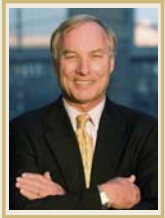


From the Desk of the
Comptroller



The 2014 tax season is shaping up as the most successful in the history of the agency. Since taking office in 2007, I have encouraged individuals and

businesses to electronically file their tax returns. Not only does e-filing provide filers with faster, more secure refunds, but it also saves millions in processing costs. Plus, more electronic filing means far less paper, saving trees and eliminating waste.

The statistics speak for themselves. Through early May, a record 87 percent of all returns were filed electronically, the highest share ever. More than \$1.7 billion in refunds were sent out, with the average taxpayer receiving a refund of about \$1,000. More than a million taxpayers have chosen to have their refund directly deposited into their

bank accounts and enjoyed a quick turnaround in receiving their money. With the help of those who filed their returns electronically, we have been able to reduce the average processing time to a mere 2.1 days.

All of these numbers reflect the “Three R’s” I impress upon my agency’s employees: *Respect, Responsiveness, and Results*, qualities that every taxpayer expects and rightfully deserves from us.

Even with the filing deadline behind us, my office is here to help. Please visit our website, www.marylandtaxes.com, for answers to tax-related questions. It’s an honor to serve as your comptroller and I pledge to continue working on behalf of all Marylanders!

Peter Franchot
Comptroller of Maryland

Comptroller Leads Financial Literacy Summit in Easton

Nearly 100 people attended a Financial Literacy Summit co-sponsored by the Comptroller’s Office, Easton Utilities and the Town of Easton on April 22 at the Tidewater Inn in Easton.

The morning sessions focused on three facets of financial self-sufficiency: financial literacy, classroom solutions and community solutions. Comptroller Peter Franchot, who gave the opening remarks, emphasized the importance in today’s economy of educating young people about their finances, including the importance of understanding credit and debt, budgeting and being able to look ahead and save for the future by making wise investment choices. *Continued on Page 7*

Report from the Revenue Administration Division on Electronic Filing – Tax Season 2014

We have completed the initial stage of a successful 2014 tax season for individual returns. The Internal Revenue Service delayed its processing of individual returns until January 31 and Maryland followed suit. The opening of this year's tax season coincided with the traditional first peak period of electronic filing, so the initial flow of returns proved very high.

We faced some unusual challenges as we prepared for this tax season, the primary one being that we converted from the older EMS processing system to the Modernized E-file (MeF) system. The new system is more robust and will allow us to expand the level of service to Maryland's taxpayers. For example, MeF allows binary attachments such as PDF files to be submitted with the tax return.

The tax season has gone remarkably smoothly and we are already discussing enhancements for next year.

The binary attachment feature of MeF allowed us to make two processing changes which will provide better service to our taxpayers and were developed in response to feedback received from tax professionals. Beginning with the current tax season, out-of-state credits claimed on Form 502CR must be accompanied by a copy of the other states' tax returns to receive that credit. Similarly, credits claimed on Form K-1 must be accompanied by a copy of that form to receive the credit. In this way, these credits can be immediately verified and we will no longer be conducting post-processing audits for them.


Additionally, returns claiming credits on Form 500CR will need to be filed electronically with the certifications supporting the credits submitted via binary attachment

along with the return. This will speed up the processing time of these returns.

Another change which we implemented during this tax season was to allow taxpayers to submit amended returns for Forms 500, 502, and 505 electronically (although currently the processing is still done manually).

Please note: Some tax software does not yet support electronic returns with binary attachments and/or electronic amended returns. Please make sure that the software you intend to purchase for tax year 2014 will support the features you need.

As of April 30, 2014	Electronic Return Figures
Electronic Returns Total	2,249,886 <i>returns</i> <u>4.56% Increase</u>
Electronic Returns <i>(through Fed/State program)</i>	2,117,357 <i>returns</i>
Electronic Returns <i>through MD i-File program)</i>	132,529 <i>returns</i>
Direct Deposits	1,380,182 <i>returns</i> <u>5.01% Increase</u>
Direct Debits	128,081 <i>returns</i> <u>16.15% Increase</u>

So far, we have received 87.56% of current year personal income tax returns electronically, which is encouraging. The tax season has gone remarkably smoothly, and we are already discussing enhancements for next year. 

Comptroller Announces New Downtown Location for Cumberland Branch Office to Open July 1

Comptroller Franchot recently announced that the Board of Public Works has approved a new lease relocating the agency's branch office in Cumberland to the Allegany Museum at 3 Pershing Street in downtown Cumberland.

A team at the Comptroller's Office worked closely with Secretary of the Department of General Services Alvin C. Collins and his staff to find a location that was accessible and convenient and offered plenty of parking.

The Comptroller said the process was important to him personally "because our Cumberland office is very important to the city, Allegany County and the entire Western Maryland region. We provide a broad range of services for taxpayers

in a region that is hours away from our primary offices in Baltimore and Annapolis. I wanted a space that was visibly prominent, offered parking and, most importantly, was still a part of the downtown Cumberland business community."

The current office is located on Baltimore Street. The new location on Pershing Street is expected to open on July 1. Under the lease agreement, the branch office will be at that site for 10 years. 📷

Comptroller Speaks to Delmarva Poultry Industry Boosters



Comptroller Franchot spoke to 716 attendees at the 58th annual Delmarva Poultry Industry Inc. (DPI) Booster Banquet April 16, at the Wicomico Youth & Civic Center in Salisbury.

DPI recognized 13 outstanding growers and three outstanding individuals and awarded more than \$5,000 in door prizes to three dozen guests. Each year, Comptroller Franchot attends the DPI Booster Banquet to recognize an industry and its leaders that he has referred to as the "lifblood of the Eastern Shore economy."

This past legislative session, the Comptroller opposed the 5-cent-per-bird chicken tax that was introduced and applauded Gov. Martin O'Malley for threatening to veto the legislation if it passed. The evening also highlighted good fellowship and good food and recognized people who have contributed to the chicken industry.

Delmarva's outstanding poultry growers were honored as well as the recipients of the J. Frank Gordy Sr. Delmarva Distinguished Citizen Award and the Edward H. Ralph DPI Medal of Achievement.



From left: Inkyu Lee, President of the Korean food processing company Harim, owner of Delmarva-based Allen Farm Foods; chicken grower and past DPI president Jenny Rhodes; Allen Harim Foods, LLC CEO Steve Evans; Maryland Comptroller Peter Franchot; and Sen. Chris Coons of Delaware. Photo courtesy DPI.

In late 2011, Comptroller Franchot hosted the Delmarva Poultry Summit at the Franklin P. Perdue School of Business at Salisbury University to bring together those who work in and around poultry to recognize the industry's contributions in terms of jobs, economic activity and philanthropy. 📷

Sherlock Franchot on the Hunt for Two Missing Comptroller Portraits

Fresh off his recent success reuniting Marylanders with their unclaimed property, Sherlock Franchot is now investigating a lead on one of two missing portraits to complete the permanent exhibit of all Maryland Comptrollers now on display in the Treasury Building in Annapolis!

Based on a promising lead recently uncovered by Maryland's favorite detective, the Maryland State Archives is investigating a possible image of Thomas James Keating

"Comptroller Jump remains most elusive, but my offer still stands," Franchot said. "I will have dinner with anyone who finds the missing portraits ... the offer is elementary, my dear Marylanders."

SEARCH FOR UNCLAIMED PROPERTY

COMPTROLLER of MARYLAND
Serving the People

*"It's elementary,
my dear
Marylanders."
-SHERLOCK FRANCHOT*

THIS LIST INCLUDES 63,466 ACCOUNTS
WORTH MORE THAN \$49 MILLION

TO MAKE YOUR CLAIM, CALL
410-767-1700 (CENTRAL MARYLAND)
OR 1-800-782-7383 (ELSEWHERE)

SEARCH THE ENTIRE UNCLAIMED PROPERTY
LIST AT: WWW.MARYLANDTAXES.COM

In another ongoing investigation, Sherlock Franchot continues to help the owners of nearly 1 million unclaimed property accounts worth more than \$980 million. The Comptroller encourages Marylanders to solve the mystery by searching the Comptroller's unclaimed property database at www.marylandtaxes.com.

Just last month, Sherlock Franchot revealed the latest 63,466 unclaimed property accounts worth \$49 million in a special 150-page newspaper insert in papers throughout the state. The Comptroller's Office is required by law to publish the list every year of the newest available accounts.

A renowned master of disguise, Sherlock Franchot has transformed himself in previous years into "Indiana Franchot" and "The Most Interesting Man in Maryland," to advertise the agency's unclaimed property program. Now, as Sherlock Franchot himself, he continues to encourage Marylanders to join in the investigation through a video parody, released last month, of the 2009 Sherlock Holmes movie trailer starring Robert Downey Jr. and Jude Law, currently available at www.marylandtaxes.com and on YouTube.

Sherlock Franchot's First Point of Attack to recover unclaimed property provides advice to Marylanders:

- Go to www.marylandtaxes.com;
- Enter your name in the agency's database; and
- Claim your property.

Every year, over half a million 150-page Unclaimed Property publications are inserted into Maryland newspapers each April.

of Queen Anne's County, who was Comptroller from 1878 to 1884. Meanwhile, "the game is still afoot" for Sherlock Franchot's hot pursuit of a portrait of Robert John Jump of Caroline County, who served from 1864 to 1867.

Sherlock Franchot urges anyone who finds his or her name on the list to contact his office at 410-767-1700 (Central Maryland), or toll-free at 1-800-782-7383, to find out how to reclaim the lost property. The agency's complete list is

also available online at www.marylandtaxes.com. To report a tip on the missing portraits, call the Comptroller's Office at 410-260-7801, or email the Comptroller at sherlock@comp.state.md.us. ☒



*Help Sherlock Franchot
Search for the
Missing
Comptroller
Portraits*

The Comptroller's Office, with the help of the Maryland State Archives, has recently installed a permanent exhibit, Portraits of Maryland Comptrollers, highlighting those who've served in the storied position.

All 31 Maryland Comptrollers are featured with the exception of two, Robert John Jump (1864-1867) and Thomas James Keating (1878-1884), for whom no portraits have been located.

Sherlock Franchot is on the case and looking for clues. Please contact 410-260-7300 or sherlock@comp.state.md.us with any leads.

 **COMPTROLLER
of MARYLAND**
Serving the People

The Comptroller's Office, with the help of the Maryland State Archives, has recently installed a permanent exhibit, Portraits of Maryland Comptrollers, highlighting those who have served as Comptroller. All 31 Maryland Comptrollers are featured with the exception of Robert John Jump (1864-1867) and Thomas James Keating (1878-1884). Sherlock Franchot is on the case and looking for clues. Please contact 410-260-7801 with any leads.

The Comptroller Presents William Donald Schaefer Awards

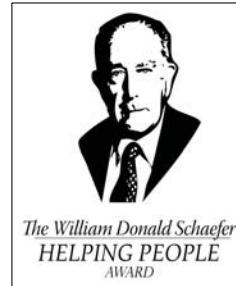
Back for a third year, Comptroller Franchot has begun presenting the William Donald Schaefer Helping People Award.

Established in 2012 to honor the unparalleled legacy of public service left by former Baltimore Mayor, and Maryland Governor and Comptroller, William Donald Schaefer, the award is presented in each of Maryland's 23 counties and Baltimore City to individuals and organizations with an unwavering commitment to helping people.

Award recipients are selected based on the following criteria: improving the community; promptly responding to a citizen problem through effective government intervention; directly aiding those most vulnerable in society; or establishing a public/private partnership to improve the lives of fellow Marylanders.


"There are countless organizations and citizens throughout

Maryland who personify Governor Schaefer's lifelong commitment to helping people. I'm proud to recognize those who go above and beyond to support others and improve our state," said Comptroller Franchot.



William Donald Schaefer (1921-2011) served in public office for more than a combined 50 years as Governor and Comptroller of the State of Maryland and as Mayor and on the City Council of the City of Baltimore.

So far this year, the Comptroller has presented eight awards since April. Recipients include Ed Mullaney, Allegany County; Paul's Place, Baltimore City; Norma Imershein, Calvert County; George Jackson, Caroline County; Shepherd's Staff, Carroll County; Laurie Frey, Frederick County; Del. Johnny Wood, St. Mary's County; and James Marshall, Washington County.

Photos of the winners are posted on www.marylandtaxes.com. 

Comptroller Alerts Taxpayers to Email and Phone Scams

During the past tax filing season, Comptroller Franchot was quick to alert Maryland taxpayers to two scams — an email phishing scam and a phone solicitation scam — both aimed at garnering taxpayers' personal information.


In late March, the Internal Revenue Service reported incidents of taxpayers receiving emails allegedly from the agency's Taxpayer Advocate Service indicating that their returns were flagged for review. The email contained a link for the recipient to find contact information for the "advocate" assigned to the case. It asked for personal information such as the recipient's legal name and contact information and had a link to review reported income. The IRS advised taxpayers NOT to click on the link but instead to forward the email to the IRS at phishing@irs.gov.

Days before the April 15 tax filing deadline, Comptroller Franchot alerted taxpayers about another scam: phone calls from individuals claiming to be employees of the U.S. Department of the Treasury.

The phone scammers wrongly told taxpayers they had been

awarded money from the Treasury department and that the funds could be retrieved via a Western Union account. There also were unrelated email scams announcing lottery sweepstakes, solicitations for debt relief and notification of delinquent federal debts.

"I strongly advise all Maryland taxpayers to be very careful in giving out their personal information," Comptroller Franchot continued. "Like the Treasury department, the Comptroller's Office does not send email asking for PINs or other confidential information, and we never ask for payments to be sent via Western Union. If you have received a phone call or email like this, please call 1-800-MD-TAXES or email my office at mdcomptroller@comp.state.md.us and let us know about it as soon as possible."

"I urge all taxpayers who have received suspicious emails to forward them immediately to the IRS," Comptroller Franchot said. "Do not click on any links or reply to the message. The IRS and the Comptroller's Office do not contact taxpayers in this fashion, and we do not ask people to confirm their reported income online. Please be careful of your personal information, and be sure to tell your friends and neighbors to be careful of any suspicious-looking messages that ask for personal information." 

Continued from Page 1 **Comptroller Leads Financial Literacy Summit in Easton**

“People, I guess, can get away without knowing geometry and trigonometry,” Comptroller Franchot said. “... Not a single one of us emerges unscathed if we fail to understand and don’t have control over our personal finances. These decisions we make on finances stretch on for decades, if not generations.”

More than a third of Maryland households are in a persistent state of financial insecurity, according to the Corporation for Enterprise Development. These households have little to no savings to respond to emergencies, endure the increasing cost of raising a family, or prepare adequately for college and retirement. Far too many Marylanders also have made bad, uninformed financial decisions. To improve the future of our state, the Comptroller feels strongly that financial security of our residents has to be addressed and a conversation must occur on the importance and impacts of financial literacy.

Joining the Comptroller at the summit were moderator Geoff Oxnam, vice president of operations for Easton Utilities, and Easton Mayor Robert Willey.


Attendees for the summit were part of a broad coalition of stakeholders -- including business leaders, educators, financial industry representatives and consumer advocates -- who are interested in learning about the push for

comprehensive financial literacy in Maryland schools. Each panelist spoke and each group took questions from the audience members.

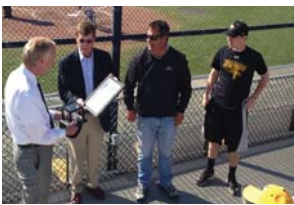
The panel groups included:

Financial Literacy, The Problem and Its Consequences: Eric Brotman, president and managing principal, Brotman Financial Group Inc.; Mike Menzies, president and CEO, Easton Bank & Trust; Chrissy Guy, Customer Service Supervisor, Easton Utilities; and Clarence Campbell, area president and senior vice president of Wells Fargo Bank.

Classroom Solutions: Kelly Griffith, superintendent, Talbot County Public Schools; Kevin Murley, Entrepreneurship Academy teacher, Montgomery Blair High School; Evan Richards, student at Towson University; and Jayme Hayes, president of Junior Achievement of the Eastern Shore.

Community Solutions: Chelsea Soneira, director of programs for Junior Achievement of Greater Washington; Tammy Darvish, vice president of DARCARS, Automotive Group; Tina Mike, assistant vice president of financial education, Aberdeen Proving Ground Federal Credit Union; Pat Bilbrough, president of Talbot Bank; and Jim Kelly, head of direct banking, Capital One. 

Comptroller Franchot Offers Inspiration to Little League Teams



Maryland Comptroller Peter Franchot receives a baseball signed by each member of the 2014 Towson University baseball team. Christopher Dyer is standing next to the Comptroller with Matt Butler and a Towson supporter.

With Spring comes the long-awaited baseball season.

So far this season, the Comptroller has attended several opening day parades and ceremonies and watched college athletes at play. He noted the role baseball plays in many young lives and emphasized the importance of parents, league leaders and local business people coming together to support this annual rite of Spring in

communities throughout the state.

“There’s nothing quite like Little League,” Comptroller

Franchot said. “Little League showcases the very best of our communities: the parents who patiently teach our children, the businesses that support our teams and most important of all – the boys and girls who dare to dream big while playing the national pastime.”

He took in a few innings between the Community College of Baltimore County-Catonsville Cardinals and Chesapeake College Skipjacks April 12. The next weekend, Comptroller Franchot threw out the first pitch to the Oriole Bird following the Liberty Road Little League Opening Day Parade. That league has been in existence since 1948. *Continued on Page 8*


Continued from Page 8

Comptroller Franchot Offers Inspiration to Little League teams

The next weekend the Comptroller joined the starting line-up on Edmonson Avenue in Baltimore to take part in the James Mosher Baseball League Opening Day Parade. He offered some baseball wisdom to team members and threw out the first pitch to officially start the season. Founded in 1960 by James Mosher Associates, the league is believed to be the oldest continuously operating African-American youth baseball organization. It is not affiliated with Little League International.

On May 6, the Comptroller took in a few innings of a match-up at John B. Schuerholz Park between the Towson University Tigers and University of Maryland-Baltimore County Retrievers. The Retrievers beat the Tigers, 13-8.

Later that week, the Comptroller traveled to the Owings Mills branch of the Baltimore County Public Library for a tour of the recently opened Hubert V. Simmons Museum of Negro Leagues Baseball. Noting the significant role sport has played in advancing our social progress over the decades, the Comptroller presented a proclamation to Audrey Simmons and Ray Banks for their unwavering dedication to bringing the landmark cultural gem to fruition.

That Saturday, the Comptroller offered some thoughts about the game to Little Leaguers gathered before the Opening Day Parade along Oregon Avenue in Arbutus. That league has been in existence since 1953. Several former players were drafted and played professional baseball. 



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