

**MARYLAND FORM 515**

**FOR NONRESIDENTS EMPLOYED IN MARYLAND WHO RESIDE IN JURISDICTIONS THAT IMPOSE A LOCAL INCOME OR EARNINGS TAX ON MARYLAND RESIDENTS TAX RETURN**



135150049

**2013**  
\$

OR FISCAL YEAR BEGINNING \_\_\_\_\_ 2013 ENDING \_\_\_\_\_

Social Security Number		Spouse's Social Security Number	
Your First Name	Initial	Last Name	
Spouse's First Name	Initial	Last Name	
Present Address (No. and street)			
City or Town		State	ZIP code
Name of county and incorporated city, town or special taxing area in which you were employed on the last day of the taxable period. (See Instruction 6)		MD County	City, town or taxing Area

**FILING STATUS**

See Instruction 1 and 2 to determine if you are required to file.

- 1.  Single (If you can be claimed on another person's tax return, use Filing Status 6.)
- 2.  Married filing joint return or spouse had no income
- 3.  Married filing separately ▶ Spouse's Social Security number \_\_\_\_\_
- 4.  Head of household
- 5.  Qualifying widow(er) with dependent child
- 6.  Dependent taxpayer (Enter 0 in Exemption Box (A) - See Instruction 7)

**CHECK ONE BOX ▶**

**RESIDENCE INFORMATION**-See Instruction 8

Enter 2-letter state code for your state of legal residence. ▶

County (PA)  City, Borough or Township (PA)

Were you a resident for the entire year of 2013? Yes  No  If no, attach explanation.

Are you or your spouse a member of the military? Yes  No

Did you file a Maryland income tax return for 2012? Yes  No

If "Yes," was it a  Resident or a  Nonresident return?

Advise dates you resided within Maryland for 2013. If none, enter "NONE."  
FROM \_\_\_\_\_ TO \_\_\_\_\_

Check here for Maryland taxes withheld in error.  (See inst. 4)

**EXEMPTIONS**

See Instruction 9. Check appropriate box(es). **NOTE:** If you are claiming dependents, you must attach the Dependents' Information Form 502B to this form in order to receive the applicable exemption amount.

- A  Yourself  Spouse A. Enter No. Checked. . . .  See Instruction 9. A. \$ \_\_\_\_\_
- B ▶  65 or over ▶  65 or over B. Enter No. Checked. . . .  X \$1,000. . . . B. \$ \_\_\_\_\_
- ▶  Blind ▶  Blind
- C Enter No. from line 3 of Dependent Form 502B. . . . .  See Instruction 9. C. \$ \_\_\_\_\_
- D Enter Total Exemptions (Add A, B and C). . . . . ▶  . . . Total Amount D. \$ \_\_\_\_\_

**INCOME AND ADJUSTMENTS INFORMATION** (See Instruction 10.)

Place CHECK or MONEY ORDER on top of your W-2 wage and tax statements and ATTACH HERE with ONE staple.

- 1. Wages, salaries, tips, etc. . . . .
- 2. Taxable interest income. . . . .
- 3. Dividend income . . . . .
- 4. Taxable refunds, credits or offsets of state and local income taxes. . . . .
- 5. Alimony received . . . . .
- 6. Business income or (loss) . . . . .
- 7. Capital gain or (loss). . . . .
- 8. Other gains or (losses) (from federal Form 4797) . . . . .
- 9. Taxable amount of pensions, IRA distributions, and annuities . . . . .
- 10. Rents, royalties, partnerships, estates, trusts, etc. (Circle appropriate item.) . . . . .
- 11. Farm income or (loss) . . . . .
- 12. Unemployment compensation (insurance) . . . . .
- 13. Taxable amount of social security and tier 1 railroad retirement benefits. . . . .
- 14. Other income (including lottery or other gambling winnings) . . . . .
- 15. Total income (Add lines 1 through 14.) . . . . .
- 16. Total adjustments to income from federal return (IRA, alimony, etc.) . . . . .
- 17. Adjusted gross income (Subtract line 16 from line 15.) . . . . . ▶

	(1) FEDERAL INCOME (LOSS)	(2) MARYLAND WAGE INCOME	(3) NON-MARYLAND INCOME (LOSS)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			

**ADDITIONS TO INCOME** (See Instruction 11.)

- 18. Non-Maryland loss and adjustments . . . . .    18 Dollars Cents
- 19. Other (Enter code letter(s) from Instruction 11.) . . . . . ▶    19 Dollars Cents
- 20. Total Additions (Add lines 18 and 19.) . . . . . ▶ 20 Dollars Cents
- 21. Total federal adjusted gross income & Maryland additions (Add lines 17 (Column 1) and 20.) . . . . . ▶ 21 Dollars Cents

**SUBTRACTIONS FROM INCOME** (See Instruction 12.)

- 22. Taxable military income of nonresident . . . . . ▶ 22 Dollars Cents
- 23. Other (Enter code letter(s) from Instruction 12.) . . . . . ▶    23 Dollars Cents
- 24. Total Subtractions (Add lines 22 and 23.) . . . . . ▶ 24 Dollars Cents
- 25. Maryland adjusted gross income before subtraction of non-Maryland income (Subtract line 24 from line 21.) . . . . . ▶ 25 Dollars Cents



26. Amount from line 25 (Maryland adjusted gross income before subtraction of non-Maryland income.) . . . . . 26

DEDUCTION METHOD (All taxpayers must select one method and check the appropriate box)

27. STANDARD DEDUCTION METHOD See Instruction 14 and enter amount 
ITEMIZED DEDUCTION METHOD See Instruction 15 and enter amount  27

28. Net income (Subtract line 27 from line 26.) . . . . . 28

29. Total exemption amount (from EXEMPTIONS area, page 1). See Instruction 16. . . . . 29

30. Enter your AGI factor (from the worksheet in Instruction 13). . . . . 30

31. Maryland exemption allowance (Multiply line 29 by line 30.) . . . . . 31

32. Taxable net income (Subtract line 31 from line 28.) Figure tax on Form 505NR . . . . . 32

MARYLAND TAX COMPUTATION - Complete Form 505NR before continuing

33. Maryland tax from line 16 of Form 505NR. (Attach Form 505NR.) . . . . . 33

34. Earned income credit (1/2 of federal earned income credit). See Instruction 19. . . . . 34

35. Poverty level credit (See Instruction 19.) . . . . . 35

36. Income tax credits from Part H, line 8 of Form 502CR. (Attach Form 502CR.) . . . . . 36

37. Business tax credits . . . . . You must also file Form 505 electronically to claim a business income tax credit.

38. Total credits (Add lines 34 through 36.) . . . . . 38

39. Maryland tax after credits (Subtract line 38 from line 33.) If less than 0, enter 0. . . . . 39

LOCAL TAX COMPUTATION

40. Local tax from line 18 of Form 505NR. Enter local tax rate used. See Instruction 20 . 0 . . . . . 40

41. Local earned income credit (from Local Earned Income Credit Worksheet in Instruction 20.) . . . . . 41

42. Local poverty level credit (from Local Poverty Level Credit Worksheet in Instruction 20.) . . . . . 42

43. Total credits (Add lines 41 and 42.) . . . . . 43

44. Local tax after credits (Subtract line 43 from line 40.) If less than 0, enter 0. . . . . 44

45. Total Maryland and local tax (Add lines 39 and 44.) . . . . . 45

46. Contribution to Chesapeake Bay and Endangered Species Fund . . . . . 46

47. Contribution to Developmental Disabilities Waiting List Equity Fund. . . . . 47

48. Contribution to Maryland Cancer Fund . . . . . 48

49. Total Maryland income tax, local income tax and contributions (Add lines 45 through 48.) . . . . . 49

50. Total Maryland and local tax withheld (Enter total from and attach your W-2 and 1099 forms if MD and/or local tax is withheld.) . . . . . 50

51. 2013 estimated tax payments, amount applied from 2012 return and payment made with Form 502E . . . . . 51

52. Refundable earned income credit (from worksheet in Instruction 19.) . . . . . 52

53. Enter amount of Maryland tax from line 39 if Pennsylvania resident . . . . . 53

54. Refundable personal income tax credits from Part I, line 6 of Form 502CR (Attach Form 502CR. See Instruction 21.) . . . . . 54

55. Total payments and credits (Add lines 50 through 54.) . . . . . 55

56. Balance due (If line 49 is more than line 55, subtract line 55 from line 49.) . . . . . 56

57. Overpayment (If line 49 is less than line 55, subtract line 49 from line 55.) . . . . . 57

58. Amount of overpayment TO BE APPLIED TO 2014 ESTIMATED TAX  58

59. Amount of overpayment TO BE REFUNDED TO YOU (Subtract line 58 from line 57.) . . . . . REFUND  59

60. Interest charges from Form 502UP \_\_\_\_\_ or for late filing \_\_\_\_\_ Total  60

61. TOTAL AMOUNT DUE (Add line 56 and line 60.) IF \$1 OR MORE, PAY IN FULL WITH THIS RETURN . . . . . 61

Daytime telephone no. \_\_\_\_\_ Home telephone no. \_\_\_\_\_ CODE NUMBERS (3 digits per box) 049

Check here  if you authorize your preparer to discuss this return with us. Check here  if you agree to receive your 1099G Income Tax Refund statement electronically. Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements and to the best of my knowledge and belief it is true, correct and complete. If prepared by a person other than taxpayer, the declaration is based on all information of which the preparer has any knowledge. Make checks payable and mail to: Comptroller of Maryland Revenue Administration Division, 110 Carroll Street Annapolis, Maryland 21411-0001

Your signature \_\_\_\_\_ Date \_\_\_\_\_ Preparer's PTIN (Required by Law) \_\_\_\_\_ Signature of preparer other than taxpayer \_\_\_\_\_

Spouse's signature \_\_\_\_\_ Date \_\_\_\_\_ Address and telephone number of preparer \_\_\_\_\_

# MARYLAND INCOME TAX RETURN INSTRUCTIONS

FORM  
**515**  
2013

For nonresidents employed in Maryland who reside in jurisdictions that impose a local income or earnings tax on Maryland residents.

## DUE DATE

Your return is due by April 15, 2014. If any due date falls on a Saturday, Sunday or legal holiday, the return must be filed by the next business day.

## COMPLETING THE RETURN

You must use blue or black ink when completing your return. **DO NOT** use pencil or red ink. Submit the original return, not a photocopy. If no entry is needed for a specific line, leave blank. Do not enter words such as "none" or "zero" and do not draw a line to indicate no entry.

You may round off all cents to the nearest whole dollar. Fifty cents and above should be rounded to the next higher dollar.

## PENALTIES

There are severe penalties for failing to file a tax return, failing to pay any tax when due, filing a false or fraudulent return or making a false certification. The penalties include criminal fines, imprisonment and a penalty on your taxes. In addition, interest is charged on amounts not paid.

To collect unpaid taxes, the Comptroller is directed to enter liens against the salary, wages or property of delinquent taxpayers.

## EXPLANATION OF TAX

The individual's employer shall withhold the Maryland local income tax. The individual shall not be required to file Maryland Form 515, nor the employer withhold the local tax, if the Comptroller determines that the locality in which the individual resides does not impose a tax on Maryland residents with respect to income from salary, wages or other compensation for personal services performed in the locality or, if it does impose such a tax, that it provides an exemption, credit or other procedure whereby the income of residents of Maryland is rendered free of taxation and withholding.

## 1 Who is a nonresident?

In general, every individual other than a resident of Maryland is a nonresident.

You are a nonresident if you do not have your permanent home in Maryland and did not maintain a place of abode (that is, a place to live) in Maryland for more than six months of the tax year.

If you establish or abandon legal residence in Maryland during the tax year, you are taxable as a resident for the portion of the year during which your legal residence was in Maryland. (See Form 502 Instructions.)

## 2 Who must file?

Decide if you must file a nonresident Maryland income tax return, Form 515. In general, you are liable for local income tax and must file this return if you are a nonresident of Maryland AND you received salary, wages or other compensation for personal services performed in any county of Maryland or in Baltimore City AND you lived in a jurisdiction that imposes a local income or earnings tax on Maryland residents AND you are required to file a federal return. For more information, visit [www.marylandtaxes.com](http://www.marylandtaxes.com).

### TO DETERMINE IF YOU ARE REQUIRED TO FILE A MARYLAND RETURN:

a. Add up all of your federal **gross** income (except any income which is exempt by law) to determine your total income.

- b. Do not include Social Security or Railroad Retirement benefits in your total federal income.
- c. Add to your total federal income any Maryland additions to income. Do not include any additions related to non-Maryland income or loss. (See Instruction 11.) **This is your Maryland gross income.**
- d. If you are a dependent taxpayer, add to your total federal income any Maryland additions and subtract any Maryland subtractions. (See Instructions 11 and 12.) **This is your Maryland gross income.**
- e. You must file a Maryland return if your Maryland gross income equals or exceeds the income levels in Table 1.
- f. If you or your spouse is 65 or over, use Table 2, "Minimum Filing Levels for Taxpayers 65 or Over" on this page.

## MINIMUM FILING LEVELS TABLES

TABLE 1  
MINIMUM FILING LEVELS FOR TAXPAYERS UNDER 65

Single person (including dependent taxpayers)	\$ 10,000
Joint Return	\$ 20,000
Married persons filing separately	\$ 3,900
Head of Household	\$ 12,850
Qualifying widow(er)	\$ 16,100

TABLE 2  
MINIMUM FILING LEVELS FOR TAXPAYERS 65 OR OVER

Single, age 65 or over	\$ 11,500
Joint Return, one spouse, age 65 or over	\$ 21,200
Joint Return, both spouses, age 65 or over	\$ 22,400
Married persons filing separately, age 65 or over	\$ 3,900
Head of Household, age 65 or over	\$ 14,350
Qualifying widow(er), age 65 or over	\$ 17,300

## MARYLAND TAX WITHHELD IN ERROR:

If Maryland tax was withheld in error from your income, you must file to obtain a refund of the withholding. Complete all of the information at the top of the form through the filing status, residence information and exemption areas. Enter your federal adjusted gross income on line 17 in both columns 1 and 3 and line 24. Then complete lines 50-55, 57 and 59.

Sign the form and attach withholding statements (Form W-2 or 1099) showing Maryland tax withheld equal to the refund you are claiming.

Your form is then complete. You must file within three years of the original due date to receive any refund.

## 3 What income is taxable?

If you are required to file Form 515, then you are subject to **local income tax** on that portion of your federal adjusted gross income from salary, wages or other compensation for personal services performed in any county of Maryland or Baltimore City. **If you have income other than wages subject to Maryland tax, you must also file Form 505.** For further information and forms, call 410-260-7980 from Central Maryland or 1-800-MDTAXES from elsewhere. If you are required to file Form 515 and you reside in any state other than Pennsylvania, your wages are also subject to Maryland **state income tax**.

## 4 Use of federal return.

### First complete your 2013 federal income tax return.

You will need the information from your federal return to complete your Maryland return. Before you continue beyond this point, complete your federal return. Maryland law requires that your income and deductions be entered on your Maryland return exactly as they were reported on your federal return. However, all items reported on your Maryland return are subject to verification, audit and revision by the Comptroller's Office.

## 5 Name and address information.

Complete the "Name," "Address" and "Social Security Number" boxes.

The Social Security Number(s) (SSN) must be a valid number issued by the Social Security Administration of the United States Government. If you, your spouse or dependent(s) do not have a SSN and you are not eligible to get a SSN, you must apply for an Individual Tax Identification Number (ITIN) with the IRS. You should wait until you have received it before you file. Enter it wherever your SSN is requested on the return.

A missing or incorrect SSN or ITIN could result in the disallowance of any credits or exemptions you may be entitled to and result in a balance due.

Valid SSN or ITIN are required for any claim of exemption for a dependent. If you have a dependent who was placed with you for legal adoption and you do not know his or her SSN, you must get an Adoption Tax Identification Number (ATIN) from the dependent from the IRS. If your child was born and died in this tax year and you do not have a SSN for the child, complete just the name and relationship of the dependent and enter code **322**, in one of the code number boxes located to the right of the telephone number area on page 2 of the form.

**NOTE:** If you have contacted the IRS regarding identity theft and have received a notice from the IRS containing a 6-digit Identity Protection PIN, enter the 6-digit IP PIN in the box near the signature area on page 2 of the form.

## 6 County, city, town information.

### LIST OF INCORPORATED CITIES, TOWNS AND TAXING AREAS IN MARYLAND

<b>ALLEGANY COUNTY</b> BARTON BELAIR BOWLING GREEN- ROBERT'S PLACE CRESAPTOWN CUMBERLAND ELLERSLIE FROSTBURG LAVALE LONACONING LUKE MCCOOLE MIDLAND MT. SAVAGE POTOMAC PARK ADDITION WESTERNPORT	HENDERSON HILLSBORO MARYDEL PRESTON RIDGELY TEMPLEVILLE	GALESTOWN HURLOCK SECRETARY VIENNA	<b>KENT COUNTY</b> BETTERTON CHESTERTOWN GALENA MILLINGTON ROCK HALL	BOWIE BRENTWOOD CAPITOL HEIGHTS CHEVERLY COLLEGE PARK COLMAR MANOR COTTAGE CITY DISTRICT HEIGHTS EAGLE HARBOR EDMONSTON FAIRMOUNT HEIGHTS FOREST HEIGHTS GLENARDEN GREENBELT HYATTSVILLE LANDOVER HILLS LAUREL MORNINGSIDE MT. RAINIER NEW CARROLLTON NORTH BRENTWOOD RIVERDALE PARK SEAT PLEASANT UNIVERSITY PARK UPPER MARLBORO	<b>ST. MARY'S COUNTY</b> LEONARDTOWN
<b>ANNE ARUNDEL COUNTY</b> ANNAPOLIS HIGHLAND BEACH	<b>CARROLL COUNTY</b> HAMPSTEAD MANCHESTER MT. AIRY NEW WINDSOR SYKESVILLE TANEYTOWN UNION BRIDGE WESTMINSTER	<b>FREDERICK COUNTY</b> BRUNSWICK BURKITTSVILLE EMMITSBURG FREDERICK MIDDLETOWN MT. AIRY MYERSVILLE NEW MARKET ROSEMONT THURMONT WALKERSVILLE WOODSBORO	<b>MONTGOMERY COUNTY</b> BARNESVILLE BROOKVILLE CHEVY CHASE SEC. 3 TOWN OF CHEVY CHASE (FORMERLY SEC. 4) CHEVY CHASE SEC. 5 CHEVY CHASE VIEW CHEVY CHASE VILLAGE DRUMMOND FRIENDSHIP HEIGHTS GAITHERSBURG GARRETT PARK GLEN ECHO KENSINGTON LAYTONSVILLE MARTIN'S ADDITION NORTH CHEVY CHASE OAKMONT POOLESVILLE ROCKVILLE SOMERSET TAKOMA PARK WASHINGTON GROVE	<b>QUEEN ANNE'S COUNTY</b> BARCLAY CENTREVILLE CHURCH HILL MILLINGTON QUEEN ANNE QUEENSTOWN SUDLERSVILLE TEMPLEVILLE	<b>SOMERSET COUNTY</b> CRISFIELD PRINCESS ANNE
<b>BALTIMORE COUNTY</b> NO INCORPORATED CITIES OR TOWNS	<b>CECIL COUNTY</b> CECILTON CHARLESTOWN CHESAPEAKE CITY ELKTON	<b>GARRETT COUNTY</b> ACCIDENT DEER PARK FRIENDSVILLE GRANTSVILLE KITZMILLER LOCH LYNN HEIGHTS MOUNTAIN LAKE PARK OAKLAND	<b>PRINCE GEORGE'S COUNTY</b> BERWYN HEIGHTS BLADENSBURG	<b>TALBOT COUNTY</b> EASTON OXFORD QUEEN ANNE ST. MICHAELS TRAPPE	<b>WASHINGTON COUNTY</b> BOONSBORO CLEARSPRING FUNKSTOWN HAGERSTOWN HANCOCK KEEDYSVILLE SHARPSBURG SMITHSBURG WILLIAMSPORT
<b>BALTIMORE CITY</b>	<b>CHARLES COUNTY</b> INDIAN HEAD LA PLATA PORT TOBACCO	<b>HOWARD COUNTY</b> NO INCORPORATED CITIES OR TOWNS		<b>WICOMICO COUNTY</b> DELMAR FRUITLAND HEBRON MARDELA SPRINGS PITTSVILLE SALISBURY SHARPTOWN WILLARDS	<b>WORCESTER COUNTY</b> BERLIN
<b>CALVERT COUNTY</b> CHESAPEAKE BEACH NORTH BEACH	<b>DORCHESTER COUNTY</b> BROOKVIEW CAMBRIDGE CHURCH CREEK EAST NEW MARKET ELDORADO				
<b>CAROLINE COUNTY</b> DENTON FEDERALSBURG GOLDSBORO GREENSBORO					

Fill in the boxes for MARYLAND COUNTY and CITY, TOWN OR TAXING AREA based on where in Maryland you were employed on the last day of the tax period (December 31, 2013 for calendar year taxpayers).

### IF YOU WORKED IN BALTIMORE CITY:

Leave the MARYLAND COUNTY box blank.

Write "Baltimore City" in the CITY, TOWN OR TAXING AREA box.

### IF YOU WORKED IN A MARYLAND COUNTY (NOT BALTIMORE CITY):

1. Write the name of the county in the MARYLAND COUNTY box.
2. Find the county in the list below.
3. If you worked in one of the areas listed under the county, write its name in the CITY, TOWN OR TAXING AREA box.
4. If you did not work in one of the areas listed for the county, leave the CITY, TOWN OR TAXING AREA box blank.

## 7 Filing status.

Check the filing status box that matches the filing status you used on your federal return unless you are a dependent taxpayer.

A dependent taxpayer is one who can be claimed as a dependent on another person's federal return. If married, taxpayer and spouse must file separate returns. A dependent taxpayer may not claim a personal exemption for himself. Check the box for filing status 6.

Generally, if you filed a joint federal return for 2013, you must file a joint Maryland return. Married couples who file joint federal returns may file separate Maryland returns when one spouse is a resident of Maryland and the other spouse is a nonresident of Maryland. If you and your spouse filed separate federal returns, you must file separate Maryland returns. A surviving spouse may file a joint return with a decedent if a joint federal return was filed.

## 8 Residence information.

Answer all questions and fill in the appropriate boxes. If you are a Pennsylvania Resident, enter your County of legal

residence as well as your City, Borough or Township.

## 9 Exemptions.

Determine which exemptions you may claim and check the appropriate boxes on the form.

### EXEMPTIONS ALLOWED

You are permitted the same number of exemptions which you are permitted on your federal return; however, the exemption amount is different on the Maryland return. Even if you are not required to file a federal return, the federal rules for claiming exemptions still apply to you. Refer to the federal income tax instructions for further information.

In addition to the exemptions allowed on your federal return, you and your spouse are permitted to claim exemptions for being age 65 or over or for blindness. These additional exemptions are in the amount of \$1,000 each.

If any other dependent is 65 or over, you receive an extra exemption of up to \$3,200 that is not permitted on the federal return. Make sure you check both boxes.

Complete the Dependent Form 502B and the exemption area on the front of the Form 515 to determine the amount of exemption allowance to enter on line 29.

## 10 Income and adjustments.

Complete lines 1-17 of the Federal Income column using the figures from your federal return.

Enter in the Maryland Wage Income column all salaries or wages derived from Maryland sources. Enter in the Non-Maryland Income/Loss column all other income or loss. Adjustments to federal gross income are not generally applicable to Maryland unless they pertain to compensation for services performed in Maryland.

If you also have income from Maryland such as business income, rental income, lottery winnings, etc., other than salary, wages or other compensation for services performed in Maryland, you must file two nonresident returns. The wage income is taxed on Form 515 and the non-wage income on Form 505.

## 11 ADDITIONS TO INCOME.

Determine which additions to income apply to you.

Write the appropriate amounts on lines 18 and 19 and the total on line 20 of Form 515. Instructions for each line:

**Line 18. NON-MARYLAND LOSS.** Enter the total amount of non-Maryland losses and adjustments to Federal income that were realized or paid attributable to a non-Maryland source.

**Line 19. OTHER ADDITIONS TO INCOME.** If one or both of these apply to you, enter the total amount on line 19 and identify each item using the code letter.

### ▼ CODE LETTER

- e. Wages, salaries or other compensation for services performed in Maryland that are not subject to federal tax because of a treaty.
- g. Pickup contributions of a state retirement or pension system member. (The pickup amount will be stated separately on your W-2 form.)
- p. Maryland Itemized Deduction decoupling modification from Part II of ITEMIZED DEDUCTION WORKSHEET (15A). If your federal adjusted gross income is \$178,150 or more (\$89,075 if Married Filing Separately) you must complete ITEMIZED DEDUCTION WORKSHEET (15A). See Instruction 15.



## 12 Subtractions from income.

Determine which subtractions from income apply to you. Write the appropriate amounts on lines 22 and 23 and the total on line 24 of Form 515. Instructions for each line:

**Line 22. TAXABLE MILITARY INCOME OF NONRESIDENT.** Enter the amount of military pay included in your federal adjusted gross income that you received while in the active service of any branch of the armed forces of the United States.

**Line 23. OTHER SUBTRACTIONS FROM INCOME.** If one or more of these apply to your Maryland income, enter the total amount on line 23 and identify each item using the code letter.

### ▼ CODE LETTER

- f. Child care expenses. You may subtract the cost of caring for your dependents while you work. There is a limitation of \$3,000 (\$6,000 if two or more dependents receive care.) Copy the amount from line 6 of either federal Form 2441 or Form 1040A Schedule 2.
- h. Expenses up to \$5,000 incurred by a blind person for a reader, or up to \$1,000 incurred by an employer for a reader for a blind employee.
- j. Amount added to your taxable income for the use of an official vehicle used by a member of a state, county or local police or fire department. The amount is stated separately on Form W-2.
- w. Lesser of \$1,200 or the Maryland income of the spouse with the lower income if both spouses have Maryland income and you file a joint return.

### EXEMPTION AMOUNT CHART

The personal exemption is \$3,200. This exemption is reduced once the taxpayer's federal adjusted gross income exceeds \$100,000 (\$150,000 if filing Joint, Head of Household, or Qualifying Widow(er) with Dependent Child). This reduction applies to the additional dependency exemptions as well; however, it does not apply to the taxpayer's age or blindness exemption of \$1,000. Use the chart to determine the allowable exemption amount based upon the filing status. **NOTE:** For certain taxpayers with interest from U.S. obligations see Instruction 12, code hh for applicable exemption adjustment.

If Your federal AGI is		Single or Married Filing Separately	Joint, Head of Household or Qualifying Widow(er)	Dependent Taxpayer (eligible to be claimed on another taxpayer's return)
		Each Exemption is	Each Exemption is	Each Exemption is
\$100,000 or less		\$3,200	\$3,200	\$0
Over	But not over			
\$100,000	\$125,000	\$1,600	\$3,200	\$0
\$125,000	\$150,000	\$800	\$3,200	\$0
\$150,000	\$175,000	\$0	\$1,600	\$0
\$175,000	\$200,000	\$0	\$800	\$0
In excess of \$200,000		\$0	\$0	\$0

gg. Amount of income for services performed in Maryland by the spouse of a member of the armed services, if the spouse is not domiciled in Maryland and is in Maryland solely to be with the servicemember serving in compliance with military orders, pursuant to the Military Spouses Residency Relief Act. See Administrative Release 1.

hh. If you have received income from U.S. obligations and your federal adjusted gross income exceeds \$100,000 (\$150,000 if filing Joint, Head of Household or Qualifying Widow(er)), enter the difference, if any, between the exemption amount based upon your federal adjusted gross income and the exemption amount based upon your federal adjusted gross income after subtracting your U.S. obligations using the EXEMPTION ADJUSTMENT WORKSHEET (12A).

**hh. EXEMPTION ADJUSTMENT WORKSHEET (12A)**

- Line 1: ENTER the exemption amount to be reported on line 29 of Form 515 using the chart in Instruction 9. . . . . \$ \_\_\_\_\_
- Line 2: ENTER your federal adjusted gross income as reported in Column 1 of line 17 of your Form 515 . . . . . \$ \_\_\_\_\_
- Line 3: Enter your income from U.S. obligations to be included on line 23 of Form 515 . . \$ \_\_\_\_\_
- Line 4: Subtract amount on line 3 from amount reported on line 2. . . . . \$ \_\_\_\_\_
- Line 5: Recalculate your exemption amount using the chart in Instruction 9, using the income from line 4. Remember to add your \$1,000 exemptions for age and blindness if applicable. . . . . \$ \_\_\_\_\_
- Line 6: Subtract the exemption amount calculated on line 1 from the exemption amount calculated on line 5. If the amount is less than zero (0), enter zero (0). If the amount is zero, you have already received the maximum exemption that you are entitled to claim on Form 515 . . . . . \$ \_\_\_\_\_

**If the amount is greater than zero (0), this amount as a subtraction on line 23 of Form 515 with subtraction code "hh."**

**Example:**

Pat and Chris Jones had a federal adjusted gross income of \$180,000. They also had \$40,000 on interest from U.S. Savings bonds and had a dependent son whom they claimed on the Maryland tax return. Using Instruction 9, they found that the exemption amount on their Maryland return (based upon \$180,000 of income) was \$2,400 (\$800 for three exemptions). If it were not for the \$40,000 of U.S. Savings bonds, their federal adjusted gross income would have been \$140,000 and their exemption amount would have been \$9,600 (\$3,200 for three exemptions). Therefore, Pat and Chris Jones are entitled to claim a subtraction of \$7,200 (\$9,600- \$2,400) on line 23 using code letter hh.

**13 ADJUSTED GROSS INCOME (AGI) FACTOR.**

You must adjust your standard or itemized deductions and exemptions using the AGI factor calculated in the AGI FACTOR WORKSHEET (13A). You must carry this amount to six decimal places.

**NOTE:** If Maryland adjusted gross income before subtractions (Line 2) is 0 or less, use 0 as your factor. If your federal adjusted gross income (line 1) is 0 or less and line 2 is greater (or less) than 0, use 1.000000 as your factor.

**AGI FACTOR WORKSHEET (13A)**

- 1. Enter your federal adjusted gross income (from line 17, Column 1) . . . . . \$ \_\_\_\_\_
- 2. Enter your Maryland adjusted gross income before subtraction of non-Maryland income (from line 25) . . . . . \$ \_\_\_\_\_
- 3. AGI factor. Divide line 2 by line 1 and enter on Form 515, line 30. If less than 0 or greater than 1.000000, enter 1.000000 . . . . . \_\_\_\_\_

**14 STANDARD DEDUCTION.**

Complete line 27 and check the box for Standard Deduction Method.

The Standard Deduction Method gives you a standard deduction without the need to itemize deductions. Use the appropriate worksheet to determine the total standard deduction for your filing status and Maryland income.

You must adjust the total standard deduction using the AGI factor from Instruction 13 to figure your Maryland standard deduction.

**STANDARD DEDUCTION WORKSHEET (14A) PART I**

**If your filing status is:**

**Single, Married filing separately or Dependent taxpayer**

**Worksheet 1**

If your income on line 26 is:		<b>Your standard deduction is:</b>
\$10,000 or less . . . . .	\$	<b>1,500</b>
_____ <b>or</b> _____		
If your income is between \$10,000 - \$13,333		
Enter your income from above: . . . . .	\$	_____
Multiply by 15 percent (.15) . . . . .	X	<b>.15</b>
This is your standard deduction \$ _____		
_____ <b>or</b> _____		

If your income on line 26 is:		<b>Your standard deduction is:</b>
\$13,333 or over. . . . .	\$	<b>2,000</b>

**Enter your standard deduction on Part II, line 1.**

**If your filing status is:**

**Married filing jointly, Head of household or Qualifying widow(er)**

**Worksheet 2**

If your income on line 26 is:		<b>Your standard deduction is:</b>
\$20,000 or less . . . . .	\$	<b>3,000</b>
_____ <b>or</b> _____		
If your income is between \$20,000 - \$26,667		
Enter your income from above: . . . . .	\$	_____
Multiply by 15 percent (.15) . . . . .	X	<b>.15</b>
This is your standard deduction \$ _____		
_____ <b>or</b> _____		

If your income on line 26 is:		<b>Your standard deduction is:</b>
\$26,667 or over. . . . .	\$	<b>4,000</b>

**Enter your standard deduction on Part II, line 1.**

---

**STANDARD DEDUCTION CALCULATION - PART II**


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1. Enter your standard deduction from STANDARD DEDUCTION WORKSHEET (14A) . \$ \_\_\_\_\_
  2. Enter your AGI factor (from line 3, Instruction 13.) . . . . . \_\_\_\_\_
  3. Total Maryland standard deduction (Multiply line 1 by line 2.) Enter here and on line 27. . . . . \$ \_\_\_\_\_
- 

## 15 ITEMIZED DEDUCTIONS.

**If you figure your tax by the Itemized Deduction Method, complete line 27 and check the box for Itemized Deduction Method.**

To use the ITEMIZED DEDUCTION METHOD, you must itemize your deductions on your federal return and complete federal Form 1040 Schedule A.

 Maryland has decoupled from the federal 2013 itemized deduction threshold limiting itemized deductions.

**If your federal adjusted gross income is less than \$178,150** (\$89,075 if Married Filing Separately), enter the amount from federal Schedule A, line 29, Total Itemized Deductions, onto line 1 of the BASIC ITEMIZED DEDUCTIONS WORKSHEET (15A). **USE FEDERAL FORM 1040 SCHEDULE A**

Complete lines 1 through 5 and enter the result on line 27 of Form 515. Also, any amounts deducted as contributions of Preservation and Conservation Easements for which a credit is claimed on Form 502CR must be added to line 2 of the BASIC ITEMIZED DEDUCTION WORKSHEET (15A).

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**BASIC ITEMIZED DEDUCTIONS WORKSHEET (15A)**

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1. Total federal itemized deductions (from line 29, federal Schedule A.) . . . . . 1 \_\_\_\_\_
  2. State and local income taxes included in federal Schedule A, line 5 . . . . . 2 \_\_\_\_\_
  3. Net deductions (Subtract line 2 from line 1.) 3 \_\_\_\_\_
  4. Enter your AGI factor (from line 3, Instruction 13). . . . . 4 \_\_\_\_\_
  5. Total Maryland itemized deductions (Multiply line 3 by line 4.) Enter here and on line 27. . . . . 5 \_\_\_\_\_
- 

**If your federal adjusted gross income is greater than \$178,150** (\$89,075, if Married Filing Separately), enter the amount from federal Schedule A, line 29, Total Itemized Deductions, onto line 1 of the BASIC ITEMIZED DEDUCTION WORKSHEET (15A). Next, complete the ITEMIZED DEDUCTION WORKSHEET (15B), if you elect to itemize deductions on your Maryland return.

Part I of this worksheet is used to calculate federal itemized deductions that would have existed but for the 2013 federal legislation.

Part II is used to calculate the amount of the **required decoupling modification** for itemized deductions that is included on line 19 of Form 515. (See Instruction 11.)

Part III is used by taxpayers to calculate the amount of state and local income taxes that were limited. Enter the amount from line 24 of Part III on line 2 of the BASIC ITEMIZED DEDUCTION WORKSHEET (15A).

You are not required to itemize deductions on your Maryland return because you itemized on your federal return. Figure your tax each way to determine which method is best for you.

Your Maryland itemized deductions are limited to those deductions related to Maryland income. You must adjust the total itemized deductions on line 3 of the BASIC ITEMIZED DEDUCTION WORKSHEET (15A) using the AGI factor. On line

27 enter the itemized deductions as calculated on line 5 of the BASIC ITEMIZED DEDUCTION WORKSHEET (15A).

**NOTE:** If you elected to deduct general **sales** tax, instead of state and local **income** tax, do not enter that amount on line 2 of the BASIC ITEMIZED DEDUCTION WORKSHEET (15A).



If your unreimbursed business expenses include depreciation to which an adjustment is required for Maryland purposes, complete Form 500DM to calculate the addition modification "l" or subtraction modification "bb."

## 16 EXEMPTION ALLOWANCE COMPUTATION.

You must adjust the total exemption amount on line 29 using the AGI factor from Instruction 13 to figure your Maryland exemption allowance.

**NONRESIDENT ITEMIZED DEDUCTION WORKSHEET (15B)**

**PART I - To be completed by all taxpayers who itemize deductions and who had federal Adjusted Gross Income of \$178,150 or more (\$89,075 if Married Filing Separately).**

1. Enter the total of the amounts from your federal Itemized Deductions (Schedule A), lines 4, 9, 15, 19, 20, 27, and 28 . . . . . 1. \_\_\_\_\_
2. Enter the total of the amounts from Schedule A, lines 4, 14, and 20 plus any gambling and casualty or theft losses included on line 28 . . . . . 2. \_\_\_\_\_
3. Is the amount on line 2 less than the amount on line 1?
  - No.  Your deduction is not limited. Skip to line 10 of this schedule. Enter the amount from line 1 above on on line 10 of Part I.
  - Yes. Subtract line 2 from line 1 and enter amount on line 3. . . . . 3. \_\_\_\_\_
4. Multiply line 3 by 80% (.80) . . . . . 4. \_\_\_\_\_
5. Enter the amount of your Adjusted Gross Income from Column 1 of line 17, Form 505 or 515 . . . . . 5. \_\_\_\_\_
6. Enter \$178,150 (\$89,075 if married filing separately) . . . . . 6. \_\_\_\_\_
7. Is the amount on line 6 less than the amount on line 5?
  - No.  Your deduction is not limited. Skip to line 10 and enter the amount from line 1 on line 10 of Part I.
  - Yes. Subtract line 6 from line 5 . . . . . 7. \_\_\_\_\_
8. Multiply line 7 by 3% (.03) . . . . . 8. \_\_\_\_\_
9. Enter the smaller of line 4 or line 8 . . . . . 9. \_\_\_\_\_
10. Tentative itemized deductions. Subtract line 9 from line 1. If less than zero, enter 0. . . . . 10. \_\_\_\_\_

**PART II - Calculation of Maryland Itemized Deduction Decoupling Modification.**

11. Enter your total federal itemized deductions from line 29 of federal Schedule A. . 11. \_\_\_\_\_
  12. Enter the amount of tentative itemized deductions from Part I, line 10 . . . . . 12. \_\_\_\_\_
  13. Decoupled amount of itemized deductions (Subtract line 12 from line 11. If less than zero, enter 0.) . . . . . 13. \_\_\_\_\_
  14. Enter the amount of your Maryland income from Column 2, line 17 of Form 505 or 515. . . . . 14. \_\_\_\_\_
  15. Enter the amount from line 5 of Part I. . . . . 15. \_\_\_\_\_
  16. Divide line 14 by line 15 . . . . . 16. \_\_\_\_\_
  17. Itemized Deductions Modification attributable to Maryland (Multiply line 13 by line 16.) . . . . . 17. \_\_\_\_\_
- Enter this amount here and include on line 19 of Form 505 or 515 as addition modification, use letter code p.
- See Instruction 12 of the Nonresident Tax Booklet or Instruction 11 of Form 515 Instructions.

**PART III - Calculation of State and Local Income Tax Limitation.**

18. Enter the amount from Part II, line 11. . . . . 18. \_\_\_\_\_
19. Enter the amount from Part I, line 2 . . . . . 19. \_\_\_\_\_
20. Federal itemized deductions that were limited (SUBTRACT line 19 from line 18) . . 20. \_\_\_\_\_
21. Federal itemized deductions subject to limitation (ENTER the total of lines 9, 10, 11, 12, 13, 19, 27 and 28 less any gambling and casualty or theft losses included in line 28 of federal Schedule A.) . . . . . 21. \_\_\_\_\_
22. DIVIDE line 20 by line 21 . . . . . 22. \_\_\_\_\_
23. ENTER the amount of state and local income taxes from line 5 of federal Schedule A. . . . . 23. \_\_\_\_\_
24. MULTIPLY line 22 by line 23. Enter here and on line 2 of BASIC ITEMIZED DEDUCTIONS WORKSHEET (15A) . . . . . 24. \_\_\_\_\_

**17 FIGURE YOUR TAXABLE NET INCOME.**

Subtract line 31 from line 28, and enter this amount on line 32. Go to Form 505NR using Instruction 18.

The 2013 Maryland tax rate schedules are shown on page 6 so you can see the tax rate that applies to all levels of income; however, do not use them to figure your tax. Instead use the tax tables if your income is under \$50,000; otherwise, use the appropriate row in the Maryland Tax Computation Worksheet Schedules at the end of the tax tables to figure your tax. The tax tables and the Maryland Tax Computation Worksheet Schedules in the nonresident tax booklet have been based on these tax rate schedules.

**18 FIGURE THE MARYLAND TAX.**

You must use the tax table if your taxable income is less than

\$50,000. Using Form 505NR, Nonresident Income Tax Calculation, follow the line-by-line instructions below to figure your Maryland tax.

- Line 1.** Enter the taxable net income from Form 515, line 32.
- Line 2.** Find the income range in the tax table that applies to the amount on line 1 of Form 505NR. Find the Maryland tax corresponding to your income range. Enter the tax amount from the tax table. Tax tables are located at the end of the instructions in the nonresident tax booklet.
- If your taxable income on line 1 is \$50,000 or more, use the Maryland Tax Computation Worksheet Schedules appropriate for your filing status at the end of the tax tables, or refer to the tax rate schedules.
- Line 3.** Enter your federal adjusted gross income (FAGI) from Form 515, line 17 (column 1).
- Line 3a.** If you are claiming a federal earned income credit (EIC), enter the earned income you used to calculate your



federal EIC. Earned income includes wages, salaries, tips, professional fees and other compensation received for personal services you performed. It also includes any amount received as a scholarship that you included in federal AGI.

**Line 4.** Enter the amount from Form 515, line 21.

**Line 5.** Enter Taxable Military Income of a nonresident, from line 22 of Form 515.

**Line 6a.** Enter the amount of your subtractions from line 23 of Form 515.

**Line 6b.** Enter any non-Maryland income (not including losses reported on lines 1 through 14 of column 3, or adjustments to income reported on line 16 of column 3) from Form 515 that have not been included on line 5 or 6a of Form 505NR.

**Important Note:** Make sure that you follow the instruction for line 6b above to arrive at the correct amount. The non-Maryland losses and adjustments should have been reported on line 18 of Form 515 and included on the amounts reported on line 4 of Form 505NR.

- Line 17 of column 3 also should include any income from Maryland sources (other than wages) that was included in Maryland taxable income on Form 505.
- Income subject to tax as a resident when required to file both a Form 502 and 515 should be included.
- Line 17 of column 3 also should include income for wages earned in Maryland by a nonresident rendering police, fire, rescue or emergency services in an area covered under a state of emergency declared by the Maryland Governor, if the wages are paid by a nonprofit organization not registered to do business in the state and not otherwise doing business in the state, or by a state, county or political subdivision of a state, other than the State of Maryland.

**Line 7.** Add lines 5 through 6b.

**Line 8.** Subtract line 7 from line 4. This is your Maryland Adjusted Gross Income.

**Line 8a.** If you are using the standard deduction amount, recalculate the standard deduction (line 8) based on the Maryland adjusted gross income.

**Line 9.** Compute your Maryland income factor by dividing line 8 by line 3. Carry the factor to six decimal places. The factor cannot exceed 1 (100%) and cannot be less than zero (0%). If line 8 is 0 or less, the factor is 0. If line 8 is greater than 0 and line 3 is 0 or less, the factor is 1.

**Line 10.** If you are using the standard deduction, multiply the standard deduction from line 1 of the NONRESIDENT STANDARD DEDUCTION WORKSHEET (14A) in Instruction 14 by the factor on line 9 of this form, and enter the result on line 10a. If you are itemizing your deductions, multiply the net deductions from line 3 of your BASIC ITEMIZED DEDUCTIONS WORKSHEET (15A) in Instruction 15 by the factor on line 9 of this form, and enter the result on line 10b.

**Line 11.** If you are using the standard deduction, subtract line 10a from line 8. If you are using itemized deductions, subtract line 10b from line 8.

**Line 12.** Multiply the total exemption amount on Form 515, line 29 by the factor on line 9.

**Line 13.** Subtract line 12 from line 11. This is your Maryland taxable net income.

**Line 14.** Enter the tax from line 2 of this form.

**Line 15.** Divide the amount on line 13 of this form by the amount on line 1. Carry this Maryland nonresident factor to six decimal places. If more than 1.000000, enter 1.000000. If 0 or less, enter 0.000000.

**Line 16.** Multiply line 14 by line 15 to arrive at your Maryland tax. Enter this amount on line 16 and on Form 515, line 33.

**Line 17.** Skip line 17 (used only when filing Form 505) and complete Form 515 through line 39 and then return to complete line 18 of this form.

**Line 18.** Find the local tax rate for the Maryland county in

which you were employed as of the last day of 2013. Enter the local rate in the space provided for the rate on Form 515, line 40, then return to this form. Multiply line 13 by this local tax rate and enter this amount on line 18 and on Form 515, line 40. If line 13 is 0 or less, enter 0 on line 18 and on Form 515 line 40.

**Return to Form 515 to complete remainder of return.**

## 2013 TAX RATE SCHEDULES

### Tax Rate Schedule I

**For taxpayers filing as Single, Married Filing Separately, or as Dependent Taxpayers. This rate is also used for taxpayers filing as Fiduciaries.**

If taxable net income is:			Maryland Tax is:	
At least:	but not over:			
\$0	\$1,000		2.00%	of taxable net income
\$1,000	\$2,000	\$20.00	plus 3.00%	of excess over \$1,000
\$2,000	\$3,000	\$50.00	plus 4.00%	of excess over \$2,000
\$3,000	\$100,000	\$90.00	plus 4.75%	of excess over \$3,000
\$100,000	\$125,000	\$4,697.50	plus 5.00%	of excess over \$100,000
\$125,000	\$150,000	\$5,947.50	plus 5.25%	of excess over \$125,000
\$150,000	\$250,000	\$7,260.00	plus 5.50%	of excess over \$150,000
\$250,000		\$12,760.00	plus 5.75%	of excess over \$250,000

### Tax Rate Schedule II

**For taxpayers filing Joint, Head of Household, or for Qualifying Widows/Widowers.**

If taxable net income is:			Maryland Tax is:	
At least:	but not over:			
\$0	\$1,000		2.00%	of taxable net income
\$1,000	\$2,000	\$20.00	plus 3.00%	of excess over \$1,000
\$2,000	\$3,000	\$50.00	plus 4.00%	of excess over \$2,000
\$3,000	\$150,000	\$90.00	plus 4.75%	of excess over \$3,000
\$150,000	\$175,000	\$7,072.50	plus 5.00%	of excess over \$150,000
\$175,000	\$225,000	\$8,322.50	plus 5.25%	of excess over \$175,000
\$225,000	\$300,000	\$10,947.50	plus 5.50%	of excess over \$225,000
\$300,000		\$15,072.50	plus 5.75%	of excess over \$300,000

## 19 EARNED INCOME, POVERTY LEVEL AND OTHER CREDITS FOR INDIVIDUALS AND BUSINESSES.

You may claim a credit on line 34 equal to one-half of the earned income credit on your federal return **multiplied by the Maryland income factor from line 9 of Form 505NR.**

### EARNED INCOME CREDIT.

If you claimed an earned income credit on your federal return, then you may claim one-half (50%) of the federal credit multiplied by the Maryland income factor from line 9 of Form 505NR. If you filed a joint federal return, but a separate Maryland return, you may claim a combined total of up to one-half the federal credit. Complete Part I of the EARNED INCOME CREDIT WORKSHEET (19A) to calculate the amount to enter on line 34 of Form 515.

**This is not a refundable credit.**

### POVERTY LEVEL CREDIT.

You may claim a credit on line 35 of 5% of your earned income multiplied by the Maryland income factor if your income is less than the poverty income guidelines. You also may be eligible for a refundable earned income credit. Complete Part II of the POVERTY LEVEL CREDIT WORKSHEET (19A) to calculate the Poverty Level Credit.

### CREDITS FOR INDIVIDUALS.

- Credits for Income Taxes Paid to Other States.** This credit is not available for nonresident taxpayers.
- Credit for Child and Dependent Care Expenses.** If you were eligible for a Child and Dependent Care Credit on your federal income tax return and your income is below certain thresholds, you are entitled to a tax credit equal to a percentage of the federal credit.
- Quality Teacher Incentive Credit.** If you are a qualified Maryland teacher who paid tuition to take graduate level courses required to maintain certification, you may be eligible for a tax credit.

- d. **Credit for Aquaculture Oyster Floats.** If you purchased a new aquaculture oyster float during the tax year, you may be entitled to a credit of up to \$500 for the cost of the float.
- e. **Long-Term Care Insurance Tax Credit.** If you paid a premium for a long-term care insurance policy for yourself or certain resident family members, you may be eligible for a tax credit.
- f. **Credit for Preservation and Conservation Easements.** If you donated an easement to the Maryland Environmental Trust or the Maryland Agricultural Land Preservation Foundation to preserve open space, natural resources, agriculture, forest land, watersheds, significant ecosystems, viewsheds or historic properties, you may be eligible for a credit.
- g. **Health Enterprise Zone Practitioner Tax Credit.** If you are a qualified "Health Enterprise Zone (HEZ) Practitioner," you may be able to claim a credit against your state tax liability for income that you earned for practicing health care in an HEZ.



For additional information regarding any of the above income tax credits, see the instructions for Form 502CR, Income Tax Credits. Form 502CR and instructions are available from any office of the Comptroller or visit our Web site at [www.marylandtaxes.com](http://www.marylandtaxes.com).

**BUSINESS TAX CREDITS.**



Business tax credits cannot be claimed on Form 515. You must also file Form 505 electronically to claim business income tax credits.

**REFUNDABLE EARNED INCOME CREDIT.**

If one-half of your prorated federal earned income credit is greater than your Maryland tax you may also be eligible for a refundable earned income credit. This credit is the amount by which 25% of your federal earned income credit multiplied by the Maryland income factor exceeds your Maryland tax liability. Complete Part III of the REFUNDABLE EARNED INCOME CREDIT WORKSHEET (19A) and enter the result on line 52 of Form 515.

**20 LOCAL INCOME TAX AND LOCAL CREDITS.**

Maryland counties and Baltimore City may levy an income tax which is a percentage of Maryland taxable income. Use the LOCAL TAX RATE CHART and Form 505NR to figure your local income tax. Use the Maryland county (or Baltimore City) in which you were employed on the last day of the tax year and which you showed in the box at the top of Form 515.

**2013 Tax Rate Chart**

Subdivision	2013
Baltimore City	.0320
Allegany County	.0305
Anne Arundel County	.0256
Baltimore County	.0283
Calvert County	.0280
Caroline County	.0263
Carroll County	.0305
Cecil County	.0280
Charles County	.0290
Dorchester County	.0262
Frederick County	.0296

**EARNED INCOME CREDIT, POVERTY LEVEL CREDIT and REFUNDABLE EARNED INCOME CREDIT WORKSHEET (19A)**

<b>PART I – Earned Income Credit</b>	
1. Maryland tax (from line 33 of Form 515) . . . . .	1 _____
2. Federal earned income credit _____ x 50% (.50) . . . . .	2 _____
3. Multiply line 2 by the Maryland income factor _____. _____ (from line 9 of Form 505NR). Enter this amount here and on line 34 of Form 515 . . . . .	3 _____
4. Subtract line 3 from line 1. If less than zero (0) enter zero (0) . . . . .	4 _____
If line 4 is greater than zero (0), you may qualify for the Poverty Level Credit. Go to Part II. If line 4 is zero (0), you may qualify for the Refundable Earned Income Credit. Go to Part III.	
<b>PART II – Poverty Level Credit</b>	
If you checked filing status 6 on your Maryland return, you are not eligible for this credit.	
1. Enter the amount from line 21, of Form 515. If you checked filing status 3 (married filing separately) and you filed a joint federal return enter your joint federal adjusted gross income plus any Maryland additions . . . . .	1 _____
2. Enter the total of your salary, wages, tips and other employee compensation and net profit from self-employment. (Do not include a farm or business loss.) Also include your distributive share of pass-through entity income . . . . .	2 _____
3. Find the number of exemptions in the chart that is the same as the number of exemptions entered on your federal tax return. Enter the income level that corresponds to the exemption number . . . . .	3 _____
4. Enter the amount from line 1 or 2, whichever is larger. . . . .	4 _____
Compare lines 3 and 4. If line 4 is greater than or equal to line 3, STOP HERE. You do not qualify for this credit. If line 3 is greater than line 4, continue to line 5.	
5. Multiply line 2 of Part II by 5% (.05) . . . . .	5 _____
6. Multiply line 5 by the Maryland income factor _____. _____ (from line 9 of Form 505NR) Enter that amount here and on line 35 of Form 515 . . . . .	6 _____
<b>PART III – Refundable Earned Income Credit</b>	
COMPUTE THIS CREDIT ONLY IF LINE 4 IN PART I IS ZERO.	
1. Multiply your federal earned income credit _____ by the Maryland income factor _____. _____ from line 9 of Form 505NR) . . . . .	1 _____
2. Multiply line 1 x 25% (.25) and enter the result . . . . .	2 _____
3. Enter your Maryland tax from Part I, line 1 . . . . .	3 _____
4. Subtract line 3 from line 2. If less than zero (0) enter zero (0). This is your refundable earned income credit. If line 4 is greater than zero (0), enter the amount on line 52 of Form 515 . . . . .	4 _____

**POVERTY INCOME GUIDELINES**

NUMBER OF EXEMPTIONS ON FEDERAL RETURN	INCOME LEVEL
1	\$11,490
2	\$15,510
3	\$19,530
4	\$23,550
5	\$27,570
6	\$31,590
7	\$35,610
8	\$39,630
If you have more than 8 exemptions, add \$4,020 to the last income level for each additional exemption.	

Garrett County . . . . .	.0265
Harford County . . . . .	.0306
Howard County . . . . .	.0320
Kent County . . . . .	.0285
Montgomery County . . . . .	.0320
Prince George's County . . . . .	.0320
Queen Anne's County . . . . .	.0320
St. Mary's County . . . . .	.0300
Somerset County . . . . .	.0315
Talbot County . . . . .	.0240
Washington County . . . . .	.0280
Wicomico County . . . . .	.0320
Worcester County . . . . .	.0125

**Local earned income credit.** If you calculated an earned income credit on line 34 of Form 515, complete the LOCAL EARNED INCOME CREDIT WORKSHEET (20A).

**LOCAL EARNED INCOME CREDIT WORKSHEET (20A)**

- ENTER federal earned income credit from your federal return . . . . . 1. \_\_\_\_\_
- Enter your local tax rate . . . . . 2. 0 \_\_\_\_\_
- MULTIPLY line 2 by 10 and enter on line 4.3. X 10  
Example: .0256  
x 10  
.256
- Local earned income credit rate . . . . . 4. \_\_\_\_\_
- Multiply line 1 by line 4. . . . . 5. \_\_\_\_\_
- Multiply line 5 by the Maryland income factor      (from line 9 of Form 505NR).  
Enter here and on line 41 of Form 515 . . . 6. \_\_\_\_\_

**Note:** In lieu of multiplying by 10, you may simply move the decimal point one place to the right and enter on line 4.

**Local poverty level credit.** If you calculated a poverty level credit on line 35 of Form 515, complete the LOCAL POVERTY LEVEL CREDIT WORKSHEET (20A).

**LOCAL POVERTY LEVEL CREDIT WORKSHEET (20B)**

Refer to the STATE POVERTY LEVEL CREDIT WORKSHEET in Instruction 19. If the amount on line 3 is greater than the amount on line 4, you are eligible to claim the local poverty level credit. Complete this worksheet to calculate the amount of your credit.

- ENTER the amount from line 2 of the STATE POVERTY LEVEL CREDIT WORKSHEET (19A). . . . . A. \_\_\_\_\_
- ENTER your local tax rate from line 2 of the LOCAL TAX WORKSHEET . . . . . B. 0 \_\_\_\_\_
- MULTIPLY line A by line B. . . . . C. \_\_\_\_\_
- Multiply line C by the Maryland income factor      (from line 9 of Form 505NR).  
Enter the amount here and on line 42 of Form 515 . . . . . D. \_\_\_\_\_

**21 TAXES PAID AND CREDITS.**

**Write your taxes paid and credits on lines 50-54. Line 50.** Write the total Maryland and local tax withheld as shown on the wage and tax statements (Forms W-2, W-2G or 1099) you have received. Add up the amounts identified as Maryland and local tax withheld on each form and write the total on line 50. Attach Forms W-2, W-2G and 1099 to your return if **Maryland tax is withheld. You will not get credit for your**

**withholding, if you do not attach Forms 1099, W-2, or W-2G substantiating Maryland withholding.**

**IMPORTANT:** Your wage and tax statements contain many numbers. Be sure you add only the amounts identified as Maryland and local tax withheld.

**Line 51.** Enter on line 51 the total of:

- Maryland estimated tax payments  
AND
- payment made with a request for an automatic extension of time to file your return.

**Line 52.** If one-half of your federal earned income credit is greater than your Maryland state income tax, you may be eligible for a refundable earned income credit. See Instruction 19 and complete the REFUNDABLE EARNED INCOME CREDIT WORKSHEET (19A) to calculate this credit.

**Line 53.** Complete this line only if you are a Pennsylvania resident. Residents of local jurisdictions that impose a local income or earnings tax on Maryland residents are subject to both the State and the local tax on wages earned in Maryland.

**Line 54. REFUNDABLE INCOME TAX CREDITS.** Enter the amount from line 6, Part I of Form 502CR.

**NOTE:** See Sustainable Communities Tax Credit, Form 502S, for qualifications and instructions.

**22 OVERPAYMENT OR BALANCE DUE.**

Calculate the balance due (line 56) or overpayment and refund (line 57).

**23 TELEPHONE NUMBERS, CODE NUMBER, SIGNATURES AND ATTACHMENTS.**

Enter your telephone numbers, and sign and date your return. Be sure to attach all required forms, schedules and statements.

**CODE NUMBER**

If special circumstances apply, you may not owe the interest for underpayment of estimated tax. Refer to Form 502UP for additional information. Enter the applicable code number in one of the code number boxes located to the right of the telephone number area. Enter code **300** if you are a farmer or fisherman or enter code **301** if your income was received unevenly throughout the year. Attach your completed Form 502UP if you have entered code **301**.

**SIGNATURES**

You must sign your return. Your signature(s) signifies that your return, including all attachments, is, to the best of your knowledge and belief, true, correct and complete, under penalties of perjury.

Both spouses must sign a joint return. If your spouse cannot sign because of injury or disease and tells you to sign, you can sign your spouse's name in the proper space on the return followed by the words "By (your name), spouse." Be sure to also sign in the space provided for your signature.

If a power of attorney is necessary, complete federal Form 2848 and attach to your return.

**TAX PREPARERS**

If another person prepared your return, that person also must sign the return and enter their Preparer's Tax Identification Number (PTIN). The preparer declares that the return is based on all information required to be reported of which the preparer has knowledge, under the penalties of perjury.

Penalties may be imposed for tax preparers who fail to sign the tax return and provide their PTIN.

**ATTACHMENTS**

Be sure to attach wage and tax statements (Forms W-2, W-2G and 1099) to the front of your return if Maryland tax was withheld. Be sure to attach all forms, K-1s, schedules and statements required by these instructions. Place your check or money order on top of your wage and tax statements and fasten with one staple on the front of your tax return.

## 24 PAYMENT AND MAILING INSTRUCTIONS AND DEADLINES

### ELECTRONIC PAYMENT OF BALANCE DUE

If your tax return has a balance due, you may pay electronically at [www.marylandtaxes.com](http://www.marylandtaxes.com) by selecting BillPay. The amount you designate will be debited from your bank or financial institution on the date that you choose.

### PAYMENT BY CHECK OR MONEY ORDER

Make your check or money order payable to "Comptroller of Maryland." Use blue or black ink. Do not use red ink. It is recommended that you include your SSN, type of tax and year of tax being paid on your check. **DO NOT SEND CASH.**

For alternative methods of payment, such as a credit card, visit our website at [www.marylandtaxes.com](http://www.marylandtaxes.com).

### MAILING INSTRUCTIONS

Mail your return to:

**Comptroller of Maryland  
Revenue Administration Division  
110 Carroll Street  
Annapolis, Maryland 21411-0001**

Sending your return by certified mail will not result in special handling and may delay your refund.

### DUE DATE

Returns must be mailed by April 15, 2014, for calendar year taxpayers. Persons filing on a fiscal year basis must file by the 15th day of the fourth month following the close of the fiscal year.

### EXTENSION OF TIME TO FILE

Follow the instructions on Form 502E to request an automatic extension of the time to file your 2013 return. Filing this form extends the time to file your return, but does not extend the time to pay your taxes. Payment of the expected tax due is required with Form 502E by April 15, 2014. You can pay by electronic funds withdrawal (direct debit) or credit card on our Web site. If no tax is due and you requested a federal extension, you do not need to file Form 502E or take any other action to obtain an automatic extension.

### COMBAT ZONE EXTENSION

Maryland allows the same six-month extension for filing **and paying** personal income taxes for military and support personnel serving in a designated combat zone or qualified hazardous duty area and their spouses as allowed by the IRS. For more detailed information visit [www.irs.gov](http://www.irs.gov). If you are affected by the extension enter **912** on one of the code number boxes to the right of the telephone number area.

## 25 AMENDED RETURNS.

You must file an amended return to make certain changes to your original return. These include changes in income, filing status, amount of deductions, the number of exemptions and the amount of additions to income and subtractions from income.

**Note:** Changes made as part of an amended return are subject to audit for up to three years from the date the amended return is filed.