all tax years beginning after December 31, 2011. See Instruction 17 in the resident tax booklet for the new tax rate schedules.
- Local Tax Rate Changes – For tax year 2012, Anne Arundel County has decreased its local tax rate to 2.49% and Queen Anne’s County has increased its local tax rate to 3.20%. For tax year 2013, Anne Arundel County has increased its local tax rate back to 2.56%; Talbot County has increased its rate to 2.40%; and Wicomico Count has increased its rate to 3.20%.

Comptroller of Maryland Welcomes New Deputy Comptroller

After 35 years of state service, former Deputy Comptroller Linda Tanton ended her career with the Comptroller of Maryland in December 2012, passing the torch to David Roose to serve as Maryland’s Deputy Comptroller. In this capacity, Roose has assumed the role as the Chief Operating Officer for Comptroller Peter Franchot.

Since 1999, Roose served as director of the Bureau of Revenue Estimates where he was responsible for providing Maryland and national economic analyses and forecasts. Additionally, he was tasked with projecting the

estimation of \$17 billion in revenue and the fiscal impact of most tax legislation introduced before the Maryland General Assembly.

Before joining the Comptroller’s Office, Roose spent five years as a policy analyst with the Department of Legislative Services. He holds both a Bachelor’s and a Master’s degree from the College of William and Mary, where he studied economics and history during undergraduate tenure and public policy during his graduate career.

...from Maryland Comptroller Peter Franchot

- Personal Exemption Amount – The exemption amount of \$3,200 begins to be phased out if a taxpayer's federal adjusted gross income is more than \$100,000 (\$150,000 for joint taxpayers). The \$3,200 exemption is phased out entirely when the income exceeds \$150,000 (\$200,000 for joint taxpayers). See Instruction 10 in the resident tax booklet for the reduced amounts. The additional exemption of \$1,000 remains the same for age and blindness.
- Dependent Form 502B – This form will be required to be attached to Form 502, Form 505 and Form 515 to determine what exemptions a taxpayer is entitled to claim. Taxpayers claiming more than two dependents on Form 503 must use Form 502.
- Increased pension exclusion – Maryland's maximum pension exclusion, which is available to qualifying taxpayers 65 or older, increased from \$26,300 to \$27,100 for tax year 2012.
- Earned Income Tax Credit – Effective January 1, 2012, the Comptroller is required to publish the maximum income eligibility for the state Earned Income Tax Credit (EITC) on or before January 1 of each year. The Comptroller shall also notify the employers of such information, and the employers must notify each employee who may be eligible.
- Subtraction Modifications – There are three new subtraction modifications created by the Maryland General Assembly for tax year 2012:
 - 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,
 - 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,
 - Payment received as a result of a foreclosure settlement negotiated by the Maryland Attorney General.
- Farmers and Fishermen – The Comptroller will recognize the federal extension of the due date of the fourth quarter 2012 estimated tax payment from March 1, 2013 to April 15, 2013 for farmers and fishermen.

pServices: Maryland Tax Preparer's Website

For years, tax preparers have sought the ability to access various documents and have the capability to complete certain tasks on behalf of their clients. Understanding that such access would save tax preparers time and taxpayer's money, the Comptroller's Revenue Administration Division (RAD) implemented a preparer services Website called, pServices, <https://interactive.marylandtaxes.com/pservices/>.

Currently, the service provides Maryland resident tax preparers access to their clients' 1099G forms, with permission from the client. While this is the initial phase of the service, additional services will be added as they are developed.

The Comptroller's Online Service center is available 24 hours a day, 7 days a week from any home, office, or public access point. However, information may not be

available during times of system maintenance. For security purposes please remember to log off once you are ready to leave the service center.

Remember, state regulations require that paid preparers, who prepare individual Maryland income tax returns, register with the Maryland Department of Labor, Licensing and Regulation (DLLR), Division of Occupational and Professional Licensing. A valid Federal PTIN is the primary credential required for Maryland registration.

Visit www.dllr.maryland.gov/license for more information on how to register, fees or exemptions.

Delayed Opening for Personal Tax Return Filing

The IRS began processing personal income tax returns for Tax Year 2012 on January 30, 2013. The eight-day delay was due to the recent American Taxpayer Relief Act (ATRA) passed by Congress.

Maryland followed the Internal Revenue Service (IRS) and began processing state personal income tax returns on January 30 as well. There were no returns processed before then, even if received prior to that date. Due to the delay, the Comptroller's Revenue Administration Division (RAD) recommends that you file electronically in order for your tax return to be processed as quickly as possible.



Revenews is a quarterly publication of the Comptroller of Maryland, printed in Annapolis, MD.

Inquiries concerning Revenews can be directed to:

Office of Communications

PO Box 466

Annapolis, MD 21404-0466

410-260-7300 (voice)

TTY users call via Maryland Relay at 711

or 1-800-735-2258

Executive Editor: Christine Feldmann

(cfeldmann@comp.state.md.us)

Content Editor/Staff Writer: Caron Brace

(cbrace@comp.state.md.us)

Staff Writer: Kim Frum

(kfrum@comp.state.md.us)

Staff Writer: Jenny Dumont

(jdumont@comp.state.md.us)

Design/Layout: James Point Du Jour

(jpointdujour@comp.state.md.us)

To subscribe online, visit www.marylandtaxes.com
and click the Revenews link.

PRESORTED
STANDARD
U.S. POSTAGE
PAID
PERMIT #273
ANNAPOLIS, MD

REVENIEWS
Comptroller of Maryland
Goldstein Treasury Building
PO Box 466
Annapolis, MD 21404-0466

