

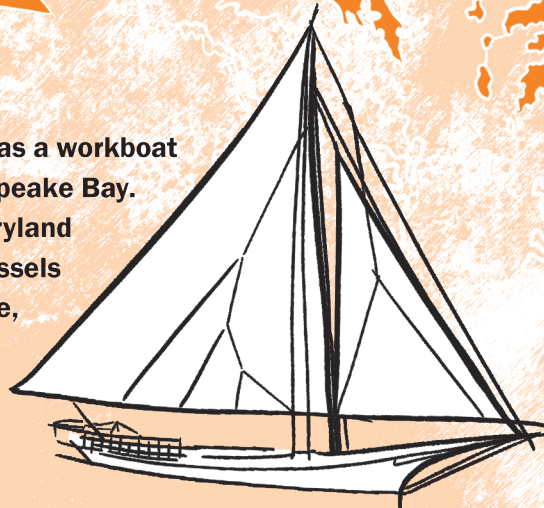
MARYLAND

2017 STATE & LOCAL TAX FORMS & INSTRUCTIONS

For filing personal state and local income taxes for full or part-year Maryland residents



THE SKIPJACK was designed as a workboat for oyster dredging on the Chesapeake Bay. Designated the state boat of Maryland in 1985, these historic sailing vessels are admired today for their simple, elegant and functional design.



COMPTROLLER
of MARYLAND
Serving the People

Peter Franchot, Comptroller



Scan to check your refund status after filing.

A MESSAGE FROM COMPTROLLER PETER FRANCHOT



Dear Maryland Taxpayers:

Since I first took office as your Comptroller ten years ago, my agency has become a national model for its efficiency, effectiveness, and customer service delivery. I remain committed to investing in technological resources and human capital to ensure that we continue to deliver first-class customer service, while tackling emerging threats such as tax fraud and identity theft.

My 1,100-person agency is committed to fulfilling our “3 R’s” pledge to Maryland taxpayers: Respect, Responsiveness, and Results. Last year, we were able to refund more than 1.6 million taxpayers with a direct deposit into their bank accounts in less than three business days. We continue to see an upward trend in the usage of our safe and secure e-File system, with more than 2.5 million Marylanders submitting their returns electronically.

My office is also ramping up our existing efforts to fight the rising tide of tax fraud and identity theft incidents in our State. Since I took office ten years ago, we’ve successfully blocked more than 80,000 fraudulent returns worth more than \$170 million. We continue to explore more ways to protect your financial well-being, and I’m pleased to report that the General Assembly passed, and the Governor signed, my agency’s Taxpayer Protection Act – which grants my office additional statutory tools to more effectively combat the continued threats posed by tax fraud and identity theft.

As Comptroller, I also understand that while we stress the importance of consistency and predictability in the tax code, each year there are small changes that occur. Below are a few legislative changes to our tax code enacted during the 2017 Legislative Session:

- Individuals 55 years old or older can have their retirement income qualify for the State pension exclusion if the retirement income is attributable to employment as a law enforcement officer or as fire, rescue, or emergency services personnel of the United States, the State, or a local jurisdiction.
- A tax credit has been established for individuals that incur qualified expenses to renovate an existing home with accessibility and universal visitability features to assist individuals with disabilities. Please note that while this legislation took effect in July 2017, this tax credit will not be available until the 2019 Tax Filing Season.
- A tax credit has been established for small businesses that hire a qualified veteran employee. A small business may claim an income tax credit that may not exceed 30% of up to the first \$6,000 of wages paid to the qualified veteran employee during the first year of employment.

So, as we begin the 2018 Tax Filing Season with these additional tax changes in effect, I pledge to continue my agency’s efforts to provide you with the level of service that you expect and deserve, and I’ll continue to promote policies that benefit the long-term fiscal health of the State of Maryland.

Sincerely,

A handwritten signature in black ink that reads "Peter Franchot". The signature is written in a cursive, flowing style.

Peter Franchot
Comptroller

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Forms and other information included in this booklet:

- Form 502
- Form IND PV
- Form 502B
- Form 502D
- Form 502R
- Form 502SU
- Form 502UP
- Privacy act information
- State Department of Assessments and Taxation Information

NEW FOR 2017

The Comptroller of Maryland’s web site has moved to **www.marylandtaxes.gov**.

New Reporting Requirement on Retirement Income Form - Form 502R: If you claimed the new Retired Law Enforcement Officer or Fire, Rescue, or Emergency Services Personnel pension exclusion, complete Part 7 of Form 502R.

Interest Rate Decrease: Interest is due at a rate of 11.5% annually or 0.9583% per month for any month or part of a month that a tax is paid after the original due date of the 2017 return but before January 1, 2019. See Instruction 22 for more information.

New Addition Modification: There is one new addition modification. See Instruction 12 for more information.

New Subtraction Modifications: There are four new subtraction modifications available. See Instruction 13 for more information.

New Refundable Tax Credit: There is one new refundable tax credit available. See Instruction 21 for more information.

Senate Bill 36, Acts of 2017: This bill passed by the Maryland General Assembly, gives the Comptroller of Maryland authority to grant a taxpayer a waiver from the requirement to file for certain tax credit(s) by electronic means. In order to request a waiver, a taxpayer must complete Form 500CRW “Waiver Request for Electronic Filing of Form 500CR” that establishes reasonable cause for not filing the claim for credit by electronic means or that there is no feasible means of filing the claim by electronic means without creating an undue hardship. **Form 500CRW must be submitted with the paper Form 500CR in order for the paper Form 500CR to be accepted for processing.**

New Business Tax Credits: There are three new business tax credits available. See Instructions to Form 500CR available at **www.marylandtaxes.gov**.

Form 502AE-Arts and Entertainment:

- Oakland has been designated as a new arts and entertainment district.
- Salisbury has been approved for re-designation as of June 1, 2017.

As of July 1, 2017 there will be 25 designated arts and entertainment districts in Maryland. For more information see: **www.msac.org/programs/arts-entertainment-districts**

GETTING HELP

• **Tax Forms, Tax Tips, Brochures and Instructions:** These are available online at **www.marylandtaxes.gov** and branch offices of the Comptroller (see back cover). For forms only, call 410-260-7951.

• **Telephone:** February 1 - April 17, 2018, 8:30 a.m. until 7:00 p.m., Monday through Friday, call 1-800-MDTAXES (1-800-638-2937) or from Central Maryland 410-260-7980.

• **Email:** Contact taxhelp@comp.state.md.us.

• **Extensions:** To telefile an extension, call 410-260-7829; to file an extension online, visit **www.marylandtaxes.gov**.

RECEIVING YOUR REFUND

• **Direct Deposit:** To have your refund deposited to your bank or other financial account, enter your account and routing numbers at the bottom of your return.

VERIFY YOUR TAX PREPARER

If you use a paid tax preparer in Maryland, other than a CPA, Enrolled Agent or attorney, make sure the preparer is registered with the Maryland Board of Individual Tax Preparers.

Check the REGISTRATION SEARCH on the Department of Labor, Licensing and Regulation Web site:
 **www.dllr.state.md.us/license/taxprep**

Check the LICENSE SEARCH for CPAs on the Department of Labor, Licensing and Regulation Web site:
 **www.dllr.state.md.us/license/cpa/**

Check the ACTIVE STATUS for attorneys on the Maryland Courts Web site:
 **www.mdcourts.gov/lawyers/attylist.html**

- **Deposit of Income Tax Refund to more than one account:** Form 588 allows income tax refunds to be deposited to more than one account. See Instruction 22 for more information. Check with your financial institution to make sure your direct deposit will be accepted and to get the correct routing and account numbers. The State of Maryland is not responsible for a lost refund if you enter the wrong account information.
- **Check:** Unless otherwise requested, we will mail you a paper check.
- **Refund Information:** To request information about your refund, see OnLine Services at www.marylandtaxes.gov, or call 1-800-218-8160 or from Central Maryland 410-260-7701.

FILING ELECTRONICALLY



- **Go Green!** eFile saves paper. In addition, you will receive your refund faster; receive an acknowledgement that your return has been received; and, if you owe, you can extend your payment date until April 30th if you both eFile and make your payment electronically.
- **Security:** Your information is transmitted securely when you choose to file electronically. It is protected by several security measures, such as multiple firewalls, state-of-the-art threat detection and encrypted transmissions.
- **iFile:** Free Internet filing is available for Maryland income tax returns with no income limitation. Visit www.marylandtaxes.gov and click iFile for eligibility.
- **PC Retail Software:** Check the software requirements to determine eFile eligibility before you purchase commercial off-the-shelf software. Use software or link directly to a provider site to prepare and file your return electronically.
- **eFile:** Ask your professional tax preparer to eFile your return. You may use any tax professional who participates in the Maryland Electronic Filing Program.
- **IRS Free File:** Free Internet filing is available for federal income tax returns; some income limitations may apply. Visit www.irs.gov for eligibility. Fees for state tax returns also may apply; however, you may always return to www.marylandtaxes.gov to use the free iFile Internet filing for Maryland income tax returns after using the IRS Free File for your federal return.

AVOID COMMON ERRORS

- **Social Security Number(s):** Enter each Social Security Number in the space provided at the top of your tax return. Also enter the Social Security Number for children and other dependents. The Social Security Number will be validated by the IRS before the return has completed processing.
- **Local Tax:** Use the correct local income tax rate, based on your county of residence on the last day of the tax year for where you lived on December 31, 2017, or the last day of the year for fiscal filers. See Instruction 19.
- **Original Return:** Please send only your original completed Maryland tax return. Photocopies can delay processing of your refund. If you filed electronically, do not send a paper return.
- **Federal Forms:** Do not send federal forms, schedules or copies of federal forms or schedules unless requested.
- **Photocopies:** Remember to keep copies of all federal forms and schedules and any other documents that may be required later to substantiate your Maryland return.
- **Ink:** Use only blue or black ink to complete your return. Do not use pencil.

- **Attachments:** Please make sure to send all wage statements such as W-2s, 1099s and K-1s. Ensure that the state tax withheld is readable on all forms. Ensure that the state income modifications and state tax credits are clearly shown on all K-1s.
- **Colored Paper:** Do not print the Maryland return on colored paper.
- **Bar Codes:** Do not staple or destroy the bar code.

PAYING YOUR TAXES

- **Direct Debit:** If you file electronically and have a balance due, you can have your income tax payment deducted directly from your bank account. This free service allows you to choose your payment date, anytime until April 30, 2018. Visit www.marylandtaxes.gov for details.
- **Bill Pay Electronic Payments:** If your paper or electronic tax return has a balance due, you may pay electronically at www.marylandtaxes.gov by selecting BillPay. The amount you designate will be debited from your bank or financial institution on the date that you choose.
- **Checks and Money Orders:** Make check or money order payable to Comptroller of Maryland. We recommend you include your Social Security Number on your check or money order.

ALTERNATIVE PAYMENT METHODS

For alternative methods of payment, such as a credit card, visit our Web site at www.marylandtaxes.gov.

GET YOUR 1099-G ELECTRONICALLY

Go to our web site www.marylandtaxes.gov to sign up to receive your 1099-G electronically. Once registered, you can view and print your 1099-G from our secure Web site www.marylandtaxes.gov.

PRIVACY ACT INFORMATION

The Tax-General Article of the Annotated Code of Maryland authorizes the Revenue Administration Division to request information on tax returns to administer the income tax laws of Maryland, including determination and collection of correct taxes. Code Section 10-804 provides that you must include your Social Security Number on the return you file. This is so we know who you are and can process your return and papers.

If you fail to provide all or part of the requested information, exemptions, exclusions, credits, deductions or adjustments may be disallowed and you may owe more tax. In addition, the law provides penalties for failing to supply information required by law or regulations.

You may look at any records held by the Revenue Administration Division which contain personal information about you. You may inspect such records, and you have certain rights to amend or correct them.

As authorized by law, information furnished to the Revenue Administration Division may be given to the United States Internal Revenue Service, an authorized official of any state that exchanges tax information with Maryland and to an officer of this State having a right to the information in that officer's official capacity. The information may be obtained in accordance with a proper legislative or judicial order.

WHAT YOU SHOULD SEND

- Your **original**, completed Maryland income tax return (Form 502) and Dependent Form 502B as applicable.
- Form IND PV for returns with payment by check or money order. Attach the payment to the Form IND PV. The Form IND PV and payment are placed before the Form 502 for mailing purposes. **The Form IND PV and payment are not attached to the Form 502.**
- Form 502R if you have taxable retirement income.
- Form 588 if you elect to have your refund direct deposited to more than one account.
- W-2(s)/1099(s) showing Maryland tax withheld.
- Schedules K-1 showing Maryland tax withheld and or Maryland tax credit.
- If you have a balance due, and if not filing and paying electronically, please include a check or money order payable to Comptroller of Maryland with your Social Security Number on the check or money order.
- Maryland schedules or other documents may be required according to the instructions if you claim certain credits or subtractions. These include: 500DM, 502CR, 502TP, 502UP, 502V, 502S and 502SU.
- A copy of the tax return you filed in the other state or locality if you're claiming a tax credit on Form 502CR, Part A.

DO NOT SEND

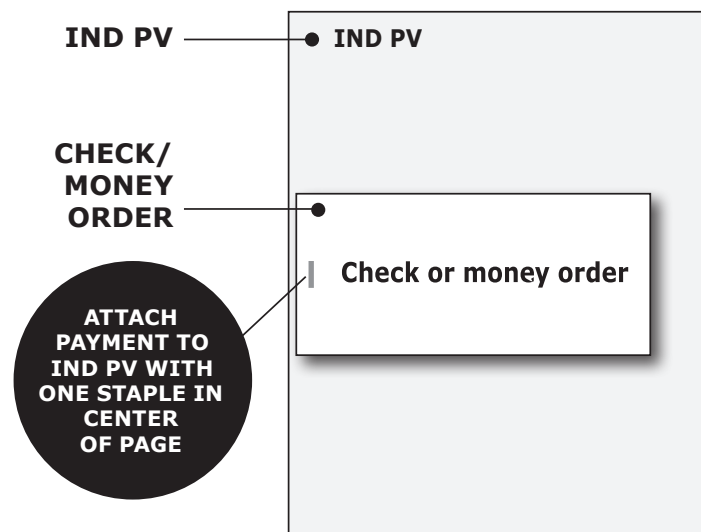
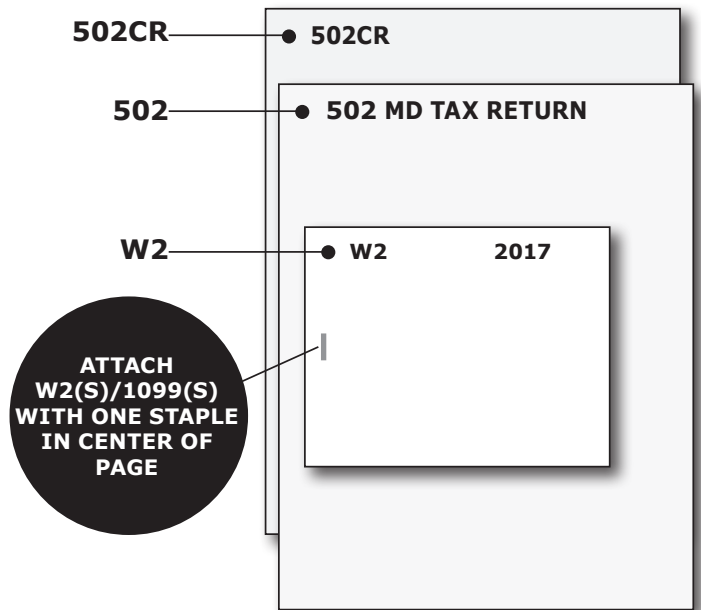
- Photocopies of your Maryland return.
- Federal forms or schedules unless requested.
- **Any forms or statements not requested.**
- Returns by fax.
- Returns on colored paper.
- Returns completed in pencil.
- Returns with the bar code stapled or destroyed.

Consider using the paper tax forms in this booklet as your "working copy" then go to our Web site www.marylandtaxes.gov and file your return electronically.

Why do 80% of Maryland residents file electronically?

- **Security** - The Comptroller of Maryland uses encryption technology to safeguard your information.
- **Faster Refunds** - Get your refund in as little as 3 business days.
- **It's Free** - You can file your return for free using iFile.
- **Flexible Payments** - File early and have until April 30th to pay.
- **Quick Receipt** - Get an acknowledgement that your return was received and accepted.
- **Go Green** - Reduce the amount of paper used.

ASSEMBLING YOUR RETURN



State of Maryland General Fund Expenditures

For Fiscal Year Ending June 30, 2016 - Expressed in Thousands



	Public education	\$7,886,979	48.8%
	Health, hospitals and mental hygiene	\$3,977,845	24.6%
	Other	\$3,093,576	19.2%
	Public safety and correctional services	\$1,197,881	7.4%
	TOTAL	\$16,156,281	100%

NEW Maryland ABLE Tax Benefits

Maryland529

ABLE PLAN



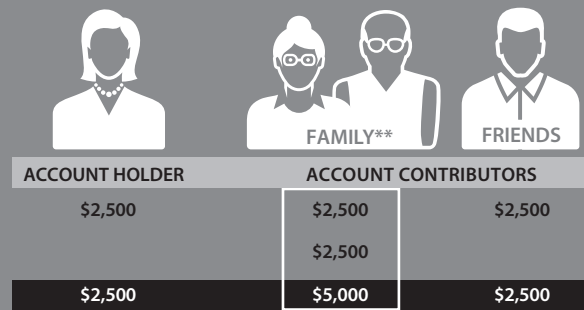
Did you know that Maryland taxpayers may be eligible for a State income deduction if they open a new OR contribute to an existing Maryland ABLE account?

Who may be eligible for income deductions?

The person who opens a new account and family/friends who contribute to an existing account.

Deductions up to \$2,500 for each contributor to a Maryland ABLE plan.*
Deductions apply to Maryland taxable income for your contributions in that tax year.

Each ABLE account is limited to a total annual contribution of \$14,000 from all contributors.



\$5,000 combined annual income deduction.

*Based on the example of a beneficiary, single parent, family, or friend contributing to the ABLE plan.

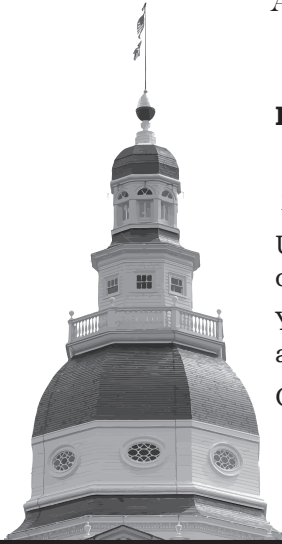
**Parents filing separately can each claim up to \$2,500 per ABLE account, and claim up to \$5,000 per ABLE account if filing jointly.

Visit Maryland529.com/MDABLE for complete details.

Please carefully read the Plan Disclosure Statement, available online, which describes the investment objectives, risks, expenses, and other important information that you should consider before you invest in a Maryland 529 ABLE account. Also if you or the ABLE account beneficiary live outside of Maryland, you should consider before investing whether your state or your beneficiary's state offers state tax or other benefits for investing in its ABLE plan. Tax benefits may be conditioned on meeting certain requirements, such as residency, purpose for or timing of distributions, or other factors, as applicable. As with all State and Federal tax matters, please consult with your tax advisor.

FAIR CAMPAIGN FINANCING FUND

A GOVERNMENT OF THE PEOPLE, BY PEOPLE
AND FOR THE PEOPLE STARTS HERE.



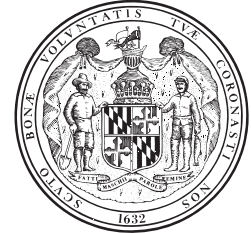
It is easy to participate in our democracy:

1. Donate to the Fair Campaign Financing Fund when you file your taxes.
2. Donations of any dollar amount can be made.

Use Line 38 on Form 502 or Line 41 on Form 505 or Line 25 on Form 504.

Your contribution will be deducted from your tax refund or added to your tax payment.

Only for gubernatorial campaigns.



www.elections.state.md.us

Maryland529

formerly College Savings Plans of Maryland

How to Maximize Your Maryland 529 Tax Benefits

Did you know that Maryland taxpayers may be eligible for a State income deduction if they open a new **OR** contribute to an existing Maryland 529 account?



2 AVAILABLE PLANS:

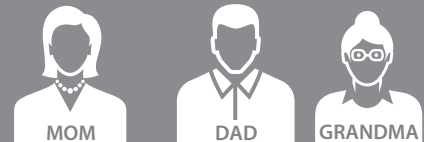
- Maryland College Investment Plan (MCIP)
- Maryland Prepaid College Trust (MPCT)

Who may be eligible for income deductions?

Each family member who opens a new account **OR** contributes to an existing account. →

Contribute to both plans to increase your income deductions. →

Deduct up to \$2,500 for each beneficiary in each MCIP plan and/or each MPCT contract. Deductions apply to Maryland taxable income for your contributions in that tax year. →



PLANS	ACCOUNT HOLDER	ACCOUNT CONTRIBUTORS**
MCIP	\$2,500	\$2,500
MPCT	\$2,500	\$2,500
DEDUCTIONS	\$5,000	\$5,000

\$10,000 combined annual income deduction.*

*Based on the example of a mother opening an MCIP and MPCT plan for a single beneficiary and the mother's spouse and beneficiary's grandmother contributing to both plans.

**Account holders and contributors can each deduct contributions regardless of their marital status or tax filing status (individual or joint).

Visit Maryland529.com for complete details.

Please carefully read the Enrollment Kit, available online, which describes the investment objectives, risks, expenses, and other important information that you should consider before you invest in a Maryland 529 plan. Also if you or your beneficiary live outside of Maryland, you should consider before investing whether your state or your beneficiary's state offers state tax or other benefits for investing in its 529 plan. Tax benefits may be conditioned on meeting certain requirements, such as residency, purpose for or timing of distributions, or other factors, as applicable. As with all State and Federal tax matters, please consult with your tax advisor.



Donate to the Chesapeake and Endangered Species Fund

on your Maryland State Income Tax Form
and help bring back a cleaner, healthier
Chesapeake Bay!



Why Donate?

When you donate to the *Chesapeake Bay and Endangered Species Fund*, you aren't just helping to protect the Chesapeake Bay and the creatures who call it home. You are helping to plant trees, remove trash, and giving students first-hand experiences outside the of the classroom in your own community.

How can you participate?

1. Donate to the Chesapeake Bay Fund when you file your taxes.
2. Donations of any dollar amount can be made.
3. All donations are 100% tax deductible.

Donations are split evenly between the non-profit Chesapeake Bay Trust and the Wildlife and Heritage Division of the Department of Natural Resources. The Trust has been rated a 4-star charity for fourteen years by Charity Navigator.



For information about the Chesapeake Bay Trust and how your donation is used, visit www.cbtrust.org/taxdonation

SUPPORT CHILDREN & ADULTS WITH DEVELOPMENTAL DISABILITIES

Right now the lives of thousands of children, youth and adults with developmental disabilities like autism, Down Syndrome and cerebral palsy are on hold. They are counting on concerned citizens like you to help the Maryland Developmental Disabilities Administration provide:

- Services for children & families
- Job training and employment
- Community living opportunities
- Crisis Intervention

ELIMINATE THE WAIT - PLEASE DONATE!

Enter the amount you want to donate. Every dollar helps. Your gift will be deducted from your tax refund or added to your tax payment.

**Use line 36 on form 502,
Line 23 on Fiduciary Form 504 or
line 39 on Non Resident Form 505**



For more information, call the Maryland Developmental Disabilities Administration at **410-767-5600** or visit dda.dhmf.maryland.gov

Help save a life this tax season!

Donations to the Maryland Cancer Fund will support cancer prevention and treatment for low income Maryland residents

It's easy:

1. Enter the amount you wish to donate on **Line 37**.
2. That amount will be deducted from your tax refund or added to your tax payment.
3. All donations are tax deductible.

For more information, call 410-767-6213

Use Line 37 on Form 502, Use Line 24 on Form 504,
Use Line 40 on Form 505



Maryland
CANCER FUND

www.mdcanerfund.org



175020000

OR FISCAL YEAR BEGINNING _____ 2017, ENDING _____

Print Using Blue or Black Ink Only

Your Social Security Number _____ Spouse's Social Security Number _____
Your First Name _____ Initial _____ Your Last Name _____
Spouse's First Name _____ Initial _____ Spouse's Last Name _____

Current Mailing Address Line 1 (Street No. and Street Name or PO Box) _____

Current Mailing Address Line 2 (Apt No., Suite No., Floor No.) _____

City or Town _____ State _____ ZIP Code _____

REQUIRED: Physical address as of December 31, 2017 or last day of the taxable year for fiscal year taxpayers. See Instruction 6. Part-year residents see Instruction 26.
4 Digit Political Subdivision Code (See Instruction 6) _____ Maryland Political Subdivision (See Instruction 6) _____
Physical Street Address Line 1 (Street No. and Street Name) (No PO Box) _____
Physical Street Address Line 2 (Apt No., Suite No., Floor No.) (No PO Box) _____
City _____ MD State ZIP Code _____ Maryland County _____

Place your W-2 wage and tax statements and ATTACH HERE with one staple. Do not attach check or money order to Form 502. Attach check or money order to Form IND PV.

FILING STATUS CHECK ONE BOX See Instruction 1 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 SSN
4. Head of household
5. Qualifying widow(er) with dependent child
6. Dependent taxpayer (Enter 0 in Exemption Box (A) - See Instruction 7.)

PART-YEAR RESIDENT See Instruction 26.

Dates of Maryland Residence (MM DD YYYY) FROM TO Other state of residence:
If you began or ended legal residence in Maryland in 2017 place a P in the box.
MILITARY: If you or your spouse has non-Maryland military income, place an M in the box.
Enter Military Income amount here:

EXEMPTIONS See Instruction 10. Check appropriate box(es).
NOTE: If you are claiming dependents, you must attach the Dependents' Information Form 502B to this form to receive the applicable exemption amount.

- A. Yourself Spouse Enter number checked See Instruction 10. A. \$
B. 65 or over Blind Enter number checked X \$1,000 B. \$
C. Enter number from line 3 of Dependent Form 502B See Instruction 10 C. \$
D. Enter Total Exemptions (Add A, B and C.) Total Amount D. \$



175020100

NAME _____ SSN _____

<p>INCOME See Instruction 11.</p>	<p>1. Adjusted gross income from your federal return ▶ 1. _____</p> <p>1a. Wages, salaries and/or tips ▶ 1a. _____</p> <p>1b. Earned income ▶ 1b. _____</p> <p>1c. Capital Gain or (loss) ▶ 1c. _____</p> <p>1d. Taxable Pension, IRA, Annuities (Attach Form 502R.) . . ▶ 1d. _____</p> <p>1e. Place a "Y" in this box if the amount of your investment income is more than \$3,450. . . ▶ <input type="checkbox"/></p>
<p>ADDITIONS TO INCOME See Instruction 12.</p>	<p>2. Tax-exempt interest on state and local obligations (bonds) other than Maryland ▶ 2. _____</p> <p>3. State retirement pickup. ▶ 3. _____</p> <p>4. Lump sum distributions (from worksheet in Instruction 12.) ▶ 4. _____</p> <p>5. Other additions (Enter code letter(s) from Instruction 12.) ▶ _____ ▶ 5. _____</p> <p>6. Total additions to Maryland income (Add lines 2 through 5.) ▶ 6. _____</p> <p>7. Total federal adjusted gross income and Maryland additions (Add lines 1 and 6.) ▶ 7. _____</p>
<p>SUBTRACTIONS FROM INCOME See Instruction 13.</p>	<p>8. Taxable refunds, credits or offsets of state and local income taxes included in line 1 ▶ 8. _____</p> <p>9. Child and dependent care expenses ▶ 9. _____</p> <p>10. Pension exclusion from worksheet in Instruction 13 ▶ 10. _____</p> <p>11. Taxable Social Security and RR benefits (Tier I, II and supplemental) included in line 1 . . . ▶ 11. _____</p> <p>12. Income received during period of nonresidence (See Instruction 26.) ▶ 12. _____</p> <p>13. Subtractions from attached Form 502SU ▶ _____ ▶ 13. _____</p> <p>14. Two-income subtraction from worksheet in Instruction 13 ▶ 14. _____</p> <p>15. Total subtractions from Maryland income (Add lines 8 through 14.) ▶ 15. _____</p> <p>16. Maryland adjusted gross income (Subtract line 15 from line 7.) ▶ 16. _____</p>
<p>DEDUCTION METHOD See Instruction 16.</p>	<p>All taxpayers must select one method and check the appropriate box.</p> <p>▶ <input type="checkbox"/> STANDARD DEDUCTION METHOD (Enter amount on line 17.)</p> <p>▶ <input type="checkbox"/> ITEMIZED DEDUCTION METHOD (Complete lines 17a and 17b.)</p> <p>17a. Total federal itemized deductions (from line 29, federal Schedule A) . ▶ 17a. _____</p> <p>17b. State and local income taxes (See Instruction 14.) ▶ 17b. _____</p> <p>Subtract line 17b from line 17a and enter amount on line 17.</p> <p>17. Deduction amount (Part-year residents see Instruction 26 (l and m).) ▶ 17. _____</p>
<p>MARYLAND TAX COMPUTATION</p>	<p>18. Net income (Subtract line 17 from line 16.) ▶ 18. _____</p> <p>19. Exemption amount from Exemptions area (See Instruction 10.) ▶ 19. _____</p> <p>20. Taxable net income (Subtract line 19 from line 18.) ▶ 20. _____</p> <p>21. Maryland tax (from Tax Table or Computation Worksheet Schedules I or II) ▶ 21. _____</p> <p>22. Earned income credit (½ of federal earned income credit. See Instruction 18.) ▶ 22. _____</p> <p>23. Poverty level credit (See Instruction 18.) ▶ 23. _____</p> <p>24. Other income tax credits for individuals from Part K, line 11 of Form 502CR (Attach Form 502CR.) ▶ 24. _____</p> <p>25. Business tax credits You must file this form electronically to claim business tax credits on Form 500CR.</p> <p>26. Total credits (Add lines 22 through 25.) ▶ 26. _____</p> <p>27. Maryland tax after credits (Subtract line 26 from line 21.) If less than 0, enter 0. ▶ 27. _____</p>
<p>LOCAL TAX COMPUTATION</p>	<p>28. Local tax (See Instruction 19 for tax rates and worksheet.) Multiply line 20 by your local tax rate .0 _____ or use the Local Tax Worksheet ▶ 28. _____</p> <p>29. Local earned income credit (from Local Earned Income Credit Worksheet in Instruction 19.) . . ▶ 29. _____</p> <p>30. Local poverty level credit (from Local Poverty Level Credit Worksheet in Instruction 19.) . . . ▶ 30. _____</p> <p>31. Local tax credit from Part L, line 1 of Form 502CR (Attach Form 502CR.) ▶ 31. _____</p> <p>32. Total credits (Add lines 29 through 31.) ▶ 32. _____</p> <p>33. Local tax after credits (Subtract line 32 from line 28.) If less than 0, enter 0 ▶ 33. _____</p> <p>34. Total Maryland and local tax (Add lines 27 and 33.) ▶ 34. _____</p> <p>35. Contribution to Chesapeake Bay and Endangered Species Fund (See Instruction 20.) ▶ 35. _____</p> <p>36. Contribution to Developmental Disabilities Services and Support Fund (See Instruction 20.) . ▶ 36. _____</p> <p>37. Contribution to Maryland Cancer Fund (See Instruction 20.) ▶ 37. _____</p> <p>38. Contribution to Fair Campaign Financing Fund (See Instruction 20.) ▶ 38. _____</p> <p>39. Total Maryland income tax, local income tax and contributions (Add lines 34 through 38.) . ▶ 39. _____</p>



175020200

NAME _____ SSN _____

Table with 2 columns: Description and Amount. Rows include 40. Total Maryland and local tax withheld, 41. 2017 estimated tax payments, 42. Refundable earned income credit, 43. Refundable income tax credits, 44. Total payments and credits, 45. Balance due, 46. Overpayment, 47. Amount of overpayment to be applied to 2018 estimated tax, 48. Amount of overpayment to be refunded to you, 49. Interest charges, 50. TOTAL AMOUNT DUE.

DIRECT DEPOSIT OF REFUND (See Instruction 22.) Be sure the account information is correct. For Splitting Direct Deposit, see Form 588. If this refund will go to an account outside of the United States, then to comply with banking rules, place a "Y" in this box and see Instruction 22. For the direct deposit option, complete the following information clearly and legibly.

51a. Type of account: [] Checking [] Savings

51b. Routing Number (9-digits) [] 51c. Account Number []

[] Daytime telephone no. [] Home telephone no. [] CODE NUMBERS (3 digits per line)

Check here [] if you authorize your preparer to discuss this return with us. Check here [] if you authorize your paid preparer not to file electronically. Check here [] if you agree to receive your 1099G Income Tax Refund statement electronically. (See Instruction 24.)

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.

Signature and address fields for taxpayer and preparer. Includes fields for: Your signature, Date, Spouse's signature, Date, Signature of preparer other than taxpayer, Street address of preparer, City, State, ZIP, Telephone number of preparer, Preparer's PTIN (required by law).

For returns filed without payments, mail your completed return to: Comptroller of Maryland, Revenue Administration Division, 110 Carroll Street, Annapolis, MD 21411-0001. For returns filed with payments, attach check or money order to Form IND PV. Make checks payable to Comptroller of Maryland. Do not attach Form IND PV or check/money order to Form 502. Place Form IND PV with attached check/money order on TOP of Form 502 and mail to: Comptroller of Maryland, Payment Processing, PO Box 8888, Annapolis, MD 21401-8888.



17502M000

IMPORTANT:

Review the instructions before completing this form. This form should only be submitted with payments from Form 502 or Form 505.

Print Using Blue or Black Ink Only.

1. Your Social Security Number
2. If Joint Return, Spouse's Social Security Number
3. Your Last Name, Your First Name, MI
4. If Joint Return, Spouse's Last Name, Spouse's First Name, MI
5. Current Mailing Address - Line 1 (Street No. and Street Name or PO Box)
6. Current Mailing Address - Line 2 (Apt. No., Suite No., Floor No.)
7. City or Town, State, ZIP Code
8. If you electronically filed your tax return, enter an "E" on Line 8. If you filed a paper tax return, enter a "P" on Line 8.
9. If you filed your taxes using Form 502, enter "502" on Line 9. If you filed your taxes using Form 505, enter "505" on Line 9. Use a separate Form IND PV for each type of tax return filed.
10. Amount Paid By Check or Money Order

ATTACH CHECK OR MONEY ORDER HERE WITH ONE STAPLE.

INSTRUCTIONS

The Form IND PV is a payment voucher you will send with your check or money order for any balance due on the "Total Amount Due" line of your 2017 Form 502 or 2017 Form 505. If you are paying electronically (not sending a check or money order) for your balance due, you do not need to complete this form.

Note: If your paper or electronic tax return has a balance due, you may pay electronically at www.marylandtaxes.gov by selecting Bill Pay. The amount that you designate will be debited from your bank or financial institution on the date that you choose. For alternative methods of payment, such as a credit card, visit our website at www.marylandtaxes.gov.

Specific Instructions

- Line 1 Enter your Social Security number (SSN). If you are filing a joint return, enter the SSN shown first on your return.
Line 2 If you are filing a joint return, enter the spouse's SSN shown second on your return.
Line 3 Enter your name as shown on your return. Print clearly.
Line 4 Enter your spouse's name as shown on your return. Print clearly.
Line 5 Enter street number and street name. If using a PO Box address, enter "PO Box" and the PO Box number.
Line 6 If applicable, enter floor, suite, or apartment number for current mailing address. If address is PO Box, leave blank.

Line 7 Enter City or Town, State and ZIP Code. If using a foreign address, enter the city or town and state or province on the "City or Town" line. Enter the name of the country on the "State" line. Enter the postal code on the "ZIP Code" line.

Line 10 Enter the amount you are paying by check or money order.

Payment Instructions

- Make your check or money order payable to "Comptroller of Maryland."
Use blue or black ink only.
Write the type of tax and year of tax being paid on your check. It is recommended that you include your Social Security number on your check.
DO NOT SEND CASH.

Mailing Instructions

- Attach check or money order to Form IND PV.
Do not attach Form IND PV and check/money order to Form 502 or Form 505.
If mailing Form IND PV with Form 502 or 505, place Form IND PV with attached check/money order on top of Form 502 or Form 505.

Mail to:

Comptroller of Maryland
Payment Processing
PO Box 8888
Annapolis, MD 21401-8888



17502B000

▶ Your Social Security Number

▶ Spouse's Social Security Number

Print Using Blue or Black Ink Only

Your First Name _____ Initial _____

Your Last Name _____

Spouse's First Name _____ Initial _____

Spouse's Last Name _____

Summary

- 1. Enter the total number checked below for Regular dependents (4) ▶ 1. _____
- 2. Enter the total number checked below for dependents 65 or over (5) ▶ 2. _____
- 3. Total dependent exemptions (Add lines 1 and 2 and enter the total here and on line (C) of the Exemptions area of Form 502, 505 or 515.) 3. _____

Dependents (If a dependent listed below is age 65 or over, please check both 4 and 5.)

▶ 1. _____	First Name	Initial	▶ _____	Last Name	DEPENDENT 1
▶ 2. _____	Social Security Number	Relationship	4. <input type="checkbox"/>	5. <input type="checkbox"/>	

▶ 1. _____	First Name	Initial	▶ _____	Last Name	DEPENDENT 2
▶ 2. _____	Social Security Number	Relationship	4. <input type="checkbox"/>	5. <input type="checkbox"/>	

▶ 1. _____	First Name	Initial	▶ _____	Last Name	DEPENDENT 3
▶ 2. _____	Social Security Number	Relationship	4. <input type="checkbox"/>	5. <input type="checkbox"/>	

▶ 1. _____	First Name	Initial	▶ _____	Last Name	DEPENDENT 4
▶ 2. _____	Social Security Number	Relationship	4. <input type="checkbox"/>	5. <input type="checkbox"/>	

▶ 1. _____	First Name	Initial	▶ _____	Last Name	DEPENDENT 5
▶ 2. _____	Social Security Number	Relationship	4. <input type="checkbox"/>	5. <input type="checkbox"/>	

▶ 1. _____	First Name	Initial	▶ _____	Last Name	DEPENDENT 6
▶ 2. _____	Social Security Number	Relationship	4. <input type="checkbox"/>	5. <input type="checkbox"/>	



NAME _____ SSN _____

▶ 1. First Name _____ Initial _____ Last Name _____	DEPENDENT 7
Social Security Number _____ Relationship _____ Regular _____ 65 or over _____	
▶ 2. _____ 3. _____ 4. _____ 5. _____	

▶ 1. First Name _____ Initial _____ Last Name _____	DEPENDENT 8
Social Security Number _____ Relationship _____ Regular _____ 65 or over _____	
▶ 2. _____ 3. _____ 4. _____ 5. _____	

▶ 1. First Name _____ Initial _____ Last Name _____	DEPENDENT 9
Social Security Number _____ Relationship _____ Regular _____ 65 or over _____	
▶ 2. _____ 3. _____ 4. _____ 5. _____	

▶ 1. First Name _____ Initial _____ Last Name _____	DEPENDENT 10
Social Security Number _____ Relationship _____ Regular _____ 65 or over _____	
▶ 2. _____ 3. _____ 4. _____ 5. _____	

▶ 1. First Name _____ Initial _____ Last Name _____	DEPENDENT 11
Social Security Number _____ Relationship _____ Regular _____ 65 or over _____	
▶ 2. _____ 3. _____ 4. _____ 5. _____	

▶ 1. First Name _____ Initial _____ Last Name _____	DEPENDENT 12
Social Security Number _____ Relationship _____ Regular _____ 65 or over _____	
▶ 2. _____ 3. _____ 4. _____ 5. _____	



DUE DATE

Your return is due by April 15, 2018. If you are a fiscal year taxpayer, see Instruction 25. If any due date falls on a Saturday, Sunday or legal holiday, the return must be filed by the next business day.

To speed up the processing of your tax refund, consider filing electronically. You must file within three years of the original due date to receive any refund. Visit our Web site at www.marylandtaxes.gov.

COMPLETING THE RETURN

You must write legibly using 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. Failure to follow these instructions may delay the processing of your return.

You may round off all cents to the nearest whole dollar. Fifty cents and above should be rounded to the next dollar. State calculations are rounded to the nearest penny.

ELECTRONIC FILING INSTRUCTIONS

The instructions in this booklet are designed specifically for filers of paper returns.

If you are filing electronically and these instructions differ from the instructions for the electronic method being used, you should comply with the instructions appropriate for that method.

Free internet filing is available for Maryland income tax returns. Visit www.marylandtaxes.gov and select iFile.

Software vendors should refer to the e-file handbook for their instructions.

SUBSTITUTE FORMS

You may file your Maryland income tax return on a computer-prepared or computer-generated substitute form provided the form is approved in advance by the Revenue Administration Division. The fact that a software package is available for retail purchase does not guarantee that it has been approved for use.

For additional information or to see a list of Approved Software Vendors for Maryland Substitute Tax Forms, go to our Web site at www.marylandtaxes.gov.

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.

1 DO I HAVE TO FILE?

This booklet and forms are for residents of Maryland. In general, you must file a Maryland return if you are or were a resident of Maryland AND you are required to file a federal return. Information in this section will allow you to determine if you must file a return and pay taxes as a resident of Maryland. If you are not a resident but had Maryland tax withheld or had income from sources in Maryland, you must use Form 505 or 515, Nonresident Tax return.

WHO IS A RESIDENT?

You are a resident of Maryland if:

- a. Your permanent home is or was in Maryland (the law refers to this as your domicile).

OR

- b. Your permanent home is outside of Maryland, but you maintained a place of abode (a place to live) in Maryland for more than six months of the tax year. If this applies to you and you were physically present in the state for 183 days or more, you must file a full-year resident return.

PART-YEAR RESIDENTS

If you began or ended residence in Maryland during the tax year, you must file a Maryland resident income tax return. See Instruction 26.

MILITARY AND OTHERS WORKING OUTSIDE OF MARYLAND

Military and other individuals whose domicile is in Maryland, but who are stationed or work outside of Maryland, including overseas, retain their Maryland legal residence. Maryland residence is not lost because of duty assignments outside of the State; see Administrative Release 37. Military personnel and their spouses should see Instruction 29.

TO DETERMINE IF YOU ARE REQUIRED TO FILE A MARYLAND RETURN

- a. Add up all of your federal gross income to determine your total federal income. Gross income is defined in the Internal Revenue Code and, in general, consists of all income regardless of source. It includes wages and other compensation for services, gross income derived from business, gains (not losses) derived from dealings in property, interest, rents, royalties, dividends, alimony, annuities, pensions, income from partnerships or fiduciaries, etc. If modifications or deductions reduce your gross income below the minimum filing level, you are still required to file. IRS Publication 525 provides additional information on taxable and nontaxable 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 periods of nonresidence. See Instruction 12. **This is your Maryland gross income.**

MINIMUM FILING LEVELS TABLES

TABLE 1 MINIMUM FILING LEVELS FOR TAXPAYERS UNDER 65	TABLE 2 MINIMUM FILING LEVELS FOR TAXPAYERS 65 OR OVER
Single person (including dependent taxpayers)	Single, age 65 or over
Joint Return	Joint Return, one spouse, age 65 or over
Married persons filing separately	Joint Return, both spouses, age 65 or over
Head of Household	Married filing separately, age 65 or over
Qualifying widow(er)	Head of Household, age 65 or over
	Qualifying widow(er), age 65 or over

- d. If you are a dependent taxpayer, add to your total federal income any Maryland additions and subtract any Maryland subtractions. See Instructions 12 and 13. **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 the MINIMUM FILING LEVEL TABLE 1.
- f. If you or your spouse is 65 or over, use the MINIMUM FILING LEVEL TABLE 2.

IF YOU ARE NOT REQUIRED TO FILE A MARYLAND RETURN BUT HAD MARYLAND TAXES WITHHELD

To get a refund of Maryland income taxes withheld, you must file a Maryland return.

Taxpayers who are filing for refund only should complete all of the information at the top of Form 502 and the following lines:

- 1-16
- 22*, 29*
- 35-44
- 46, 48

*Enter a zero unless you claim an earned income credit on your federal return.

Sign the form and attach withholding statements (all W-2 and 1099 forms) showing Maryland and local tax withheld equal to the withholding you are claiming. Your form is then complete.

2 USE OF FEDERAL RETURN.

First complete your 2017 federal income tax return.

You will need information from your federal return to complete your Maryland return. Complete your federal return before you continue beyond this point. Maryland law requires that your income and deductions be entered on your Maryland return exactly as they were reported on your federal return. If you use federal Form 1040NR, visit our Web page at <http://www.marylandtaxes.gov/QR/19.asp> for further information. All items reported on your Maryland return are subject to verification, audit and revision by the Maryland State Comptroller's Office.

3 FORM 502.

Form 503 is no longer available.

All taxpayers must use Form 502.

Note: You must file Form 502 electronically if you are claiming **business income tax credits** on Form 500CR.

4 NAME AND ADDRESS.

Print using blue or black ink.

Enter your name exactly as entered on your federal tax return. If you changed your name because of marriage, divorce, etc., be sure to report the change to the Social Security Administration before filing your return. This will prevent delays in the processing of your return.

Enter your current address using the spaces provided. On Current Mailing Address Line 1, enter the street number and street name of your current address. If using a PO Box address, enter "PO Box" and the PO Box number on Current Mailing Address Line 1. On Current Mailing Address Line 2, if applicable, enter the floor, suite, or apartment number for your current mailing address. If using a PO Box address, leave Current Mailing Address Line 2 blank.

Enter City or Town, State and ZIP Code. **If using a foreign address, enter the city or town and state or province and ZIP Code or postal code on the Current Mailing Address Line 2. Enter the name of the country on the "City or Town" line. Leave the "State" line and "ZIP Code" line blank.**

5 SOCIAL SECURITY NUMBER(S) (SSN).

It is important that you enter each Social Security Number in the space provided. You must enter each SSN legibly because we validate each number. If not correct and legible, it will affect the processing of your return.

The Social Security Number(s) (SSN) must be a valid number issued by the Social Security Administration of the United States Government. If you or 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 and you should wait until you have received it before you file; and 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.

A valid SSN or ITIN is required for any claim or 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 Taxpayer Identification Number (ATIN) for 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**, on one of the code number lines located to the right of the telephone number area on page 3 of the form; attach a copy of the child's death certificate to your return.

6 POLITICAL SUBDIVISION INFORMATION (REQUIRED).

Fill in the lines for your physical address, including political subdivision lines, based on your residence on the last day of the taxable period. Part-year residents fill in the lines for your physical address, including political subdivision lines, based on your last day of residence in Maryland in the taxable period. Military personnel who are legal residents of Maryland should fill in the lines for your physical address, including political subdivision lines, based on the physical address that is used for claiming Maryland as your Home of Record on file with the Defense Finance and Accounting Service for tax year 2017.

1. Find your 4 Digit Political Subdivision Code in the LIST OF INCORPORATED CITIES, TOWNS AND TAXING AREAS IN MARYLAND and enter this number on the 4 DIGIT POLITICAL SUBDIVISION CODE line.



When selecting the 4 Digit Political Subdivision Code, be sure that you have selected the proper political subdivision from the LIST OF INCORPORATED CITIES, TOWNS AND TAXING AREAS IN MARYLAND. Do not rely on your ZIP Code to identify the proper political subdivision. For example, most residents within the ZIP Code of Upper Marlboro do not reside in the political subdivision of the Town of Upper Marlboro. Therefore, entering the Town of Upper Marlboro on the 4 DIGIT POLITICAL SUBDIVISION CODE line for those with a ZIP Code in Upper Marlboro may not be correct. Also, some political subdivisions have similar names such as Bel Air in Allegany County and Town of Bel Air in Harford County or Town of Chevy Chase and Town of Chevy Chase View. You may contact your county seat for further information relating to the incorporated boundaries of incorporated cities, towns and taxing areas in your county.

2. If you lived within the incorporated tax boundaries of one of the areas listed under your county as found in the LIST OF INCORPORATED CITIES, TOWNS AND TAXING AREAS IN MARYLAND, write the name of the city, town or taxing area on the MARYLAND POLITICAL SUBDIVISION line. If you did not live within the incorporated tax boundaries of one of the areas listed under your county as found in the LIST OF INCORPORATED CITIES, TOWNS AND TAXING AREAS IN

MARYLAND, write the name of your county on the MARYLAND POLITICAL SUBDIVISION line. If you lived in Baltimore City, enter "Baltimore City" on the MARYLAND POLITICAL SUBDIVISION line.

3. Enter your street number and street name on PHYSICAL STREET ADDRESS LINE 1. DO NOT ENTER A PO BOX NUMBER.
4. If applicable, enter the floor, suite, or apartment number on PHYSICAL STREET ADDRESS LINE 2. DO NOT ENTER A PO BOX NUMBER.
5. Enter the city or town in which you resided on the CITY line.
6. Enter the ZIP Code in which you resided on the ZIP Code line.
7. Enter the name of your county on the MARYLAND COUNTY line. If you lived in Baltimore City, leave the MARYLAND COUNTY line blank.

7 FILING STATUS.

Use the FILING STATUS chart to determine your filing status. Check the correct FILING STATUS box on the return.

8 SPECIAL INSTRUCTIONS FOR MARRIED PERSONS FILING SEPARATELY.

If you and your spouse file a joint federal return but are filing separate Maryland returns according to Instruction 7, follow the instructions below.

If you and your spouse file a joint federal return but are filing separate Maryland returns according to Instruction 7, you should report the income you would have reported had you filed a separate federal return. The income from jointly held securities, property, etc., must be divided evenly between spouses.

If you itemized your deductions on the joint federal return, one spouse may use the standard deduction and the other spouse may claim those deductions on the federal return that are "attributable exclusively" to that spouse, plus a prorated amount of the remaining deductions. If it is not possible to determine these deductions, the deduction must be allocated proportionately based on your share of the income.

"Attributable exclusively" means that the individual is solely responsible for the payment of an expense claimed as an itemized deduction, including compliance with a valid court order or separation agreement; or the individual jointly responsible for the payment of an expense claimed as an itemized deduction can demonstrate payment of the full amount of the deduction with funds that are not attributable in whole or in part, to the other jointly responsible individual.

If both spouses choose to itemize on their separate Maryland returns, then each spouse must determine which deductions are

LIST OF INCORPORATED CITIES, TOWNS AND TAXING AREAS IN MARYLAND

Political Subdivision Code	Political Subdivision Code	Political Subdivision Code	Political Subdivision Code	Political Subdivision Code
ALLEGANY COUNTY 0100	Town of Sykesville0705	Town of Grantsville1205	City of Rockville1609	Town of Sudlersville1804
City of Barton0101	City of Taneytown0706	Town of Kitzmiller1206	Town of Somerset1610	Town of Templeville1806
Bel Air0112	Town of Union Bridge . . .0707	Town of Loch Lynn Heights1207	City of Takoma Park1611	ST. MARY'S COUNTY 1900
Bowling Green0115	City of Westminster0709	Town of Mountain Lake Park1208	Town of Washington Grove1612	Town of Leonardtown . . .1902
Cresaptown0108	CECIL COUNTY 0800	Town of Oakland1209	PRINCE GEORGE'S COUNTY 1700	SOMERSET COUNTY 2000
City of Cumberland0102	Town of Cecilton0801	HARFORD COUNTY 1300	Town of Berwyn Heights1701	Town of Crisfield2001
Ellerslie0113	Town of Charlestown . . .0802	City of Aberdeen1301	Town of Bladensburg . . .1702	Town of Princess Anne . .2002
City of Frostburg0103	Town of Chesapeake City0803	Town of Bel Air1302	City of Bowie1704	TALBOT COUNTY 2100
La Vale0110	Town of Elkton0804	City of Havre de Grace1303	Town of Brentwood1705	Town of Easton2101
Town of Lonaconing . . .0104	Town of North East . . .0805	HOWARD COUNTY 1400	Town of Capitol Heights1706	Town of Oxford2102
Town of Luke0105	Town of Perryville0806	(No incorporated cities or towns)	Town of Cheverly1707	Town of Queen Anne . . .2105
McCoolesville0114	Town of Port Deposit . . .0807	KENT COUNTY 1500	City of College Park . . .1725	Town of St. Michael's . . .2103
Town of Midland0106	Town of Rising Sun . . .0808	Town of Betterton1501	Town of Colmar Manor . .1708	Town of Trappe2104
Mt. Savage0111	CHARLES COUNTY 0900	Town of Chestertown . . .1502	Town of Cottage City . . .1709	WASHINGTON COUNTY 2200
Potomac Park0109	Town of Indian Head . . .0901	Town of Galena1503	Town of District Heights . .1710	Town of Boonsboro2201
Town of Westernport . . .0107	Town of Annapolis0201	Town of Millington1504	Town of Eagle Harbor . . .1711	Corporation of Clearspring2202
ANNE ARUNDEL COUNTY 0200	Village of Port Tobacco . .0903	Town of Rock Hall1505	Town of Fairmount Heights1713	Town of Funkstown2203
City of Annapolis0201	DORCHESTER COUNTY 1000	MONTGOMERY COUNTY 1600	Town of Forest Heights1728	City of Hagerstown2204
Town of Highland Beach0203	Town of Brookview1008	Town of Barnesville . . .1601	Town of Glenarden1730	Town of Hancock2205
BALTIMORE COUNTY 0300	City of Cambridge1001	Town of Brookeville . . .1602	City of Greenbelt1714	Corporation of Keedysville2206
(No incorporated cities or towns)	Town of Church Creek . .1002	Town of Chevy Chase . .1615	City of Hyattsville1715	Town of Sharpsburg2207
BALTIMORE CITY 0400	Town of East New Market1003	Village of Chevy Chase, Sec. 31614	Town of Landover Hills1726	Town of Smithsburg2208
CALVERT COUNTY 0500	Town of Eldorado1007	Village of Chevy Chase, Sec. 51616	City of Laurel1716	Town of Williamsport . . .2209
Town of Chesapeake Beach0501	Town of Galestown1009	Town of Chevy Chase View1617	Town of Morningside . . .1727	WICOMICO COUNTY 2300
Town of North Beach . . .0502	Town of Hurlock1004	Town of Chevy Chase Village1613	City of Mt. Rainier1717	Town of Delmar2301
CAROLINE COUNTY 0600	Town of Secretary1005	Village of Drummond . .1623	City of New Carrollton . .1729	City of Fruitland2308
Town of Denton0602	Town of Vienna1006	Village of Friendship Heights1621	Town of North Brentwood1718	Town of Hebron2302
Town of Federalsburg . .0603	FREDERICK COUNTY 1100	City of Gaithersburg . . .1603	Town of Riverdale Park1720	Town of Maryland Springs2303
Town of Goldsboro0604	City of Brunswick1101	Town of Glen Echo1605	City of Seat Pleasant . . .1721	Town of Pittsville2307
Town of Greensboro . . .0605	Town of Burkittsville . . .1102	Town of Kensington . . .1606	Town of University Park1723	City of Salisbury2304
Town of Henderson0611	Town of Emmitsburg . . .1103	Town of Laytonsville . . .1607	Town of Upper Marlboro1724	Town of Sharptown2305
Town of Hillsboro0606	City of Frederick1104	Village of Martin's Additions1622	QUEEN ANNE'S COUNTY 1800	Town of Willards2306
Town of Maryland0607	Town of Middletown . . .1106	Village of North Chevy Chase1618	Town of Barclay1805	WORCESTER COUNTY 2400
Town of Preston0608	Town of Mt. Airy1114	Town of Oakmont1619	Town of Centreville . . .1801	Town of Berlin2401
Town of Ridgely0609	Town of Myersville . . .1107	Town of Poolesville . . .1608	Town of Church Hill . . .1802	Town of Ocean City2402
Town of Templeville . . .0610	Town of New Market . . .1108	CARROLL COUNTY 0700	Town of Millington1808	City of Pocomoke City . .2403
Town of Denton0602	Village of Rosemont . . .1113	Town of Hampstead . . .0701	Town of Queen Anne . . .1807	Town of Snow Hill2404
Town of Federalsburg . .0603	Town of Thurmont1110	Town of Manchester . . .0702	Town of Queenstown . . .1803	
Town of Goldsboro0604	Town of Walkersville . .1111	Town of Mt. Airy0703		
Town of Greensboro . . .0605	Town of Woodsboro . . .1112	Town of New Windsor . .0704		
Town of Henderson0611	GARRETT COUNTY 1200			
Town of Hillsboro0606	Town of Accident1201			
Town of Maryland0607	Town of Deer Park1203			
Town of Preston0608	Town of Friendsville . . .1204			
Town of Ridgely0609				
Town of Templeville . . .0610				

attributable exclusively to him or her and prorate the remaining deductions using the Maryland Income Factor. See Instruction 26(k). If it is not possible to determine deductions in this manner, they must be allocated proportionately based on their respective shares of the income. The total amount of itemized deductions for both spouses cannot exceed the itemized deductions on the federal return.

If you choose to use the standard deduction method, use STANDARD DEDUCTION WORKSHEET (16A) in Instruction 16. Each spouse must claim his or her own personal exemption. Each spouse may allocate the dependent exemptions in any manner they choose. The total number of exemptions claimed on the separate returns may not exceed the total number of exemptions claimed on the federal return except for the additional exemptions for being 65 or over or blind.

Complete the remainder of the form using the instructions for each line. Each spouse should claim his or her own withholding and other credits. Joint estimated tax paid may be divided between the spouses in any manner provided the total claimed does not exceed the total estimated tax paid.

9 PART-YEAR RESIDENTS.

If you began or ended legal residence in Maryland in 2017 go to Instruction 26.

Military taxpayers. If you have non-Maryland military income, see Administrative Release 1.

10 EXEMPTIONS.

Determine what exemptions you are entitled to and complete the EXEMPTIONS area on Form 502. Form 502B must be completed and attached to Form 502 if you are claiming one or more dependents.

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 exemptions still apply to you. Refer to the federal income tax instructions for further information.

The amount of your Maryland exemption may be limited by the amount of your federal adjusted gross income. See Exemption Amount Chart (10A).

FILING STATUS

	If you are:	Check the box for:	Additional Information
SINGLE PERSON (Single on the last day of the tax year.)	Any person who can be claimed as a dependent on his or her parent's (or any other person's) federal return	Dependent taxpayer Filing Status 6	Single Dependent taxpayers, regardless of whether income is earned or unearned, are not required to file a Maryland income tax return unless the gross income including Maryland additions and subtractions is \$10,400 or more. See Instruction 1 if you are due a refund. You do not get an exemption for yourself. Put a zero in Exemption Box A.
	Any person who filed as a head of household on his or her federal return	Head of household Filing Status 4	
	A qualifying widow(er) with dependent child who filed a federal return with this status	Qualifying widow(er) with dependent child Filing Status 5	
	All other single persons	Single Filing Status 1	If your spouse died during the year AND you filed a joint federal return with your deceased spouse, you may still file a joint Maryland return.
MARRIED PERSONS (Married on the last day of the tax year.)	Any person who can be claimed as a dependent on his or her parent's (or any other person's) federal return	Dependent taxpayer Filing Status 6	You do not get an exemption for yourself. Put a zero in Exemption Box A. You and your spouse must file separate returns.
	Any person who filed as a head of household on his or her federal return	Head of household Filing Status 4	
	Married couples who filed separate federal returns	Married filing separately Filing Status 3	Each taxpayer must show his or her spouse's Social Security Number in the blank next to the filing status box.
	Married couples who filed joint federal returns but had different tax periods	Joint return Filing Status 2 or Married filing separately Filing Status 3	If you are not certain which filing status to use, figure your tax both ways to determine which status is best for you. See Instructions 8 and 26(g) through (p).
	Married couples who filed joint federal returns but were domiciled in different counties, cities, towns or taxing areas on the last day of the year	Joint return Filing Status 2 or Married filing separately Filing Status 3	If you are filing separately, see Instruction 8. If you are filing a joint return see SPECIAL NOTE in Instruction 19.
	Married couples who filed joint federal returns but were domiciled in different states on the last day of the year		If you are filing separately, see Instruction 8. If you are filing a joint return, you must attach a pro forma Form 505 and 505NR. See Administrative Releases 1 & 3.
All other married couples who filed joint federal returns	Joint return Filing Status 2		

EXEMPTION AMOUNT CHART (10A)

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 13, line 13, 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

Total the exemption amount on the front of Form 502 to determine the total exemption allowance to subtract on line 19 of Form 502.

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 claimed is 65 or over, you also receive an extra exemption of up to \$3,200. Make sure you check both boxes (4) and (5) of the Dependent Form 502B for each of your dependents who are age 65 or over.

Enter the number of exemptions in the appropriate boxes based upon your entries in parts A, B, and C of the exemption area of the form. Enter the total number of exemptions in Part D. **The number of exemptions for Part C is from Total Dependent Exemptions, Line 3 of Form 502B.**

PART-YEAR RESIDENTS AND MILITARY

You must prorate your exemptions based on the percentage of income subject to Maryland tax. See Instruction 26 and Administrative Release 1.

11 INCOME.

Line 1. Copy the figure for federal adjusted gross income from your federal return onto line 1 of Form 502.

Line 1a. Copy the total of your wages, salaries and tips from your federal return onto line 1a of Form 502. Use the chart below to find the figures that you need. If you and your spouse file a joint federal return but are filing separate Maryland returns, see Instruction 8.

To Maryland Form	From Federal Form		
502	1040	1040A	1040EZ
line 1	line 37	line 21	line 4
line 1a	line 7	line 7	line 1
line 1b	See below.	line 7	line 1

Line 1b. If you are claiming a federal earned income credit (EIC), or poverty level credit (PLC), enter the earned income you used to calculate your credit. 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 your federal AGI.

Line 1c. Enter on line 1c the amount of capital gains and losses reported as income on line 13 on your federal Form 1040.

Line 1d. Enter on line 1d the total amount of pension, IRA, and annuities reported as income on lines 15b and 16b of your federal Form 1040, or lines 11b and 12b of your federal Form 1040A. **As required by House Bill 1148 (Chapter 648) of the 2016 Session of the General Assembly, taxpayers with an entry on line 1d must complete and attach Form 502R. See the Form 502R for additional information.**

Line 1e. Place a "Y" in the box if the amount of your investment income is more than \$3,450. You DO NOT qualify for the earned income tax credit. Investment income generally includes, but is not limited to, interest, dividends, capital gains, and other types of distributions including mutual fund distributions.

12 ADDITIONS TO INCOME.

Determine which additions to income apply to you. Write the correct amounts on lines 2-5 of Form 502. Instructions for each line:

Line 2. TAX EXEMPT STATE OR LOCAL BOND INTEREST. Enter the interest from **non-Maryland** state or local bonds or other obligations (less related expenses). This includes interest from mutual funds that invest in **non-Maryland** state or local obligations. Interest earned on obligations of Maryland or any Maryland subdivision is exempt from Maryland tax and should not be entered on this line.

Line 3. STATE RETIREMENT PICKUP. Pickup contributions of a State retirement or pension system member. The pickup amount will be stated separately on your W-2 form. The tax on this portion of your wages is deferred for federal but not for state purposes.

Line 4. LUMP SUM DISTRIBUTION FROM A QUALIFIED RETIREMENT PLAN. If you received such a distribution, you will receive a Form 1099R showing the amounts distributed. You must report part of the lump sum distribution as an addition to income if you file federal Form 4972.

Use the LUMP SUM DISTRIBUTION WORKSHEET (12A) to determine the amount of your addition.

LUMP SUM DISTRIBUTION WORKSHEET (12A)

1. Ordinary income portion of distribution from Form 1099R reported on federal Form 4972 (taxable amount less capital gain amount) \$ _____
2. 40% of capital gain portion of distribution from Form 1099R \$ _____
3. Add lines 1 and 2. \$ _____
4. Enter minimum distribution allowance from Form 4972 \$ _____
5. Subtract line 4 from line 3. This is your addition to income for your lump sum distribution. Enter on Form 502, line 4. If this amount is less than zero, enter zero \$ _____


Note: If you were able to deduct the death benefit exclusion on Form 4972, allocate that exclusion between the ordinary and capital gain portions of your distribution in the same ratio before completing this schedule.

Line 5. OTHER ADDITIONS TO INCOME. If one or more of these apply to you, enter the total amount on line 5 and identify each item using the code letter:

CODE LETTER

- a. Part-year residents: losses or adjustments to federal income that were realized or paid when you were a nonresident of Maryland.
- b. Net additions to income from pass-through entities not attributable to decoupling.
- c. Net additions to income from a trust as reported by the fiduciary.
- d. S corporation taxes included on lines 13 and 14 of Maryland Form 502CR, Part A, Tax Credits for Income Taxes Paid to Other States and Localities. (See instructions for Part A of Form 502CR.)
- e. Total amount of credit(s) claimed in the current tax year to the extent allowed on Form 500CR for the following Business Tax Credits: Enterprise Zone Tax Credit, Maryland Disability Employment Tax Credit, Small Business Research & Development Tax Credit, Maryland Employer Security Clearance Costs Tax Credit (do not include Small Business First-Year Leasing Costs Tax Credit), and Cellulosic Ethanol Technology Research and Development Tax Credit. In addition, include any amount deducted as a donation to the extent that the amount of the donation is included in an application for the Endow Maryland Tax Credit on Form 500CR or 502CR.
- f. Oil percentage depletion allowance claimed under IRC Section 613.
- g. Income exempt from federal tax by federal law or treaty that is not exempt from Maryland tax.
- h. Net operating loss deduction to the extent of a double benefit. See Administrative Release 18 at www.marylandtaxes.gov.
- i. Taxable tax preference items from line 5 of Maryland Form 502TP. The items of tax preference are defined in IRC Section 57. If the **total** of your tax preference items is more than \$10,000 (\$20,000 for married taxpayers filing joint returns) you must complete and attach Maryland Form 502TP, whether or not you are required to file federal Form

- 6251 (Alternative Minimum Tax) with your federal Form 1040.
- j. Amount deducted for federal income tax purposes for expenses attributable to operating a family day care home or a child care center in Maryland without having the registration or license required by the Family Law Article.
 - k. Any refunds of advanced tuition payments made under the Maryland Prepaid College Trust, to the extent the payments were subtracted from federal adjusted gross income and were not used for qualified higher education expenses, and any refunds of contributions made under the Maryland College Investment Plan or the Maryland Broker-Dealer College Investment Plan, to the extent the contributions were subtracted from federal adjusted gross income and were not used for qualified higher education expenses. See Administrative Release 32.
 - l. Net addition modification to Maryland taxable income when claiming the federal depreciation allowances from which the State of Maryland has decoupled. Complete and attach Form 500DM. See Administrative Release 38.
 - m. Net addition modification to Maryland taxable income when the federal special 5-year carryback period was used for a net operating loss under federal law compared to Maryland taxable income without regard to federal provisions. Complete and attach Form 500DM. See Administrative Release 38.
 - n. Amount deducted on your federal income tax return for domestic production activities (line 35 of federal Form 1040).
 - o. Amount deducted on your federal income tax return for tuition and related expenses. Do not include adjustments to income for Educator Expenses or Student Loan Interest deduction.
 - p. Any refunds received by an ABLE account contributor under the Maryland ABLE Program or any distribution received by an ABLE account holder, to the extent the distribution was not used for the benefit of the designated beneficiary for qualified disability expense, that were subtracted from federal adjusted gross income.

- q.  If you sold or exchanged a property for which you claimed a subtraction modification under Senate Bill 367 (Chapter 231, Acts of 2017) or Senate Bill 580/House Bill 600 (Chapter 544 and Chapter 545, Acts of 2012), enter the amount of the difference between your federal adjusted gross income as reportable under the federal Mortgage Forgiveness Debt Relief Act of 2007 and your federal adjusted gross income as claimed in the taxable year.
- cd. Net addition modification to Maryland taxable income resulting from the federal deferral of income arising from business indebtedness discharged by reacquisition of a debt instrument. See Form 500DM and Administrative Release 38.
- dm. Net addition modification from multiple decoupling provisions. See the table at the bottom of Form 500DM for the line numbers and code letters to use.
- dp. Net addition decoupling modification from a pass-through entity. See Form 500DM.

13 SUBTRACTIONS FROM INCOME.

Determine which subtractions from income apply to you. Write the correct amounts on lines 8–14 of Form 502. Instructions for each line:

Line 8. STATE TAX REFUNDS. Copy onto line 8 the amount of refunds of state or local income tax included in line 1 of Form 502.

Line 9. 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 onto line 9 the amount from line 6 of federal Form 2441. You may also be entitled to a credit for these taxable expenses. See instructions for Part B of Form 502CR.

Line 10. PENSION EXCLUSION. You may be able to subtract some of your taxable pension and retirement annuity income. This subtraction applies only if:

- a. You were 65 or over **or** totally disabled, or your spouse was

PENSION EXCLUSION COMPUTATION WORKSHEET (13A)

Review carefully the age and disability requirements in the instructions before completing this worksheet.

	You	Spouse
1. Qualifying pension and retirement annuity included in your federal adjusted gross income (Do not include Social Security or Railroad Retirement).		
2. Maximum allowable exclusion.	\$29,900	\$29,900
3. Total benefits you received from Social Security and/or Railroad Retirement (Tier I and Tier II)		
4. Tentative exclusion (Subtract line 3 from line 2.) (If less than 0, enter 0.).		
5. Pension Exclusion (Enter the smaller of line 1 or 4 here and on line 10, Form 502.) If you and your spouse both qualify for the pension exclusion, combine your allowable exclusions and enter the total amount on line 10, Form 502.		

SPECIFIC INSTRUCTIONS

NOTE: When both you and your spouse qualify for the pension exclusion, a separate column must be completed for each spouse.

Line 1. Enter your qualifying pension and retirement annuity included in your federal adjusted gross income. **Do not include any amount subtracted for military retirement income. See code letter u in Instruction 13. Do not include Social Security and/or Railroad Retirement income on this line.**

Line 2. The maximum allowable exclusion is \$29,900.

Line 3. Enter your total Social Security and/or Railroad Retirement benefits. Include all Social Security and/or Railroad Retirement benefits whether or not you included any portion of these amounts in your federal adjusted gross income. Include both Tier I and Tier II Railroad Retirement benefits. If you are filing a joint return and both spouses received Social Security and/or Railroad Retirement benefits but only one spouse received a pension, enter only the Social Security and/or Railroad Retirement benefits of the spouse receiving the pension on the worksheet. If your total Social Security and/or Railroad Retirement income is greater than the Maximum Pension Exclusion \$29,900, the pension exclusion will be zero (0).

Line 4. Subtract line 3 from line 2 to determine your tentative exclusion.

Line 5. Your pension exclusion is the smaller of your net taxable pension (line 1) or the tentative exclusion (line 4). Enter the smaller amount on this line.

totally disabled, on the last day of the tax year, AND

- b. You included on your federal return taxable income received as a pension, annuity or endowment from an "employee retirement system" qualified under Sections 401(a), 403 or 457(b) of the Internal Revenue Code. [A traditional IRA, a Roth IRA, a simplified employee plan (SEP), a Keogh plan, an ineligible deferred compensation plan or foreign retirement income does not qualify.]

Each spouse who receives taxable pension or annuity income and is 65 or over or totally disabled may be entitled to this exclusion. In addition, if you receive taxable pension or annuity income but you are not 65 or totally disabled, you may be entitled to this exclusion if your spouse is totally disabled. Complete a separate column in the PENSION EXCLUSION COMPUTATION WORKSHEET (13A) for each spouse. Combine your allowable exclusion and enter the total amount on line 10, Form 502.

To be considered totally disabled, you must have a mental or physical impairment which prevents you from engaging in substantial gainful activity. You must expect the impairment to be of long, continued or indefinite duration or to result in your death. You must attach to your return a certification from a qualified physician stating the nature of your impairment and that you are totally disabled. If you have previously submitted a physician's certification, attach your own statement that you are still totally disabled and that a physician's certification was submitted before.

If you are a part-year resident, complete PENSION EXCLUSION COMPUTATION WORKSHEET (13A) using total taxable pension and total Social Security and railroad retirement benefits as if you were a full-year resident. Prorate the amount on line 5 by the number of months of Maryland residence divided by 12.

However, if you began to receive your pension during the tax year you became a Maryland resident, use a proration factor of the number of months you were a resident divided by the number of months the pension was received.

For example, Pat Taxpayer moved to Maryland on March 1. If he started to receive his pension on March 1, he would prorate the pension exclusion by 10/10, which would mean he would be entitled to the full pension exclusion. However, if he began to receive his pension on February 1, Pat would prorate his pension by 10/11. Please note that, in either case, the proration factor may not exceed 1.

Complete the PENSION EXCLUSION COMPUTATION WORKSHEET (13A). Copy the amount from line 5 of the worksheet onto line 10 of Form 502.

Note: You must complete and attach Form 502R to the Form 502 if you or your spouse are claiming a pension exclusion on line 10 of the Maryland Form 502. See the Form 502R for additional information.

Line 11. FEDERALLY TAXED SOCIAL SECURITY AND RAILROAD RETIREMENT BENEFITS. If you included in your federal adjusted gross income Social Security, Tier I, Tier II and/or supplemental railroad retirement benefits, then you must include the total amount of such benefits on line 11. Social Security and railroad retirement benefits are exempt from state tax.

Note: You must complete and attach Form 502R to the Form 502 if you or your spouse received any income during the tax year (taxable or nontaxable) from Social Security or Railroad Retirement (Tier I or Tier II). See the Form 502R for additional information.

Line 12. NONRESIDENT INCOME. If you began or ended your residence in Maryland during the year, you may subtract the portion of your income received when you were not a resident of Maryland. See Instruction 26 for part-year residents and Administrative Release 1 for military personnel.

If your state of residence or your period of Maryland residence was not the same as that of your spouse and you filed a joint return, follow Instruction 26 (c) through (p).

Line 13. SUBTRACTIONS FROM INCOME ON FORM 502SU. Other certain subtractions for which you may qualify will be

reported on Form 502SU. Determine which subtractions apply to you and enter the amount for each on Form 502SU. Enter the sum of all applicable subtractions from Form 502SU on line 13 of Form 502, and enter the code letters that represent the four highest dollar amounts in the code letter lines. If multiple subtractions apply, be sure to identify all of them on Form 502SU and attach it to your Form 502.

Note: If only one of these subtractions applies to you, enter the amount and the code letter on line 13 of Form 502; then the use of Form 502SU may be optional.

▼ **CODE LETTER**


- a. Payments from a pension system to firemen and policemen for job related injuries or disabilities (but not more than the amount of such payments included in your total income).
- b. Net allowable subtractions from income from pass-through entities, not attributable to decoupling.
- c. Net subtractions from income reported by a fiduciary.
- d. Distributions of accumulated income by a fiduciary, if income tax has been paid by the fiduciary to the State (but not more than the amount of such income included in your total income).
- e. Profit (without regard to losses) from the sale or exchange of bonds issued by the State or local governments of Maryland.
- f. Benefits received from a Keogh plan on which State income tax was paid prior to 1967. Attach statement.
- g. Amount of wages and salaries disallowed as a deduction due to the work opportunity credit allowed under the Internal Revenue Code Section 51.
- 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.
- i. Expenses incurred for reforestation or timber stand improvement of commercial forest land. Qualifications and instructions are on Form DNR393, available from the Department of Natural Resources, telephone 410-260-8531.
- j. Amount added to taxable income for the use of an official vehicle by a member of a state, county or local police or fire department. The amount is stated separately on your W-2 form.
- k. Up to \$6,000 in expenses incurred by parents to adopt a child with special needs through a public or nonprofit adoption agency and up to \$5,000 in expenses incurred by parents to adopt a child without special needs.
- l. Purchase and installation costs of certain enhanced agricultural management equipment as certified by the Maryland Department of Agriculture. Attach a copy of the certification.
- m. Deductible artist's contribution. Attach Maryland Form 502AC.
- n. Payment received under a fire, rescue, or ambulance personnel length of service award program that is funded by any county or municipal corporation of the State.
- o. Value of farm products you donated to a gleaning cooperative as certified by the Maryland Department of Agriculture. Attach a copy of the certification.
- p. Up to \$15,000 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 and which is attributable to service outside the boundaries of the U.S. or its possessions. To compute the subtraction, follow the directions on the MILITARY OVERSEAS INCOME WORKSHEET (13B). If your total military pay exceeds \$30,000, you do not qualify for the subtraction.

MILITARY OVERSEAS INCOME WORKSHEET (13B)

When both you and your spouse qualify for this military subtraction, complete separate computations for each spouse.

1. ENTER the amount of military pay included in your federal adjusted gross income attributable to service outside the U.S. If greater than \$15,000, enter \$15,000 \$ _____
 2. ENTER total military pay received during the tax year \$ _____
 3. Maximum subtraction \$ **15,000**
 4. SUBTRACT the amount on line 3 from line 2. If this amount is less than zero (0), enter zero (0) \$ _____
 5. SUBTRACT line 4 from line 1. This is your subtraction from income. If the amount is zero (0) or less, you are not eligible for this subtraction. INCLUDE this amount on line p of Form 502SU \$ _____
- q. Unreimbursed vehicle travel expenses for:
 1. A volunteer fire company;
 2. Service as a volunteer for a charitable organization whose principal purpose is to provide medical, health or nutritional care; AND
 3. Assistance (other than providing transportation to and from the school) for handicapped students at a Maryland community college. Attach Maryland Form 502V.
 - r. Amount of pickup contribution shown on Form 1099R from the state retirement or pension systems included in federal adjusted gross income. The subtraction is limited to the amount of pickup contribution stated on the 1099R or the taxable pension, whichever is less. Any amount not allowed to be claimed on the current year return may be carried forward to the next year until the full amount of the State pickup contribution has been claimed.
 - s. Amount of interest and dividend income (including capital gain distributions) of a dependent child which the parent has elected to include in the parent's federal gross income under Internal Revenue Code Section 1(g)(7).
 - t. Payments received from the State of Maryland under Title 12 Subtitle 2 of the Real Property Article (relocation and assistance payments).
 - u. Up to \$5,000 of military retirement income received by a qualifying individual during the tax year if the taxpayer has not yet attained the age of 65; or up to \$10,000 of military retirement income received by a qualifying individual if the taxpayer is age 65 or over. To qualify, you must have been a member of an active or reserve component of the armed forces of the United States, an active duty member of the commissioned corps of the Public Health Service, the National Oceanic and Atmospheric Administration, the Coast and Geodetic Survey, a member of the Maryland National Guard, or the member's surviving spouse or ex-spouse.
 - va. The Honorable Louis L. Goldstein Volunteer Fire, Rescue and Emergency Medical Services Personnel Subtraction Modification Program. \$4,500 for each taxpayer who is a qualifying volunteer as certified by a Maryland fire, rescue or emergency medical services organization. \$4,500 for each taxpayer who is a qualifying member of the U.S. Coast Guard Auxiliary, Maryland Defense Force or Maryland Civil Air Patrol as certified by these organizations. Attach a copy of the certification.
 - vb. The Honorable Louis L. Goldstein Volunteer Police Personnel Subtraction Modification Program. \$4,500 for each taxpayer who is a qualifying police auxiliary or reserve volunteer as certified by a bona fide Maryland police agency. Attach a copy of the certification.
 - w. Up to \$1,500 of unreimbursed expenses that a foster parent incurs on behalf of a foster child. The foster parent must be approved by a local department to provide 24-hour care for a foster child in the house where the foster parent resides. A treatment foster parent licensed by a child placement agency may not claim the subtraction modification. Foster

parent includes a kinship parent. The expenses must be approved as necessary by the local department of social services or the Montgomery County Department of Health and Human Services and may not include an expense for which the foster parent receives an allowance or reimbursement from any public or private agency.


- xa. Up to \$2,500 per contract purchased for advanced tuition payments made to the Maryland Prepaid College Trust. See Administrative Release 32.
- xb. Up to \$2,500 per contributor per beneficiary of the total of all amounts contributed to investment accounts under the Maryland College Investment Plan and Maryland Broker-Dealer College Investment Plan. This subtraction modification may not be claimed if the account holder received a State contribution under § 18-19A-04.1 of the Education Article during the taxable year.
- xc. Any amount included in federal adjusted gross income as a result of a distribution to a designated beneficiary from a Maryland ABLE account, unless it is a refund or nonqualified distribution. Designated beneficiary means a designated beneficiary as defined in § 18-19C-01 of the Education Article.
- xd. Up to \$2,500 per ABLE account contributor per beneficiary of the total of all amounts contributed under the Maryland ABLE Program. Subject to the \$2,500 annual limitation, any amount disallowed as a subtraction because it exceeds \$2,500 may be carried over until used to the next 10 succeeding taxable years as a subtraction.
- xe.  An amount included in federal adjusted gross income contributed by the State into an investment account under § 18-19A-04.1 of the Education Article during the taxable year. This includes amounts included in federal adjusted gross income contributed by the State into an investment account under the Maryland College Investment Plan.
- y. Any income of an individual that is related to tangible or intangible property that was seized, misappropriated or lost as a result of the actions or policies of Nazi Germany towards a Holocaust victim. For additional information, contact the Revenue Administration Division.
- z. Expenses incurred to buy and install handrails in an existing elevator in a health care facility (as defined in Section 19-114 of the Health General Article) or other building in which at least 50% of the space is used for medical purposes.
- aa. Payments from a pension system to the surviving spouse or other beneficiary of a law enforcement officer or firefighter whose death arises out of or in the course of their employment.
- ab. Income from U.S. Government obligations. Enter interest on U.S. Savings Bonds and other U.S. obligations. Capital gains from the sale or exchange of U.S. obligations should be included on this line. Dividends from mutual funds that invest in U.S. Government obligations also are exempt from state taxation. However, only that portion of the dividends attributable to interest or capital gain from U.S. Government obligations can be subtracted. You cannot subtract income from Government National Mortgage Association securities. See Administrative Releases 10 and 13.
- bb. Net subtraction modification to Maryland taxable income when claiming the federal depreciation allowances from which the State of Maryland has decoupled. Complete and attach Form 500DM. See Administrative Release 38.
- cc. Net subtraction modification to Maryland taxable income when the federal special 5-year carryback period was used for a net operating loss under federal law compared to Maryland taxable income without regard to federal provisions. Complete and attach Form 500DM. See Administrative Release 38.
- cd. Net subtraction modification to Maryland taxable income resulting from the federal ratable inclusion of deferred income arising from business indebtedness discharged by


reacquisition of a debt instrument. Complete and attach Form 500DM. See Administrative Release 38.


- dd. Income derived within an arts and entertainment district by a qualifying residing artist from the publication, production, or sale of an artistic work that the artist created, wrote, composed or executed. Complete and attach Form 502AE.
- dm. Net subtraction modification from multiple decoupling provisions. See the table at the bottom of Form 500DM.
- dp. Net subtraction decoupling modification from a pass-through entity. See Form 500DM.
- ee. The amount received as a grant under the Solar Energy Grant Program administered by the Maryland Energy Administration (but not more than the amount included in your total income).
- ff. Amount of the cost difference between a conventional on-site sewage disposal and a system that uses nitrogen removal technology, for which the Department of Environment's payment assistance program does not cover. An individual must have applied to the Department of the Environment for assistance to claim the subtraction modification on the Form 502SU. Also, in order to claim the subtraction modification, the system that is purchased must be a system that utilizes nitrogen removal technology as per Environment Article of the Annotated Code of Maryland § 9-1108.
- hh. Exemption adjustment for certain taxpayers with interest on U.S. obligations. 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 on 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 (13C).

subtraction of \$7,200 (\$9,600 - \$2,400) on line hh of Form 502SU.

- ii. Interest on any **Build America Bond** that is included in your federal adjusted gross income. See Administrative Release 13.
- jj. 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.
- kk. 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.
- ll. Payment received as a result of a foreclosure settlement negotiated by the Maryland Attorney General.
- mm. Amount received by a claimant for noneconomic damages as a result of a claim of unlawful discrimination under Internal Revenue Code Section 62(e).
- nn. Amount of student loan indebtedness. Attach a copy of the notice stating that the loans have been discharged.
- oo. Up to \$5,000 of income earned by a law enforcement officer residing in the Maryland political subdivision in which the officer is employed if the crime rate in that political subdivision exceeds the State's crime rate. Law enforcement officer means an individual who in an official capacity is authorized by law to make arrests, and is a member of a Maryland law enforcement agency, including an officer who serves in a probationary status or at the pleasure of the appointing authority of a county or municipal corporation. Federal law enforcement officers do not qualify.

pp.  Any amount included in federal adjusted gross income for: 1) the value of any medal given by the International Olympic Committee, the International Paralympic Committee, the Special Olympics International Committee, or the International Committee of Sports for the Deaf; and 2) any prize money or honoraria received from the United States Olympic Committee from a performance at the Olympic Games, the Paralympic Games, the Special Olympic Games, or the Deaflympic Games.

qq.  Amount of qualified principal residence indebtedness included in federal adjusted gross income that was allowable as an exclusion under the Mortgage Forgiveness Debt Relief Act of 2007, as amended. The subtraction may not exceed \$100,000 for taxpayers who file single or married filing separately, and may not exceed \$200,000 for married filing joint, head of household, or qualifying widow(er). Qualified principal residence indebtedness is debt used to buy, build or substantially improve your principal residence, or to refinance debt incurred for those purposes but only if the debt is secured by the home.

rr.  **PENSION EXCLUSION FOR RETIRED LAW ENFORCEMENT OFFICER OR FIRE, RESCUE, OR EMERGENCY SERVICES PERSONNEL. Note:** An individual taxpayer may not claim BOTH the standard Pension Exclusion and the Pension Exclusion for Retired Law Enforcement Officer or Fire, Rescue, or Emergency Services Personnel. If you are 65 or older on the last day of the calendar year, you are totally disabled, or your spouse is totally disabled, and you have received qualified pension income, you should complete the Pension Exclusion Computation Worksheet (13A) regardless of your prior work history. It is permissible for one spouse to claim the standard Pension Exclusion and the other spouse to claim the Pension Exclusion for Retired Law Enforcement Officer or Fire, Rescue, or Emergency Services Personnel if each spouse meets the applicable required criteria.

If you meet the below criteria, use the Pension Exclusion Worksheet (13E) to calculate your eligible pension exclusion:

- a. You were 55 or over on the last day of the tax year, AND
- b. You were not 65 or older, or totally disabled, or have a

EXEMPTION ADJUSTMENT WORKSHEET (13C)

Line 1: ENTER the exemption amount to be reported on line 19 of Form 502 using Exemption Amount Chart (10A). (If you are a part-year resident, enter the amount to be reported on line 19 before it is prorated.) \$ _____

Line 2: ENTER your federal adjusted gross income as reported on line 1 of your Form 502 . . . \$ _____

Line 3: ENTER your income from U.S. obligations (line ab, Form 502SU) \$ _____

Line 4: SUBTRACT amount on line 3 from amount reported on line 2. \$ _____

Line 5: RECALCULATE your exemption amount from Exemption Amount Chart (10A), 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 502 \$ _____

If the amount is greater than zero (0), enter this amount as a subtraction on line hh of Form 502SU.

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 10, they found 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

spouse who is totally disabled, AND

- c. You included on your federal return taxable income received as a pension, annuity or endowment from an "employee retirement system" qualified under Section 401(a), 403 or 457(b) of the Internal Revenue Code, AND
- d. The retirement income is attributable to your service as a law enforcement officer or fire, rescue, or emergency services personnel of the United States, the State of Maryland, or a political subdivision of Maryland.

Each spouse who meets the above requirements may be entitled to the exclusion. If each spouse is eligible, complete a separate column on the RETIRED LAW ENFORCEMENT OFFICER OR FIRE, RESCUE, OR EMERGENCY SERVICES

PERSONNEL PENSION EXCLUSION COMPUTATION WORKSHEET (13E). Combine your allowable exclusions from line 8 of the worksheet and enter the total amount on line rr, Form 502SU.

If you are a part-year resident, complete the RETIRED LAW ENFORCEMENT OFFICER OR FIRE, RESCUE, OR EMERGENCY SERVICES PERSONNEL PENSION EXCLUSION COMPUTATION WORKSHEET (13E) using total taxable pension and total Social Security and railroad retirement benefits as if you were a full-year resident. Prorate the amount on line 8 by the number of months of Maryland residence divided by 12. However, if you began to receive your pension during the tax year you became a Maryland resident, use a proration factor of the number of months

TWO-INCOME MARRIED COUPLE SUBTRACTION WORKSHEET (13D)

	(a) you	(b) your spouse
1. ENTER the portion of federal adjusted gross income from line 1 of Form 502 attributable to each spouse.		
2. ENTER the portion of additions to income from line 6 of Form 502 attributable to each spouse.		
3. ADD lines 1 and 2.		
4. ENTER the portion of subtractions from income from lines 8-13 of Form 502 attributable to each spouse.		
5. SUBTRACT line 4 from line 3.		
6. COMPARE the amounts on lines 5 (a) and (b) and enter the smaller amount here but not less than zero.		
7. ENTER \$1,200 or the amount on line 6, whichever is less. ENTER this amount on line 14 of Form 502.		

RETIRED LAW ENFORCEMENT OFFICER OR FIRE, RESCUE, OR EMERGENCY SERVICES PERSONNEL PENSION EXCLUSION COMPUTATION WORKSHEET (13E)

Review carefully the age and prior employment requirements in the instructions before completing this worksheet.

Do not use this worksheet if you are 65 or older, totally disabled or have a spouse who is totally disabled.

	You	Spouse
1. Qualifying pension and retirement annuity included in your federal adjusted gross income (Do not include Social Security or Railroad Retirement).		
2. Maximum allowable Social Security benefit.	\$ 29,900	\$ 29,900
3. Total benefits you received from Social Security and/or Railroad Retirement.		
4. Subtract line 3 from line 2.		
5. Net taxable pension and retirement annuity included in your federal adjusted gross income attributable to employment as a law enforcement officer or fire, rescue, or emergency services personnel of the United States, State of Maryland or a political subdivision of the State of Maryland.		
6. Maximum allowable statutory exclusion.	\$ 15,000	\$ 15,000
7. Tentative excludable amount (smaller of line 5 or line 6)		
8. Total exclusion (lesser of line 4 or line 7) Enter the total amount on line rr, of Form 502SU.		

SPECIFIC INSTRUCTIONS

NOTE: When both you and your spouse qualify for the retired law enforcement officer or fire, rescue, or emergency services personnel pension exclusion, a separate column must be completed for each spouse.

Line 1. Enter your qualifying pension and retirement annuity included in your federal adjusted gross income. **Do not include Social Security or Railroad Retirement. Do not include any amount subtracted for military retirement income. See code letter u in Instruction 13.**

Line 2. The maximum Social Security benefit is \$29,900.

Line 3. Total benefits you received from Social Security and/or Railroad Retirement (Tier I, Tier II and/or supplemental)

Line 4. Subtract line 3 from line 2. If less than 0, enter 0.

Line 5. Enter your net taxable pension and retirement annuity included in your federal adjusted gross income which is attributable to your employment as a law enforcement officer or fire, rescue, or emergency services personnel of the United States, State of Maryland or a political subdivision of the State of Maryland. Do not include any amount subtracted for military retirement income. See code letter u in instruction 13.

Line 6. The maximum statutory exclusion is \$15,000.

Line 7. Enter smaller amount of line 5 or line 6.

Line 8. Enter smaller amount of line 4 or line 7. This is your excludable amount. Enter the total amount on line rr, of Form 502SU.

you were a resident divided by the number of months the pension was received. Copy the prorated amount from line 8 of the worksheet onto line rr of Form 502SU.

For example, Pat Taxpayer moved to Maryland on March 1. If he started to receive his pension on March 1, he would prorate the pension exclusion by 10/10, which would mean he would be entitled to the full pension exclusion. However, if he began to receive his pension on February 1, Pat would prorate his pension by 10/11. Please note that, in either case, the proration factor may not exceed 1.

Note: You must complete and attach Form 502R to the Form 502 if you or your spouse are claiming a pension exclusion on line rr of the Maryland Form 502SU. See the Form 502R for additional information.

Line 14. TWO-INCOME SUBTRACTION. You may subtract up to \$1,200 if both spouses have income subject to Maryland tax and you file a joint return. To compute the subtraction, complete the TWO-INCOME MARRIED COUPLE SUBTRACTION WORKSHEET (13D).

14 ITEMIZED DEDUCTIONS.

If you figure your tax by the ITEMIZED DEDUCTION METHOD, complete line 17a and b on Maryland Form 502. (See Instruction 16 to see if you will use the ITEMIZED DEDUCTION METHOD.)

Copy the amount from federal Form 1040, Schedule A, line 29, Total Itemized Deductions, on line 17a of Form 502. Certain items of federal itemized deductions are not eligible for State purposes and must be subtracted from line 17a. State and local **income** taxes used as a deduction for federal purposes must be entered on line 17b. Also, any amounts deducted as contributions of Preservation or Conservation Easements for which a credit is claimed must be added to line 17b.

Note: Certain high-income taxpayers are required to reduce their federal itemized deductions. If you had to reduce your total federal itemized deductions, use the Itemized Deduction Worksheet (14A) to calculate the amount of state and local income taxes to enter on line 17b of Form 502.

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

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

15 FIGURE YOUR MARYLAND ADJUSTED GROSS INCOME.

Complete lines 1–16 on Form 502. Line 16 is your Maryland adjusted gross income.

16 FIGURE YOUR MARYLAND TAXABLE NET INCOME.

To find your taxable income you must subtract either the standard deduction from the worksheet or the itemized deductions you have entered on line 17 of Form 502. The ITEMIZED DEDUCTION METHOD will lower your taxes if you have enough deductions. If you are not certain about which method to use, figure your tax both ways to determine which method is best for you. Check the box on line 17 of Form 502 to show which method you will use.

STANDARD DEDUCTION METHOD (Check the box on line 17 of Form 502)

The STANDARD DEDUCTION METHOD gives you a standard deduction of 15% of Maryland adjusted gross income (line 16) with minimums of \$1,500 and \$3,000 and maximums of \$2,000 and \$4,000, depending on your filing status. Use STANDARD DEDUCTION WORKSHEET (16A) for your filing status to figure your standard deduction. Write the result on line 17 of Form 502. Then follow the instructions for EXEMPTIONS.

ITEMIZED DEDUCTION METHOD (Check the box on line 17 of Form 502)

You may itemize your deductions only if you itemized deductions on your federal return. See Instruction 14 for completing lines 17a and b of Form 502. Enter the result on line 17b. You are not required to itemize deductions on your Maryland return simply because you itemized on your federal return. Figure your tax each way to determine which method is best for you.

EXEMPTIONS

After completing the EXEMPTIONS area on your return, enter the total exemption amount on line 19 of Form 502.

PART-YEAR RESIDENTS AND NONRESIDENT MILITARY TAXPAYERS

You must adjust your standard or itemized deductions and exemptions. If you are a part-year resident, see Instruction 26. If you are a nonresident military member filing a joint return with your civilian spouse, see Administrative Release 1.

17 FIGURE YOUR MARYLAND TAX.

You must use the tax tables if your taxable income is less than \$100,000.

The 2017 Maryland tax rate schedules are shown 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 \$100,000; otherwise, use the appropriate row in the MARYLAND TAX COMPUTATION WORKSHEET SCHEDULES (17A) at the end of the tax tables to figure your tax. The tax tables and the MARYLAND TAX COMPUTATION WORKSHEET SCHEDULES I AND II have been based on these tax rate

ITEMIZED DEDUCTION WORKSHEET (14A)

(To be used only by high-income taxpayers who were required to reduce their federal itemized deduction).

1. ENTER the amount from line 29 of federal Schedule A 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 in line 28 2. \$ _____
3. Federal itemized deductions that were limited (SUBTRACT line 2 from line 1.) 3. \$ _____
4. 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.) 4. \$ _____
5. DIVIDE line 3 by line 4 5. _____ %
6. ENTER the amount of state and local income taxes from line 5 of federal Schedule A 6. \$ _____
7. MULTIPLY line 5 by line 6. Enter here and on Form 502, line 17b 7. \$ _____

Part-Year Residents see Instruction 26.

STANDARD DEDUCTION WORKSHEET (16A)

If your filing status is:	
Single, Married filing separately or Dependent taxpayer	Married filing jointly, Head of household or Qualifying widow(er)
Worksheet 1	Worksheet 2
Enter your income from line 16 of Form 502 \$ _____	Enter your income from line 16 of Form 502 \$ _____
If your income is:	If your income is:
Your standard deduction is:	Your standard deduction is:
\$10,000 or less \$ <u>1,500</u>	\$20,000 or less \$ <u>3,000</u>
or	or
If your income is between \$10,000 - \$13,333	If your income is between \$20,000 - \$26,667
Enter your income from above: \$ _____	Enter your income from above: \$ _____
Multiply by 15 percent (.15) X <u>.15</u>	Multiply by 15 percent (.15) X <u>.15</u>
This is your standard deduction \$ _____	This is your standard deduction \$ _____
or	or
If your income is:	If your income is:
Your standard deduction is:	Your standard deduction is:
\$13,333 or over. \$ <u>2,000</u>	\$26,667 or over. \$ <u>4,000</u>
Enter your standard deduction on line 17 of Form 502.	Enter your standard deduction on line 17 of Form 502.

schedules.

Find the income range in the tax table that applies to the amount on line 20 of Form 502. Find the Maryland tax corresponding to your income range. Enter the tax amount on line 21 of Form 502. If your taxable income is \$100,000 or more, use the MARYLAND TAX COMPUTATION WORKSHEET (17A) at the end of the tax table.

MARYLAND TAX COMPUTATION WORKSHEET 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

18 EARNED INCOME CREDIT, POVERTY LEVEL CREDIT, CREDITS FOR INDIVIDUALS AND BUSINESS TAX CREDITS.

If you claim earned income credit or poverty level credit, see Instruction 19 for your local credit calculation.

Form 500CR Instructions are available online at www.marylandtaxes.gov. You must file Form 500CR electronically to claim a business income tax credit.

Line 22 of Form 502.

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 on your Maryland return. If you are a part-year resident or a member of the military, see Instruction 26(o) before completing this worksheet. 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 the STATE EARNED INCOME CREDIT WORKSHEET (18A) to calculate the amount to enter on line 22 of Form 502.

STATE EARNED INCOME CREDIT WORKSHEET (18A)

(Part-year residents see Instruction 26(o).)

1. Maryland tax (from line 21 of Form 502) 1. _____
2. Federal earned income credit _____ x 50% (.50). Enter this amount here and on line 22 of Form 502 2. _____
3. Subtract line 2 from line 1. If less than zero (0), enter zero (0). 3. _____

If line 3 is greater than zero (0), you may qualify for the Poverty Level Credit. See instructions below.

If line 3 is zero (0), you may qualify for the Refundable Earned Income Credit. See Instruction 21.

Line 23 of Form 502. STATE POVERTY LEVEL CREDIT. If your earned income and federal adjusted gross income plus additions are below the poverty level income for the number of exemptions on your federal tax return, you may be eligible for the poverty level credit. You are not eligible for this credit if you checked filing status 6 (dependent taxpayer) on your Maryland income tax return.

Generally, if your Maryland state tax exceeds 50% of your federal earned income credit and your earned income and federal adjusted gross income are below the poverty income guidelines from the STATE POVERTY LEVEL CREDIT WORKSHEET (18B), you may claim a credit of 5% of your earned income.

Complete the STATE POVERTY LEVEL CREDIT WORKSHEET (18B) to calculate the amount to enter on line 23 of Form 502.

This is not a refundable credit.

STATE POVERTY LEVEL CREDIT WORKSHEET (18B)

If you checked filing status 6 on your Maryland return, you are not eligible for this credit.

1. Enter the amount from line 7 of Form 502. 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 here, and on line 1b of Form 502, if line 1b is currently blank. (Do not include a farm or business loss.) 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. 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. 4. _____
5. Multiply line 2 by 5% (.05). This is your State Poverty Level Credit. Enter that amount here and on line 23 of Form 502. (Part-year residents or members of the military, see Instruction 26(o)) 5. _____

POVERTY INCOME GUIDELINES

NUMBER OF EXEMPTIONS ON FEDERAL RETURN	INCOME LEVEL
1	12,060
2	16,240
3	20,420
4	24,600
5	28,780
6	32,960
7	37,140
8	41,320

If you have more than 8 exemptions, add \$4,180 to the last income level for each additional exemption.

Line 24 of Form 502. OTHER INCOME TAX CREDITS FOR INDIVIDUALS. Enter the total of your income tax credits as listed below. Complete and attach Form 502CR with Form 502.

- a. CREDITS FOR INCOME TAXES PAID TO OTHER STATES.** If you have income subject to tax in Maryland and subject to tax in another state and/or another state's locality, you may be eligible for a tax credit. **Note:** You must attach a copy of Form 502CR and also a copy of the tax return(s) filed in the other state and/or other state's locality. If these are not attached, no credit will be allowed.
- b. 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.
- c. QUALITY TEACHER INCENTIVE CREDIT.** If you are a qualified 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 CREDIT.** If you paid a premium for a long-term care insurance policy for yourself or certain Maryland resident family members, you may be eligible for a tax credit.
- f. CREDIT FOR PRESERVATION AND CONSERVATION EASEMENTS.** Individuals may be eligible for a tax credit for an easement conveyed to the Maryland Environmental Trust, the Maryland Agricultural Land Preservation Foundation, or

the Maryland Department of Natural Resources to preserve open space, natural resources, agriculture, forest land, watersheds, significant ecosystems, view sheds or historic properties. Individuals who are eligible to claim the Credit for Preservation and Conservation Easements and who are not PTE members must claim this credit on Part F of the Form 502CR. PTE members who are eligible for this credit must electronically claim the credit on Business Income Tax Credit Form 500CR.

g. RESERVED FOR FUTURE USE.

h. COMMUNITY INVESTMENT TAX CREDIT. Businesses that contribute to approved Neighborhood and Community Assistance Programs may be eligible for a tax credit of 50% of approved contributions with a maximum credit of \$250,000 on Business Income Tax Credit Form 500CR (See Line 25 instructions, letter code d). Individuals who make a nonbusiness contribution may also be eligible for this tax credit, and may elect to claim this credit on Part H of Form 502CR instead of Form 500CR. The credit **may not** be claimed on **both** Form 500CR and Form 502CR. PTE members claim this credit on Business Income Tax Credit Form 500CR (See Line 25 instructions, letter code d).

i. ENDOW MARYLAND TAX CREDIT. Businesses that donate \$500 of cash or publicly traded securities to a qualified permanent endowment fund at an eligible community foundation may be eligible for a tax credit of 25% of the approved donation with a maximum credit of \$50,000 on Business Income Tax Credit Form 500CR (See Line 25 instructions, letter code q). Individuals who make an approved donation may also be eligible for this tax credit, and may elect to claim this credit on Part I of Form 502CR instead of Form 500CR. The credit **may not** be claimed on **both** Form 500CR and Form 502CR. PTE members claim this credit on Business Income Tax Credit Form 500CR (See Line 25 instructions, letter code q).




Note: If you claim the Endow Maryland tax credit, the amount of approved donations which qualify you for this credit is an addition to income and must be included on line 5. See Instruction 12, letter code e.

j. PRECEPTORS IN AREAS WITH HEALTH CARE WORKFORCE SHORTAGES TAX CREDIT If you are a qualified licensed physician or a qualified nurse practitioner who served without compensation as a preceptor, you may be eligible to claim a nonrefundable credit against your State tax liability.

Line 25 of Form 502. BUSINESS TAX CREDITS. You must file your Form 502 electronically to claim the following nonrefundable business tax credits from Form 500CR.

- a. ENTERPRISE ZONE TAX CREDIT.** Businesses located in an enterprise zone may be eligible for tax credits based upon wages paid to qualifying employees.
- b. MARYLAND DISABILITY EMPLOYMENT TAX CREDIT.** Businesses employing persons with disabilities as certified by the State Department of Education or veterans with disabilities as certified by the Department of Labor, Licensing and Regulation may be eligible for tax credits based upon wages paid to and child care and transportation expenses paid on behalf of those employees.
- c. JOB CREATION TAX CREDIT.** Certain businesses that create new qualified positions in Maryland may be eligible for a tax credit based on the number of qualified positions created or wages paid for these positions.
- d. COMMUNITY INVESTMENT TAX CREDIT.** Businesses that contribute to approved Neighborhood and Community Assistance Programs may be eligible for a tax credit of 50% of approved contributions with a maximum credit of \$250,000. Individuals who make a nonbusiness contribution may also be eligible for this tax credit, and may elect to claim this credit on Form 502CR instead of Form 500CR (See Line 24 instructions, letter code h). The credit **may not** be claimed on **both** Form 500CR and Form 502CR. PTE members claim this credit on Business Income Tax Credit Form 500CR.

- e. **BUSINESSES THAT CREATE NEW JOBS TAX CREDIT.** Certain businesses located in Maryland that create new positions or establish or expand business facilities in the state may be entitled to an income tax credit if a property tax credit is granted by Baltimore City or any county or municipal corporation of Maryland.
- f. **EMPLOYER-PROVIDED LONG-TERM CARE INSURANCE TAX CREDIT.** A credit may be claimed for costs incurred by an employer who provides long-term care insurance as part of an employee benefit package.
- g. **SECURITY CLEARANCE COSTS TAX CREDIT.** Businesses that incur costs certified by the Maryland Department of Commerce to construct or renovate Sensitive Compartmented Information Facilities (SCIF) or for certain Security Clearance Administrative Costs may be eligible to claim a credit for security costs.
- h. **FIRST YEAR LEASING COSTS TAX CREDIT FOR QUALIFIED SMALL BUSINESSES.** Certain small businesses performing security-based contracting that incur expenses for rental payments owed during the first year of a rental agreement for spaces leased in Maryland costs may be eligible to claim a credit for security costs certified by the Maryland Department of Commerce.
- i. **RESEARCH AND DEVELOPMENT TAX CREDIT.** Businesses may claim a credit for certain qualified research and development expenses.
- j. **COMMUTER TAX CREDIT.** Businesses may claim a credit for the cost of providing qualifying commuter benefits to the business entities' employees.
- k. **MARYLAND-MINED COAL TAX CREDIT.** A qualifying cogenerator, small power producer or electricity supplier may claim a credit for the purchase of Maryland-mined coal.
- l. **ONE MARYLAND ECONOMIC DEVELOPMENT TAX CREDIT.** Businesses may claim a credit against the project cost and start-up cost to establish, relocate or expand a business in a distressed county in Maryland.
- m. **OYSTER SHELL RECYCLING TAX CREDIT.** An individual or business may claim a credit in an amount of \$5 for each bushel of oyster shells recycled during the taxable year with a maximum credit of \$750.
- n. **BIO-HEATING OIL TAX CREDIT.** Businesses and individuals may claim a credit of 3 cents for each gallon of bio-heating oil purchased for space or water heating with a maximum credit of \$500.
- o. **CELLULOSIC ETHANOL TECHNOLOGY RESEARCH AND DEVELOPMENT TAX CREDIT.** Businesses and individuals may claim a credit of up to 10% of the qualified research and development expenses incurred in Maryland for technology that is used to develop cellulosic biomass for conversion to ethanol fuel.
- p. **WINERIES AND VINEYARDS TAX CREDIT.** Businesses and individuals may claim a credit of 25% of qualified capital expenses, approved by the Maryland Department of Commerce, made in connection with the establishment of new wineries or vineyards or capital improvements to existing wineries or vineyards.
- q. **ENDOW MARYLAND TAX CREDIT.** Businesses that donate \$500 of cash or publicly traded securities to a qualified permanent endowment fund at an eligible community foundation may be eligible for a tax credit of 25% of the approved donation with a maximum credit of \$50,000. Individuals who make an approved donation may also be eligible for this tax credit, and may elect to claim this credit on Form 502CR instead of Form 500CR (See Line 24 instructions, letter code i). The credit **may not** be claimed on **both** Form 500CR and Form 502CR. PTE members claim this credit on Business Income Tax Credit Form 500CR.
- r. **QUALIFIED VEHICLE TAX CREDIT (Tractor-Trailer Vehicle Registration Tax Credit).** A credit may be claimed for the expense of registering a qualified Class F (Tractor) vehicle that is titled and registered in Maryland.

- s. **CREDIT FOR PRESERVATION AND CONSERVATION EASEMENTS.** Members of a Pass-Through Entity (PTE) may be eligible for a tax credit for an easement conveyed to the Maryland Environmental Trust, the Maryland Agricultural Land Preservation Foundation, or the Maryland Department of Natural Resources to preserve open space, natural resources, agriculture, forest land, watersheds, significant ecosystems, view sheds or historic properties. The credit **may not** be claimed on **both** Form 500CR and Form 502CR. PTE members claim this credit on Business Income Tax Credit Form 500CR.
- t.  **APPRENTICE EMPLOYEE TAX CREDIT.** Certain taxpayers may be eligible for an income tax credit for the first year of employment of eligible apprentices.
- u.  **QUALIFIED FARMS TAX CREDIT.** Qualified farms that make an eligible food donation may be eligible for an income tax credit.
- v.  **QUALIFIED VETERAN EMPLOYEES TAX CREDIT.** A credit may be claimed by a small business for each qualified veteran employee hired.

For additional information regarding any of the above income tax credits, see the Business Tax Credits Form 500CR Instructions available at www.marylandtaxes.gov.

NOTE: If you claim a business tax credit for items a, b, g, i, o, or q, an addition to income must be included on line 5. See Instruction 12.

19 LOCAL INCOME TAX AND LOCAL CREDITS.

Maryland counties and Baltimore City levy an income tax which is a percentage of Maryland taxable net income. Use the LOCAL TAX RATE CHART and the LOCAL TAX WORKSHEET (19A) to figure your local income tax. Use the county (or Baltimore City) you resided in on the last day of the tax year and which you showed in the box at the top of Form 502. Military taxpayers should refer to Instruction 29.

2017 LOCAL TAX RATE CHART

Subdivision	Rate
Baltimore City . . . . .	.0320
Allegany County . . . . .	.0305
Anne Arundel County . . . . .	.0250
Baltimore County . . . . .	.0283
Calvert County . . . . .	.0300
Caroline County . . . . .	.0273
Carroll County . . . . .	.0303
Cecil County . . . . .	.0280
Charles County . . . . .	.0303
Dorchester County . . . . .	.0262
Frederick County . . . . .	.0296
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 . . . . .	.0320
Talbot County . . . . .	.0240
Washington County . . . . .	.0280
Wicomico County . . . . .	.0320
Worcester County . . . . .	.0175

LOCAL TAX WORKSHEET (19A)

Multiply the taxable net income by your local tax rate from the

LOCAL TAX RATE CHART for the county in which you were a resident on the last day of the tax year. Enter the result on line 28 of Form 502. This is your local income tax.

1. TAXABLE net income from line 20 of Form 502. 1. \$ _____
2. LOCAL tax rate from the 2017 Local Tax Rate Chart. 2. 0 _____
3. LOCAL income tax (Multiply line 1 by line 2.) Enter this amount on line 28 of Form 502 rounded to the nearest cent or whole dollar. 3. \$ _____

SPECIAL NOTE: If you and your spouse were domiciled in different taxing jurisdictions, you should file separate Maryland returns even though you filed a joint federal return. (See Instruction 7.) However, if you choose to file a joint Maryland return, please use the following instructions. Enter both counties and/or local jurisdictions in the county, city, town or special taxing area box of your return. If the local tax rates are the same, complete the worksheets as instructed and attach a schedule showing the local tax for each jurisdiction based on the ratio of each spouse's income to the total income. Also note the words "separate jurisdictions" on line 28 of Form 502. If the local tax rates are different, calculate a ratio of each spouse's income to total income. Then apply this ratio to the taxable net income and calculate the local tax for each spouse separately using the appropriate local tax rates. Enter the combined local tax on line 28 of Form 502 and write the words "separate jurisdictions" on that line. Attach a schedule showing your calculations.

Local earned income credit.

If you entered an earned income credit on line 22 of Form 502, complete the LOCAL EARNED INCOME CREDIT WORKSHEET (19B).

LOCAL EARNED INCOME CREDIT WORKSHEET (19B)

(Part-year residents see Instruction 26(o).)

1. Enter federal earned income credit from your federal return 1. _____
2. Enter your local tax rate from line 2 of the Local Tax Worksheet 2. 0 _____
3. Multiply line 2 by 10 and enter on line 4. 3. _____
 Example: .0256
 x 10
 .256
4. Local earned income credit rate 4. _____
5. Multiply line 1 by line 4. Enter here and on line 29 of Form 502. 5. _____

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 entered a poverty level credit on line 23 of Form 502, complete the LOCAL POVERTY LEVEL CREDIT WORKSHEET (19C).

LOCAL POVERTY LEVEL CREDIT WORKSHEET (19C)

(Part-year residents see Instruction 26(o).)

Refer to the STATE POVERTY LEVEL CREDIT WORKSHEET (18B) in Instruction 18. 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.

- A. ENTER the amount from line 2 of the STATE POVERTY LEVEL CREDIT WORKSHEET (18B) A. _____
- B. ENTER your local tax rate from line 2 of the LOCAL TAX WORKSHEET (19A) B. 0 _____
- C. MULTIPLY line A by line B. Enter the amount here and on line 30 of Form 502 . . . C. _____

20 TOTAL MARYLAND TAX, LOCAL TAX AND CONTRIBUTIONS.

Add your Maryland tax from line 27 of Form 502 and your local tax from line 33 of Form 502. Enter the result on line 34 of Form 502. Add to your tax any contribution amounts and enter the total on line 39 of Form 502.

CHESAPEAKE BAY AND ENDANGERED SPECIES FUND

You may contribute any amount you wish to this fund. The amount contributed will reduce your refund or increase your balance due.

DEVELOPMENTAL DISABILITIES SERVICES AND SUPPORT FUND

You may contribute any amount you wish to this fund. The amount contributed will reduce your refund or increase your balance due.

MARYLAND CANCER FUND

You may contribute any amount you wish to this fund. The amount contributed will reduce your refund or increase your balance due.

FAIR CAMPAIGN FINANCING FUND

You may contribute any amount you wish to this fund. The amount contributed will reduce your refund or increase your balance due.

IMPORTANT: If there are not sufficient credits or other payments to satisfy both your tax and the contribution you have designated, the contribution amount will be reduced. If you have entered amounts for contributions to multiple funds, any reduction will be applied proportionately.

21 TAXES PAID AND REFUNDABLE CREDITS.

Write your taxes paid and credits on lines 40-43 of Form 502.

Instructions for each line:

Line 40 of Form 502.

MARYLAND TAX WITHHELD. 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 the amounts identified as Maryland and local tax withheld on each form and write the total on this line. 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 41. ESTIMATED TAX PAYMENTS. Enter on line 41 the total of:

- a. Maryland estimated tax payments;
- b. Amount of overpayment applied from 2016 return;
- c. Payment made with a request for an automatic extension of time to file your 2017 return. (See the instructions on Form 502E); AND
- d. Reported income tax withheld on your behalf as an estimated payment, if you participated in a nonresident real estate transaction as an individual. Enter code number **506** on one of the code number lines to the right of the telephone number area. The tax will be identified as Maryland tax withheld on Form MW506NRS. Please attach a copy of your federal return and all relevant schedules that report the sale of the property.

NOTE: Estimated tax payments are required if you expect to receive any income (like pensions, business income, capital gains, lottery, etc.) from which no tax or not enough Maryland tax will be withheld. Read the instructions for Form 502D, Maryland Personal Declaration of Estimated Income Tax.

Line 42 of Form 502.

REFUNDABLE EARNED INCOME CREDIT.

If one-half of your 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 27% of your federal earned income credit exceeds your Maryland tax liability. Complete the REFUNDABLE EARNED INCOME CREDIT WORKSHEET (21A) and enter the result on this line.

REFUNDABLE EARNED INCOME CREDIT WORKSHEET (21A)


TO CLAIM CREDIT YOU MUST:

- have an entry on line 22 and line 29 of Form 502, and
- have entered zero on line 3 of the STATE EARNED INCOME CREDIT WORKSHEET (18A) in Instruction 18.

1. ENTER your federal earned income credit _____ x 27% (.27) (Part-year residents see Instruction 26(o)) 1. _____
2. ENTER your Maryland tax from line 21 of Form 502 2. _____
3. SUBTRACT line 2 from line 1. If less than zero (0), enter zero (0). This is your refundable earned income credit. 3. _____

If line 3 is greater than zero (0), enter the amount on line 42 of Form 502.

Line 43. REFUNDABLE INCOME TAX CREDITS. Enter the total of your income tax credits as listed below:

1.  **STUDENT LOAN DEBT RELIEF TAX CREDIT.** If you have incurred at least \$20,000 in undergraduate student loan debt, you may qualify for this credit. See instructions for Form 502CR.
2. **HERITAGE STRUCTURE REHABILITATION TAX CREDIT.** A credit is allowed for a certain percentage of qualified rehabilitation expenditures, as certified by the Maryland Historical Trust. Attach a copy of Form 502S and the certification.
3. **REFUNDABLE BUSINESS INCOME TAX CREDITS.** One Maryland Economic Development Tax Credit, Biotechnology Investment Incentive Tax Credit, Clean Energy Incentive Tax Credit, Cybersecurity Investment Incentive Tax Credit, Health Enterprise Zone Hiring Tax Credit, Film Production Activity Tax Credit, Small Business Research and Development Tax Credit, and Aerospace, Electronics, or Defense Contract Tax Credit. See Form 500CR instructions at www.marylandtaxes.gov.
4. **IRC SECTION 1341 REPAYMENT.** If you repaid an amount this year reported as income on a prior year federal tax return that was greater than \$3,000, you may be eligible for an IRC Section 1341 repayment credit. For additional information, see Administrative Release 40.
5. **NONRESIDENT PTE TAX.** If you are the beneficiary of a trust for which nonresident PTE tax was paid, you may be entitled to a share of that tax. If you are a partner or a member of a pass-through entity for which nonresident PTE tax was paid, you may be entitled to a share of that tax.

Complete and attach Form 502CR with Form 502.

22 OVERPAYMENT OR BALANCE DUE.

Calculate the Balance Due (line 45 of Form 502) or Overpayment (line 46 of Form 502). Read instructions under UNDERPAYMENT OF ESTIMATED TAX and then go to BALANCE DUE or OVERPAYMENT.

UNDERPAYMENT OF ESTIMATED TAX

If you had income from which tax was not withheld or did not have enough tax withheld during the year, you may have owed an estimated tax. All taxpayers should refer to Form 502UP to determine if they owe interest because they paid too little estimated tax during the year.

If you owe interest, complete Form 502UP and write the amount of interest (line 18 of Form 502UP) on the appropriate line on line 49 of Form 502. Attach Form 502UP.

Generally, you do not owe interest if:

- a. you owe less than \$500 tax on income that is not subject to Maryland withholding;
- b. each current year payment, made quarterly as required, is equal to or more than one-fourth of 110% of last year's tax, that was developed; OR
- c. you made quarterly payments during the year that equal 90% of this year's tax.

Special rules apply if your gross income from farming or fishing is at least two-thirds of your total estimated gross income. See Form 502UP for additional information and instructions for claiming this exemption from interest.

INTEREST FOR LATE FILING

Interest is due at the rate of 11.5% annually or 0.9583% per month for any month or part of a month that a tax is paid after the original due date of the 2017 return but before January 1, 2019. For assistance in calculating interest for tax paid on or after January 1, 2019, please see the Comptroller's website. Enter any interest due on the appropriate line of your tax return.

Penalty up to 10% may be assessed by the Revenue Administration Division for failing to pay any tax, or failing to file a tax return, when due.

TOTAL INTEREST

Enter the total of interest for underpayment of estimated tax and interest for late filing on line 49 of Form 502.

BALANCE DUE

If you have a balance due, add this amount to any amount on line 49. Put the total on line 50.

Pay your balance due (unless it is less than \$1.00). Go to Instructions 23 and 24 regarding signatures, attachments and mailing.


OVERPAYMENT

If you file Form 502 and have an overpayment on line 46, the Revenue Administration Division will refund any amount of \$1.00 or more. If you want part or all of your overpayment applied to your 2018 estimated tax, then write the amount you want applied on line 47. Overpayments may first be applied to previous years' tax liabilities or other debts as required by federal or state law. If you must pay interest for underpayment of estimated tax, enter the amount of interest from line 18 of Form 502UP on line 49. Subtract lines 47 and 49 from your overpayment (line 46). This is the amount of your refund. Write this amount on line 48. No refunds of less than \$1.00 will be sent. If the amount of interest charges from Form 502UP or line 49 is more than the overpayment or line 46 of Form 502, enter zero (0) on line 47 and 48. Then subtract line 49 from line 46 and enter the result on line 50. If you prefer, you may leave line 49 blank and the Revenue Administrative Division will figure the interest charges and send you a bill. Go to Instructions 23 and 24 regarding signatures, attachments and mailing.

The length of time you have for claiming a refund is limited. See Instruction 28 for more information.

DIRECT DEPOSIT OF REFUND

To comply with banking rules, we ask you to indicate on your return if the state refund is going to an account outside the United States. If you indicate that this is the case, do not enter your routing and account numbers, as the direct deposit option is not available to you. We will send you a paper check. Complete lines 51a, b and c of Form 502 if you want us to deposit your refund directly into your account at a bank or other financial institution (such as a mutual fund, brokerage firm or credit union) in the United States.



Check with your financial institution to make sure your direct deposit will be accepted and to get the correct

routing and account numbers. **If you enter incorrect account information, the State of Maryland will not be responsible for recovering that refund.**

Line 51a of Form 502.

Check the appropriate box to identify the type of account that will be used (checking or savings). You must check one box only or a refund check will be mailed.

Line 51b of Form 502.

The routing number must be **nine** digits. If the first two digits are not 01 through 12 or 21 through 32, the direct deposit will be rejected and a check will be mailed.

If you are not sure of the correct routing number or if your check states that it is payable through a financial institution different from the one at which you have your checking account, contact your financial institution for the correct routing number.

Line 51c of Form 502.

The account number can be up to 17 characters (both numbers and letters). Omit spaces, hyphens and special symbols. Enter the number from left to right. If we are notified by the financial institution that the direct deposit is not successful, a refund check will be mailed to you. Please have a bank statement for the deposit account available if you contact us concerning the direct deposit of your refund.

DISCLOSURE Entering your bank account routing number, account number and account type in the area provided on your Maryland income tax return to request a direct deposit of your income tax refund authorizes the Comptroller's Office to disclose this information and your refund amount to the Maryland State Treasurer's Office who performs banking services for the Comptroller's Office.

SPLITTING YOUR DIRECT DEPOSIT

If you would like to deposit portions of your refund (Form 502, line 48) to multiple accounts, do not complete any direct deposit information on your income tax return. Instead, you must enter code number **588** on one of the code number lines located to the right of the telephone number area on your return; complete, and attach Form 588. See our Web site at www.marylandtaxes.gov to obtain a Form 588.

NOTE: You may not use Form 588 if you are filing Form 502INJ, Maryland Injured Spouse Claim Form, or if you plan to deposit your refund in a bank outside the United States.

Individual taxpayers now have the option to use all or part of their Maryland income tax refund to purchase U.S. Series I Savings Bonds. Please see Maryland Form 588 for additional details.

23 TELEPHONE NUMBERS, CODE NUMBERS, 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 interest for underpayment of estimated tax. Enter the applicable code number on one of the code number lines located to the right of the telephone number area. Enter **code 300** if you are a farmer or fisherman, **301** if your income was received unevenly throughout the year, or **302** if 90% of your taxable income is taxable by another state and the underpayment is not greater than the local tax. Attach your completed Form 502UP if you have entered **code 301**.

TAX PREPARERS

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

tax preparers who, for compensation, completed 100 or more original Maryland individual income tax returns (paper and electronic forms) for Tax Year 2016 are required to file all original individual income tax returns electronically for Tax Year 2017, except when a taxpayer specifically requests a preparer to file by paper or when a preparer has received a valid written waiver from the Comptroller.

At the bottom of the return at the signature area, we have provided a check box for you to authorize your preparer to discuss your return with us. Another check box is provided for you to authorize your preparer not to file your return electronically.

Penalties may be imposed for tax preparers who fail to sign the tax return and provide their PTIN, or who failed to file electronically when required.

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 Maryland Form 548 and attach to your return.

ATTACHMENTS

For returns with payment by check or money order, attach the payment to the Form IND PV. The Form IND PV and payment are placed before the Form 502 for mailing purposes. **The Form IND PV and payment are not attached to the Form 502.**

Be sure to attach wage and tax statements (Form W-2, W-2G and 1099) to the front of your Form 502 **if Maryland tax was withheld**. Also attach all other forms (except Form IND PV), K-1s, schedules and statements required by these instructions. These documents should be attached and placed after page 3 of the Form 502.

24 ELECTRONIC AND PC FILING, MAILING AND PAYMENT INSTRUCTIONS, DEADLINES AND EXTENSION.

ELECTRONICALLY FILING YOUR RETURN

The fastest way to file your return, and receive your refund is to file electronically and request direct deposit. If you request direct deposit on your electronic return, your refund should be in your bank account within 72 hours of acknowledgment from the Revenue Administration Division. **You may request electronic funds withdrawal (direct debit) payments on your electronic return.** If you both file and pay electronically, your return is due April 15th. If any due date falls on a Saturday, Sunday or legal holiday, the return must be filed by the next business day. **However, you will have until April 30th to make your electronic payment. Note: An online payment where the bank mails the Comptroller of Maryland a paper check is not considered an electronic payment.** You may file your return electronically through your personal computer. **Do not send a paper copy of the return you electronically filed.** For more information, please visit www.marylandtaxes.gov.

ELECTRONIC PAYMENT OF BALANCE DUE

If your paper or electronic tax return has a balance due, you may pay electronically at www.marylandtaxes.gov by selecting Bill Pay. The amount that 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 or pencil. Write the type of tax and year of tax being paid on your check. It is recommended that you include your Social Security number

on the check. **DO NOT SEND CASH.**

Your check or money order should be attached to the completed Form IND PV. Do not attach the check or money order to your return.

ALTERNATIVE PAYMENT METHODS

For alternative methods of payment, such as a credit card, visit our website at www.marylandtaxes.gov.

NOTE: Credit card payments are considered electronic payments for the purpose of the April 30th extended due date if you filed your return electronically by April 15th. If the due date falls on a Saturday, Sunday or legal holiday, the return must be filed by the next business day.

ELECTRONIC 1099G

At the bottom of the return in the signature area, we have provided a check-box just above the signature for you to indicate that you agree to receive your statement of refund (Form 1099G) electronically. An electronic Form 1099G may be printed from our secure Web site at www.marylandtaxes.gov. At this Web site, you may also request to receive Form 1099G in paper form.

If you have requested an electronic 1099G, we will notify you by email in January that your 1099G is available to be viewed and printed at our Web site if you are a registered user on our Web site.

Note: We can only honor your request on an electronically-filed return or through your registered request on our Web site. If you are filing a tax form by paper, we do not capture this request and therefore cannot honor your request to send you an electronic Form 1099G under current IRS regulations.

MAILING YOUR RETURN

For returns filed with payments, attach check or money order to Form IND PV. Make checks payable to Comptroller of Maryland. Do not attach Form IND PV or check/money order to Form 502. Place Form IND PV with attached check/money order on top of Form 502 and mail to:

**Comptroller of Maryland
Payment Processing
PO Box 8888
Annapolis, MD 21401-8888**

For returns filed without payments, mail your completed 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.

Private Delivery Services

If you wish to send your items by a private delivery service (such as FedEx or UPS) instead of the U.S. Postal Service, use the following address:

Private Delivery Service Address:

**Comptroller of Maryland
Revenue Administration Division
110 Carroll Street
Annapolis, Maryland 21411-0001
410-260-7980**

DUE DATE

Returns must be mailed by April 15th, 2018, for calendar year taxpayers. If any due date falls on a Saturday, Sunday or legal holiday, the return must be filed by the next business day. Persons filing on a fiscal year basis should see Instruction 25.

EXTENSION OF TIME TO FILE

Follow the instructions on Form 502E to request an automatic extension of the time to file your 2017 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 15th, 2018. If any due date falls on a Saturday, Sunday or legal holiday, the return must be filed by the next business day. You can file and pay by credit card or electronic funds withdrawal (direct debit) 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 **six-month extension**. If no tax is due and you did not request a federal extension, file your extension online at www.marylandtaxes.gov or by phone at 410-260-7829. Only submit Form 502E if tax is due.

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. If you are affected by the extension enter **912** on one of the code number lines to the right of the telephone number area.

25 FISCAL YEAR.

You must file your Maryland return using the same tax year and the same basis (cash or accrual) as you used on your federal return.

To file a fiscal year return, complete the fiscal year information at the top of Form 502, and print "FY" in bold letters in the upper left hand corner of the form. When ever the term "tax year" appears in these instructions, fiscal year taxpayers should understand the term to mean "fiscal year." Use the 2017 forms for fiscal years which begin during calendar year 2017.

Fiscal year returns are due on the 15th day of the 4th month following the close of the fiscal year.

26 SPECIAL INSTRUCTIONS FOR PART-YEAR RESIDENTS.

Your return must show all income reported on your federal return, regardless of when or where earned. However, you are permitted to subtract income received when not a resident of Maryland. The following instructions describe the adjustments which must be made for a part-year resident return and returns filed by certain military taxpayers (see Instruction 29) and married couples who file a joint return when one spouse is not a resident of Maryland.

- You must file Form 502.
- Whenever the term "tax year" is used in these instructions, it means that portion of the year in which you were a resident of Maryland. If you began residence in Maryland in 2017, the last day of the "tax year" was December 31, 2017. If you ended residence in Maryland in 2017, the last day of the "tax year" was the day before you established residence in another state.
- Complete the name and address information at the top of Form 502. On Current Mailing Address Line 1, enter the street number and street name of your current address. If using a PO Box address, enter "PO Box" and the PO Box number on Current Mailing Address Line 1. On Current Mailing Address Line 2, if applicable enter the floor, suite, or apartment number for your current mailing address. If using a PO Box address, leave Current Mailing Address Line 2 blank.
- Complete the political subdivision information using Instruction 6. The political subdivision information includes the 4 DIGIT POLITICAL SUBDIVISION CODE, MARYLAND POLITICAL SUBDIVISION, PHYSICAL STREET ADDRESS LINE 1, PHYSICAL STREET ADDRESS LINE 2, CITY, ZIP CODE, and MARYLAND COUNTY fields. Use the county, city, town or taxing area of which you were a resident on the last day of your Maryland residence.
- Complete the filing status area using the same filing status that you used on your federal return. Married couples who

file joint federal returns may file separate Maryland returns under certain circumstances. See Instruction 7. If you are a dependent taxpayer, use filing status 6.

- f. Complete the EXEMPTIONS area. You can claim the same **number** of exemptions that were claimed on your federal return. Additional exemptions are allowed for age and blindness for Maryland purposes which will be computed in this area.
- g. Complete the Part-year/MILITARY area on the front of Form 502. Place a "P" in the box and show the dates of residence in Maryland. Certain military taxpayers following these instructions should place an "M" in the box and enter the non-Maryland military income. If you are both part-year and military, place a "P" and "M" in the box. Married taxpayers with different tax periods filing a joint Maryland return should enter a "D" in the box, follow the remainder of this instruction and write "different tax periods" in the dates of residence area. Married taxpayers who file a joint return when one spouse is not a resident of Maryland should place a "P" in the part year resident box and enter the name and the other state of residence of the nonresident spouse.
- h. Enter on line 1 the adjusted gross income from your federal return for the entire year regardless of your length of residence.
- i. Complete the ADDITIONS TO INCOME area using Instruction 12. If you had losses or adjustments to income on your federal return, write on line 5 those loss or adjustment items that were realized or paid when you **were not** a resident of Maryland.
- j. Complete the SUBTRACTIONS FROM INCOME area using Instruction 13. **You may include only subtractions from income that apply to income subject to Maryland tax.** Include on line 12 any income received during the part of the year when you were **not** a resident of Maryland.
- k. You must adjust your standard or itemized deductions and exemptions based on the percentage of your income subject to Maryland tax. Complete the MARYLAND INCOME FACTOR WORKSHEET (26A) to figure the percentage of Maryland income to total income.
- l. If you itemize deductions, complete lines 17a and b. Prorate the itemized deductions using the following formula:

$$\begin{array}{rcccl} \text{NET} & & \text{MARYLAND} & & \text{MARYLAND} \\ \text{ITEMIZED} & \times & \text{INCOME} & = & \text{ITEMIZED} \\ \text{DEDUCTIONS} & & \text{FACTOR} & & \text{DEDUCTIONS} \end{array}$$

Enter the prorated amount on line 17 of Form 502 and check the ITEMIZED DEDUCTION METHOD box. Another method of allocating itemized deductions may be allowed. Please send your written request along with your completed Maryland return, a copy of your federal return including Schedule A and a copy of the other state's return. If the other state does not have an income tax, then submit a schedule showing the allocation of income and itemized deductions among the states. The Maryland return must be completed in accordance with the alternative method requested. This request should be sent to the Revenue Administration Division, Taxpayer Accounting Section (Special Allocations), P.O. Box 1829, Annapolis, MD 21404-1829.

- m. If you are not itemizing deductions, you must use the standard deduction. The standard deduction must be prorated using the Maryland income factor. Calculate the standard deduction using a worksheet in Instruction 16. Prorate the standard deduction using the following formula:

$$\begin{array}{rcccl} \text{STANDARD} & \times & \text{MARYLAND} & = & \text{PRORATED} \\ \text{DEDUCTION} & & \text{INCOME} & & \text{STANDARD} \\ & & \text{FACTOR} & & \text{DEDUCTION} \end{array}$$

Enter the prorated amount on line 17 of Form 502 and check the Standard Deduction Method box.

- n. The value of your exemptions (line 19) must be prorated using the Maryland income factor. Prorate the exemption amount using the following formula:

$$\begin{array}{rcccl} \text{TOTAL} & & \text{MARYLAND} & & \text{PRORATED} \end{array}$$

$$\begin{array}{rcccl} \text{EXEMPTION} & \times & \text{INCOME} & = & \text{EXEMPTION} \\ \text{AMOUNT} & & \text{FACTOR} & & \text{AMOUNT} \end{array}$$

Enter the prorated exemption amount on line 19 of Form 502.

- o. You must prorate your earned income, poverty level and refundable earned income credits using the Maryland income factor.

MARYLAND INCOME FACTOR Worksheet (26A)

1. Enter amount from line 16 of Form 502 \$ _____
2. Enter amount from line 1 of Form 502 \$ _____
3. Divide line 1 above by line 2. Carry this amount to six decimal places.
The factor cannot exceed 1 (100%) and cannot be less than zero (0%).
If line 1 is 0 or less, the factor is 0.
If line 1 is greater than 0 and line 2 is 0 or less, the factor is 1. _____

EARNED INCOME CREDIT

Multiply your federal earned income credit by the Maryland income factor from line 3 of the MARYLAND INCOME FACTOR WORKSHEET (26A). Enter the result as the federal earned income credit amount on line 2 of the STATE EARNED INCOME CREDIT WORKSHEET (18A) in Instruction 18 and on line 1 of the LOCAL EARNED INCOME CREDIT WORKSHEET (19B) in Instruction 19.

Multiply the amount from line 5 of the STATE POVERTY LEVEL CREDIT WORKSHEET (18B) in Instruction 18 by the Maryland income factor and enter this amount as the credit on line 23 of Form 502. Multiply the amount from line c of the LOCAL POVERTY LEVEL CREDIT WORKSHEET (19C) in Instruction 19 by the Maryland income factor and enter this amount as the credit on line 30 of Form 502.

REFUNDABLE EARNED INCOME CREDIT

Multiply your federal earned income credit by the Maryland income factor from line 3 of the MARYLAND INCOME FACTOR WORKSHEET (26A). Enter the result as the federal earned income credit amount on line 1 of the REFUNDABLE EARNED INCOME CREDIT WORKSHEET (21A) in Instruction 21.

- p. Complete the remainder of the form using the line instructions.

27 FILING RETURN OF DECEASED TAXPAYER.

Enter code 321 on one of the code number lines located to the right of the telephone number area. Use the following special instructions:

FILING THE RETURN

If an individual required to file an income tax return dies, the final income tax return shall be filed:

- a. By the personal representative of the individual's estate;
- b. If there is no personal representative, by the decedent's surviving spouse; or,
- c. Jointly by the personal representatives of each if both spouses are deceased.

JOINT RETURN

If the spouse of the deceased taxpayer filed a joint federal return with the decedent, generally a joint Maryland return must be filed. (See Instruction 7.)

The word "DECEASED" and the date of death should be written after the decedent's name at the top of the form. The name and title of any person, other than the surviving spouse, filing the return should be clearly noted on the form. Attach a copy of the Letters of Administration or, if the return is filed solely by the surviving spouse, attach a death certificate.

ALL OTHER RETURNS

If the return is filed by the personal representative, write the words "Estate of" before the decedent's first name and the date of death after the last name. The name and title of the person filing the return should be clearly noted on the form. Attach a copy of the Letters of Administration.

If there is no personal representative, write the word "deceased" and the date of death after the decedent's last name. The name and title of the person filing the return should be clearly noted on the form. Attach a copy of federal Form 1310.

KILLED IN ACTION

Maryland will abate the tax liability for an individual who is a member of the U.S. Armed Forces at death, and dies while in active service in a combat zone or at any place from wounds, disease, or injury incurred while in active service in a combat zone. To obtain an abatement, a return must be filed. The abatement will apply to the tax year in which death occurred, and any earlier tax year ending on or after the first day the member served in a combat zone in active service.

Maryland will also abate the tax liability of an individual who dies while a military or civilian employee of the United States, if such death occurs as a result of wounds or injury incurred outside the United States in a terrorist or military action. In the case of a joint return, Maryland applies the same rules for these taxpayers as does the IRS. For more information on filing a return, see Publication 3 Armed Forces Tax Guide available at www.irs.gov. Place code number **915** on one of the lines marked "code numbers" to the right of the telephone number area, if you are filing a return for a taxpayer who was killed in action meeting the above criteria.

28 AMENDED RETURNS.

If you need to change a return that you have already filed, or if the IRS changes your return, you must file an amended return.

FILING AN AMENDED RETURN

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.

Use Form 502X to file an amended return and include a copy of your federal return. Form 502X and instructions may be obtained by visiting www.marylandtaxes.gov or by calling 410-260-7951.

CHANGES TO YOUR FEDERAL RETURN

If the IRS makes any changes to your federal return, you must notify the State of Maryland. Send notification to the Maryland Revenue Administration Division within 90 days of the final determination of the changes by the IRS. If you file an amended federal return that changes your Maryland return, you must file an amended Maryland return.

IF YOUR ORIGINAL RETURN SHOWED A REFUND

If you expect a refund from your original return, do not file an amended return until you have received your refund check. Then cash the check; do not return it. If your amended return shows a smaller refund, send a check for the difference with the amended return. If your amended return shows a larger refund, the Revenue Administration Division will issue an additional refund check.

ADDITIONAL INFORMATION

Do not file an amended return until sufficient time has passed to allow the original return to be processed. For current year

returns, allow at least six weeks.

Generally, a claim for a refund or overpayment credit must be filed within three years from the date the original return was filed or within two years from the date the tax was paid, whichever is later. A return filed early is considered filed on the date it was due. If a claim is filed within three years after the date the return was filed, the credit or refund may not be more than that part of the tax paid within three years, plus extension of time for filing the return, prior to the filing of the claim. If a claim is filed after the three year period, but within two years from the time the tax was paid, the refund or credit may not be more than the tax paid within two years immediately before filing the claim for a refund or credit.

A claim for refund based on a federal net operating loss carryback must be filed within three years from the due date of the return for the tax year of the net operating loss.

If the claim for refund resulted from a federal adjustment or final decision of a federal court which is more than three years from the date of filing the return or more than two years from the time the tax was paid, a claim for refund must be filed within one year from the date of the adjustment or final decision.

If the claim for refund resulted from a notification received from another state for income taxes due which is more than three years from the date of filing the Maryland return or more than two years from the time the tax was paid, a claim for refund resulting from a credit for taxes paid to that state must be filed within one year of the date of the notification that the other state's tax was due.

If the claim for refund or credit for overpayment resulted from a final determination made by an administrative board or an appeal of a decision of an administrative board, that is more than three years from the date of filing the return or more than two years from the time the tax was paid, the claim for refund must be filed within one year of the date of the final decision of the administrative board or final decision of the highest court to which an appeal of the administrative board is taken.

No refund for less than \$1.00 will be issued. No payment of less than \$1.00 is required.

29 SPECIAL INSTRUCTIONS FOR MILITARY TAXPAYERS.

See Administrative Release 1.

MILITARY PERSONNEL WHO ARE LEGAL RESIDENTS OF MARYLAND

1. Without overseas pay:

Must file a resident return (Form 502) and report all income from all sources, wherever earned. You must calculate the local portion of the tax regardless of whether you were stationed in Maryland or not. The location of your legal residence determines which county should be entered on your return. See Instructions 6 and 19. If you filed a joint federal return, see Instruction 7.

2. With overseas pay:

Same as above, may subtract up to \$15,000 in military pay earned outside U.S. boundaries or possessions, depending upon total military income. If you filed a joint federal return, see Instruction 7.

MILITARY PERSONNEL WHO ARE LEGAL RESIDENTS OF ANOTHER STATE

Military personnel and their spouses who are legal residents of another state should see the MARYLAND NONRESIDENT INSTRUCTIONS and Administrative Release 1.

2017 MARYLAND TAX TABLE

INSTRUCTIONS:

1. Find the income range that applies to the taxable net income you reported on line 20 of your Form 502.
2. Find the Maryland tax corresponding to your income range.
3. Enter the tax amount on line 21 of Form 502.
4. This table does not include the local income tax.
5. If your taxable income is \$100,000 or more, use the Maryland Tax Computation Worksheet Schedules (17A) at the end of the tax table.

If your taxable net income is . . .			If your taxable net income is . . .			If your taxable net income is . . .			If your taxable net income is . . .			If your taxable net income is . . .		
At least	But less than	Your Maryland tax is . . .	At least	But less than	Your Maryland tax is . . .	At least	But less than	Your Maryland tax is . . .	At least	But less than	Your Maryland tax is . . .	At least	But less than	Your Maryland tax is . . .
\$ 0	\$ 50	\$ 0	3,000			6,000			9,000			12,000		
50	75	1	3,000	3,050	91	6,000	6,050	234	9,000	9,050	376	12,000	12,050	519
75	100	2	3,050	3,100	94	6,050	6,100	236	9,050	9,100	379	12,050	12,100	521
100	150	3	3,100	3,150	96	6,100	6,150	238	9,100	9,150	381	12,100	12,150	523
150	200	4	3,150	3,200	98	6,150	6,200	241	9,150	9,200	383	12,150	12,200	526
200	250	5	3,200	3,250	101	6,200	6,250	243	9,200	9,250	386	12,200	12,250	528
250	300	6	3,250	3,300	103	6,250	6,300	246	9,250	9,300	388	12,250	12,300	531
300	350	7	3,300	3,350	105	6,300	6,350	248	9,300	9,350	390	12,300	12,350	533
350	400	8	3,350	3,400	108	6,350	6,400	250	9,350	9,400	393	12,350	12,400	535
400	450	9	3,400	3,450	110	6,400	6,450	253	9,400	9,450	395	12,400	12,450	538
450	500	10	3,450	3,500	113	6,450	6,500	255	9,450	9,500	398	12,450	12,500	540
500	550	11	3,500	3,550	115	6,500	6,550	257	9,500	9,550	400	12,500	12,550	542
550	600	12	3,550	3,600	117	6,550	6,600	260	9,550	9,600	402	12,550	12,600	545
600	650	13	3,600	3,650	120	6,600	6,650	262	9,600	9,650	405	12,600	12,650	547
650	700	14	3,650	3,700	122	6,650	6,700	265	9,650	9,700	407	12,650	12,700	550
700	750	15	3,700	3,750	124	6,700	6,750	267	9,700	9,750	409	12,700	12,750	552
750	800	16	3,750	3,800	127	6,750	6,800	269	9,750	9,800	412	12,750	12,800	554
800	850	17	3,800	3,850	129	6,800	6,850	272	9,800	9,850	414	12,800	12,850	557
850	900	18	3,850	3,900	132	6,850	6,900	274	9,850	9,900	417	12,850	12,900	559
900	950	19	3,900	3,950	134	6,900	6,950	276	9,900	9,950	419	12,900	12,950	561
950	1,000	20	3,950	4,000	136	6,950	7,000	279	9,950	10,000	421	12,950	13,000	564
1,000			4,000			7,000			10,000			13,000		
1,000	1,050	21	4,000	4,050	139	7,000	7,050	281	10,000	10,050	424	13,000	13,050	566
1,050	1,100	22	4,050	4,100	141	7,050	7,100	284	10,050	10,100	426	13,050	13,100	569
1,100	1,150	24	4,100	4,150	143	7,100	7,150	286	10,100	10,150	428	13,100	13,150	571
1,150	1,200	25	4,150	4,200	146	7,150	7,200	288	10,150	10,200	431	13,150	13,200	573
1,200	1,250	27	4,200	4,250	148	7,200	7,250	291	10,200	10,250	433	13,200	13,250	576
1,250	1,300	28	4,250	4,300	151	7,250	7,300	293	10,250	10,300	436	13,250	13,300	578
1,300	1,350	30	4,300	4,350	153	7,300	7,350	295	10,300	10,350	438	13,300	13,350	580
1,350	1,400	31	4,350	4,400	155	7,350	7,400	298	10,350	10,400	440	13,350	13,400	583
1,400	1,450	33	4,400	4,450	158	7,400	7,450	300	10,400	10,450	443	13,400	13,450	585
1,450	1,500	34	4,450	4,500	160	7,450	7,500	303	10,450	10,500	445	13,450	13,500	588
1,500	1,550	36	4,500	4,550	162	7,500	7,550	305	10,500	10,550	447	13,500	13,550	590
1,550	1,600	37	4,550	4,600	165	7,550	7,600	307	10,550	10,600	450	13,550	13,600	592
1,600	1,650	39	4,600	4,650	167	7,600	7,650	310	10,600	10,650	452	13,600	13,650	595
1,650	1,700	40	4,650	4,700	170	7,650	7,700	312	10,650	10,700	455	13,650	13,700	597
1,700	1,750	42	4,700	4,750	172	7,700	7,750	314	10,700	10,750	457	13,700	13,750	599
1,750	1,800	43	4,750	4,800	174	7,750	7,800	317	10,750	10,800	459	13,750	13,800	602
1,800	1,850	45	4,800	4,850	177	7,800	7,850	319	10,800	10,850	462	13,800	13,850	604
1,850	1,900	46	4,850	4,900	179	7,850	7,900	322	10,850	10,900	464	13,850	13,900	607
1,900	1,950	48	4,900	4,950	181	7,900	7,950	324	10,900	10,950	466	13,900	13,950	609
1,950	2,000	49	4,950	5,000	184	7,950	8,000	326	10,950	11,000	469	13,950	14,000	611
2,000			5,000			8,000			11,000			14,000		
2,000	2,050	51	5,000	5,050	186	8,000	8,050	329	11,000	11,050	471	14,000	14,050	614
2,050	2,100	53	5,050	5,100	189	8,050	8,100	331	11,050	11,100	474	14,050	14,100	616
2,100	2,150	55	5,100	5,150	191	8,100	8,150	333	11,100	11,150	476	14,100	14,150	618
2,150	2,200	57	5,150	5,200	193	8,150	8,200	336	11,150	11,200	478	14,150	14,200	621
2,200	2,250	59	5,200	5,250	196	8,200	8,250	338	11,200	11,250	481	14,200	14,250	623
2,250	2,300	61	5,250	5,300	198	8,250	8,300	341	11,250	11,300	483	14,250	14,300	626
2,300	2,350	63	5,300	5,350	200	8,300	8,350	343	11,300	11,350	485	14,300	14,350	628
2,350	2,400	65	5,350	5,400	203	8,350	8,400	345	11,350	11,400	488	14,350	14,400	630
2,400	2,450	67	5,400	5,450	205	8,400	8,450	348	11,400	11,450	490	14,400	14,450	633
2,450	2,500	69	5,450	5,500	208	8,450	8,500	350	11,450	11,500	493	14,450	14,500	635
2,500	2,550	71	5,500	5,550	210	8,500	8,550	352	11,500	11,550	495	14,500	14,550	637
2,550	2,600	73	5,550	5,600	212	8,550	8,600	355	11,550	11,600	497	14,550	14,600	640
2,600	2,650	75	5,600	5,650	215	8,600	8,650	357	11,600	11,650	500	14,600	14,650	642
2,650	2,700	77	5,650	5,700	217	8,650	8,700	360	11,650	11,700	502	14,650	14,700	645
2,700	2,750	79	5,700	5,750	219	8,700	8,750	362	11,700	11,750	504	14,700	14,750	647
2,750	2,800	81	5,750	5,800	222	8,750	8,800	364	11,750	11,800	507	14,750	14,800	649
2,800	2,850	83	5,800	5,850	224	8,800	8,850	367	11,800	11,850	509	14,800	14,850	652
2,850	2,900	85	5,850	5,900	227	8,850	8,900	369	11,850	11,900	512	14,850	14,900	654
2,900	2,950	87	5,900	5,950	229	8,900	8,950	371	11,900	11,950	514	14,900	14,950	656
2,950	3,000	89	5,950	6,000	231	8,950	9,000	374	11,950	12,000	516	14,950	15,000	659

2017 MARYLAND TAX TABLE

If your taxable net income is . . .			If your taxable net income is . . .			If your taxable net income is . . .			If your taxable net income is . . .			If your taxable net income is . . .		
At least	But less than	Your Maryland tax is . . .	At least	But less than	Your Maryland tax is . . .	At least	But less than	Your Maryland tax is . . .	At least	But less than	Your Maryland tax is . . .	At least	But less than	Your Maryland tax is . . .
90,000			92,000			94,000			96,000			98,000		
90,000	90,050	4,224	92,000	92,050	4,319	94,000	94,050	4,414	96,000	96,050	4,509	98,000	98,050	4,604
90,050	90,100	4,226	92,050	92,100	4,321	94,050	94,100	4,416	96,050	96,100	4,511	98,050	98,100	4,606
90,100	90,150	4,228	92,100	92,150	4,323	94,100	94,150	4,418	96,100	96,150	4,513	98,100	98,150	4,608
90,150	90,200	4,231	92,150	92,200	4,326	94,150	94,200	4,421	96,150	96,200	4,516	98,150	98,200	4,611
90,200	90,250	4,233	92,200	92,250	4,328	94,200	94,250	4,423	96,200	96,250	4,518	98,200	98,250	4,613
90,250	90,300	4,236	92,250	92,300	4,331	94,250	94,300	4,426	96,250	96,300	4,521	98,250	98,300	4,616
90,300	90,350	4,238	92,300	92,350	4,333	94,300	94,350	4,428	96,300	96,350	4,523	98,300	98,350	4,618
90,350	90,400	4,240	92,350	92,400	4,335	94,350	94,400	4,430	96,350	96,400	4,525	98,350	98,400	4,620
90,400	90,450	4,243	92,400	92,450	4,338	94,400	94,450	4,433	96,400	96,450	4,528	98,400	98,450	4,623
90,450	90,500	4,245	92,450	92,500	4,340	94,450	94,500	4,435	96,450	96,500	4,530	98,450	98,500	4,625
90,500	90,550	4,247	92,500	92,550	4,342	94,500	94,550	4,437	96,500	96,550	4,532	98,500	98,550	4,627
90,550	90,600	4,250	92,550	92,600	4,345	94,550	94,600	4,440	96,550	96,600	4,535	98,550	98,600	4,630
90,600	90,650	4,252	92,600	92,650	4,347	94,600	94,650	4,442	96,600	96,650	4,537	98,600	98,650	4,632
90,650	90,700	4,255	92,650	92,700	4,350	94,650	94,700	4,445	96,650	96,700	4,540	98,650	98,700	4,635
90,700	90,750	4,257	92,700	92,750	4,352	94,700	94,750	4,447	96,700	96,750	4,542	98,700	98,750	4,637
90,750	90,800	4,259	92,750	92,800	4,354	94,750	94,800	4,449	96,750	96,800	4,544	98,750	98,800	4,639
90,800	90,850	4,262	92,800	92,850	4,357	94,800	94,850	4,452	96,800	96,850	4,547	98,800	98,850	4,642
90,850	90,900	4,264	92,850	92,900	4,359	94,850	94,900	4,454	96,850	96,900	4,549	98,850	98,900	4,644
90,900	90,950	4,266	92,900	92,950	4,361	94,900	94,950	4,456	96,900	96,950	4,551	98,900	98,950	4,646
90,950	91,000	4,269	92,950	93,000	4,364	94,950	95,000	4,459	96,950	97,000	4,554	98,950	99,000	4,649
91,000			93,000			95,000			97,000			99,000		
91,000	91,050	4,271	93,000	93,050	4,366	95,000	95,050	4,461	97,000	97,050	4,556	99,000	99,050	4,651
91,050	91,100	4,274	93,050	93,100	4,369	95,050	95,100	4,464	97,050	97,100	4,559	99,050	99,100	4,654
91,100	91,150	4,276	93,100	93,150	4,371	95,100	95,150	4,466	97,100	97,150	4,561	99,100	99,150	4,656
91,150	91,200	4,278	93,150	93,200	4,373	95,150	95,200	4,468	97,150	97,200	4,563	99,150	99,200	4,658
91,200	91,250	4,281	93,200	93,250	4,376	95,200	95,250	4,471	97,200	97,250	4,566	99,200	99,250	4,661
91,250	91,300	4,283	93,250	93,300	4,378	95,250	95,300	4,473	97,250	97,300	4,568	99,250	99,300	4,663
91,300	91,350	4,285	93,300	93,350	4,380	95,300	95,350	4,475	97,300	97,350	4,570	99,300	99,350	4,665
91,350	91,400	4,288	93,350	93,400	4,383	95,350	95,400	4,478	97,350	97,400	4,573	99,350	99,400	4,668
91,400	91,450	4,290	93,400	93,450	4,385	95,400	95,450	4,480	97,400	97,450	4,575	99,400	99,450	4,670
91,450	91,500	4,293	93,450	93,500	4,388	95,450	95,500	4,483	97,450	97,500	4,578	99,450	99,500	4,673
91,500	91,550	4,295	93,500	93,550	4,390	95,500	95,550	4,485	97,500	97,550	4,580	99,500	99,550	4,675
91,550	91,600	4,297	93,550	93,600	4,392	95,550	95,600	4,487	97,550	97,600	4,582	99,550	99,600	4,677
91,600	91,650	4,300	93,600	93,650	4,395	95,600	95,650	4,490	97,600	97,650	4,585	99,600	99,650	4,680
91,650	91,700	4,302	93,650	93,700	4,397	95,650	95,700	4,492	97,650	97,700	4,587	99,650	99,700	4,682
91,700	91,750	4,304	93,700	93,750	4,399	95,700	95,750	4,494	97,700	97,750	4,589	99,700	99,750	4,684
91,750	91,800	4,307	93,750	93,800	4,402	95,750	95,800	4,497	97,750	97,800	4,592	99,750	99,800	4,687
91,800	91,850	4,309	93,800	93,850	4,404	95,800	95,850	4,499	97,800	97,850	4,594	99,800	99,850	4,689
91,850	91,900	4,312	93,850	93,900	4,407	95,850	95,900	4,502	97,850	97,900	4,597	99,850	99,900	4,692
91,900	91,950	4,314	93,900	93,950	4,409	95,900	95,950	4,504	97,900	97,950	4,599	99,900	99,950	4,694
91,950	92,000	4,316	93,950	94,000	4,411	95,950	96,000	4,506	97,950	98,000	4,601	99,950	100,000	4,696

Use the appropriate Maryland tax computation worksheet schedule (17A) below if your taxable net income is \$100,000 or more.

Tax Rate Schedule I - Use if your filing status is Single, Married Filing Separately, or Dependent Taxpayer. Use the row in which your taxable net income appears.

Taxable Net Income	(a)	(b)	(c)	(d)	(e)	(f)	Maryland Tax
If Line 20 of Form 502	Enter the amount from Line 20 of Form 502	Subtraction Amount	Subtract Column (b) from (a) and enter here	Multiplication Amount	Multiply (c) by (d) enter here	Addition Amount	Add (e) to (f). Enter result here and on Line 21 of Form 502
At least \$100,000 but not over \$125,000	\$	\$ 100,000.00	\$	x .0500	\$	\$ 4,697.50	\$
Over \$125,000 but not over \$150,000	\$	\$ 125,000.00	\$	x .0525	\$	\$ 5,947.50	\$
Over \$150,000 but not over \$250,000	\$	\$ 150,000.00	\$	x .0550	\$	\$ 7,260.00	\$
Over \$250,000	\$	\$ 250,000.00	\$	x .0575	\$	\$ 12,760.00	\$

Tax Rate Schedule II - Use if your filing status is Married Filing Joint, Head of Household, or Qualifying Widow(er) with Dependent Child. Use the row in which your taxable net income appears.

Taxable Net Income	(a)	(b)	(c)	(d)	(e)	(f)	Maryland Tax
If Line 20 of Form 502	Enter the amount from Line 20 of Form 502	Subtraction Amount	Subtract Column (b) from (a) and enter here	Multiplication Amount	Multiply (c) by (d) enter here	Addition Amount	Add (e) to (f). Enter result here and on Line 21 of Form 502
At least \$100,000 but not over \$150,000	\$	\$ 3,000.00	\$	x .0475	\$	\$ 90.00	\$
Over \$150,000 but not over \$175,000	\$	\$150,000.00	\$	x .0500	\$	\$ 7,072.50	\$
Over \$175,000 but not over \$225,000	\$	\$175,000.00	\$	x .0525	\$	\$ 8,322.50	\$
Over \$225,000 but not over \$300,000	\$	\$225,000.00	\$	x .0550	\$	\$ 10,947.50	\$
Over \$300,000	\$	\$300,000.00	\$	x .0575	\$	\$ 15,072.50	\$

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18502D000

OR FISCAL YEAR BEGINNING _____ 2018, ENDING _____

CHECK HERE IF THIS IS A CHANGE OF ADDRESS

CHECK HERE IF THIS IS A JOINT DECLARATION

Your Social Security Number _____ Spouse's Social Security Number _____

Your First Name _____ Initial _____

Your Last Name _____

Spouse's First Name _____ Initial _____

Spouse's Last Name _____

For Office Use Only

Table with 4 columns: ME, YE, EC, EC

Print Using Blue or Black Ink Only

STAPLE CHECK HERE

Current Mailing Address - Line 1 (Street No. and Street Name or PO Box) _____

Current Mailing Address - Line 2 (Apt No., Suite No., Floor No.) _____

City or Town _____ State _____ ZIP Code _____

IF YOU DO NOT ELECT TO FILE ELECTRONICALLY, USE THIS FORM TO REMIT ANY PAYMENT DUE AT THIS TIME. Additional copies of this form are available at www.marylandtaxes.gov.

IMPORTANT: Please review the instructions before completing this form. If you are using this form for subsequent estimated payments and you previously have calculated the amounts you must pay for each quarter, you do not need to complete this worksheet.

ESTIMATED TAX WORKSHEET

- 1. Total income expected in 2018 (federal adjusted gross income) 1.
2. Net modifications (See instructions.) 2.
3. Maryland adjusted gross income (line 1, plus or minus line 2) 3.
4. Deductions:
a. If standard deduction is used, see instructions.
b. If deductions are itemized, enter total of federal itemized deductions less state and local income taxes. 4.
5. Maryland net income (Subtract line 4 from line 3.) 5.
6. Personal exemptions (See instructions.) 6.
7. Taxable net income (Subtract line 6 from line 5.) 7.
8. Maryland income tax (See instructions.) 8.
9. Personal and business income tax credits 9.
10. Subtract line 9 from line 8 (If less than 0, enter 0.) 10.
11. Local income tax or special nonresident income tax: Multiply line 7 by .0 (See instructions.) 11.
12. Local income tax credit 12.
13. Total 2018 Maryland and local income tax (Subtract line 12 from the sum of lines 10 and 11.) . . 13.
14. Maryland income tax to be withheld during the year 2018 14.
15. Total estimated tax to be paid by declaration (Subtract line 14 from line 13.) 15.
16. Amount to be submitted with declaration (Divide line 15 by 4.) 16.

For payment by credit card see payment instructions. Make checks payable to Comptroller of Maryland.

ESTIMATED TAX PAID FOR 2018 WITH THIS DECLARATION (If filing and paying electronically or by credit card, do not submit this form.) \$

Purpose of declaration The filing of a declaration of estimated Maryland income tax is a part of the pay-as-you-go plan of income tax collection adopted by the State. If you have any income such as pensions, business income, lottery, capital gains, interest, dividends, etc., from which no tax is withheld, or wages from which not enough Maryland tax is withheld, you may have to pay estimated taxes. The law is similar to the federal law.

Who must file a declaration You must file a declaration of estimated tax if you are required to file a Maryland income tax return *and* your gross income would be expected to develop a tax of more than \$500 in excess of your Maryland withholding.

You must file a declaration with payment in full within 60 days of receiving \$500 or more of income from awards, prizes, lotteries or raffles, whether paid in cash or property if Maryland tax has not been withheld. A married couple may file a joint declaration. If you are filing a joint declaration, both Social Security numbers must be entered. If filing on behalf of a minor, the name and Social Security number of the minor must be entered.

When to file a declaration You must pay at least one-fourth of the total estimated tax on line 15 of this form on or before **April 15, 2018**. The remaining quarterly payments are due **June 15, 2018, September 15, 2018 and January 15, 2019**. You may pay the total estimated tax with your first payment, if you wish. If you are filing on a fiscal year basis, each payment is due by the 15th day of the 4th, 6th, 9th and 13th months following the beginning of the fiscal year.

Overpayment of tax If you overpaid your 2017 income tax (Form 502 or 505), you may apply all or part of the overpayment to your 2018 estimated tax. If the overpayment applied equals or exceeds the estimated tax liability for the first quarterly payment, you are not required to file the declaration. If the overpayment applied is less than the estimated tax liability, you should file the declaration and pay the balance of the first installment.

How to estimate your 2018 tax The worksheet is designed to develop an estimate of your 2018 Maryland and local income tax. Be as accurate as you can in forecasting your 2018 income. You may use your 2017 income tax as a guide, but if you will receive more income than you did in 2017, you must pay at least 110% of your prior year tax to avoid interest for underpayment of estimated tax. For the purpose of estimating, rounding all amounts to the nearest dollar is recommended.

Nonresidents who want to estimate 2018 Maryland taxes may use the Nonresident Estimate Tax Calculator at www.marylandtaxes.gov.

Specific Instructions:

Line 1. Total income expected in 2018 is your estimated federal adjusted gross income.

Line 2. Net modifications. You must add certain items to your federal adjusted gross income. See Instruction 12 of the tax instructions. You may subtract certain items from federal adjusted gross income. See Instruction 13 of the tax instructions. Enter on this line the net result of additions and subtractions.

Line 4. Deductions. You may compute your tax using the standard deduction method or the itemized deduction method.

Standard deduction. Compute 15% of line 3.

If Filing Status 1, 3, 6: If the amount computed is less than \$1,500, enter \$1,500; if the amount is between \$1,500 and \$2,000, enter that amount; if the amount is more than \$2,000, enter \$2,000.

If Filing Status 2, 4, 5: If the amount computed is less than \$3,000, enter \$3,000; if the amount is between \$3,000 and \$4,000, enter that amount; if the amount is more than \$4,000, enter \$4,000.

Itemized deductions. Enter the total of federal itemized deductions less state and local income taxes.

Line 6. Personal exemptions. If your FAGI will be \$100,000 or less, you are allowed:

- a. \$3,200 each for taxpayer and spouse.
- b. \$1,000 each for taxpayer and spouse if age 65 or over and/or blind.
- c. \$3,200 for each allowable dependent, other than taxpayer and spouse. The amount is doubled for allowable dependents age 65 or over.

If your FAGI will be more than \$100,000, see chart below to determine the amount of exemption you can claim for items a and c above.

If Your federal AGI is		If you will file your tax return	
		Single or Married Filing Separately Each Exemption is	Joint, Head of Household or Qualifying Widow(er) Each Exemption is
\$100,000 or less		\$3,200	\$3,200
Over	But not over		
\$100,000	\$125,000	\$1,600	\$3,200
\$125,000	\$150,000	\$800	\$3,200
\$150,000	\$175,000	\$0	\$1,600
\$175,000	\$200,000	\$0	\$800
In excess of \$200,000		\$0	\$0

Line 8. Maryland income tax. Use the tax rate schedules below to compute your tax on the amount on line 7.

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

Tax Rate Schedule I

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

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

Tax Rate Schedule II

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

Line 11. Local or special nonresident income tax. Maryland counties and Baltimore City levy an income tax on residents that is a percentage of taxable net income. The amount you entered on line 7 is your taxable net income. Multiply that amount by your local tax rate (see below) and enter on line 11.

Baltimore City . . . . .	.0320
Allegany County . . . . .	.0305
Anne Arundel County . . . . .	.0250
Baltimore County . . . . .	.0283
Calvert County . . . . .	.0300
Caroline County . . . . .	.0273
Carroll County . . . . .	.0303
Cecil County . . . . .	.0300
Charles County . . . . .	.0303
Dorchester County . . . . .	.0262
Frederick County . . . . .	.0296
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 . . . . .	.0320
Talbot County . . . . .	.0240
Washington County . . . . .	.0280
Wicomico County . . . . .	.0320
Worcester County . . . . .	.0175
Nonresidents use . . . . .	.0175

Filing a return instead of fourth payment Instead of making the fourth declaration payment on or before **January 15, 2019**, you may file your 2018 personal income tax return, provided you file it on or before **January 31, 2019** and pay in full with the return any balance of tax due.

Farmers and fishermen If your estimated gross income from farming or fishing is at least two-thirds of your total estimated gross income for the year, special provisions may apply. Your 2018 declaration and full payment of the estimated tax are due on or before **January 15, 2019**. You do not have to file the declaration if you file your complete tax return (Form 502 or 505) and pay the full amount of tax due on or before **March 1, 2019**.

Changes in income or exemptions Your situation may not require you to file a declaration on **April 15, 2018**. However, a large increase in income after that date may require you to file a declaration. If at any time during the year you need to amend your original declaration, simply increase or decrease the remaining payments.

Forms and information Declaration of estimated tax forms and any additional information may be obtained online at **www.marylandtaxes.gov** or from the Comptroller of Maryland, Revenue Administration Division, 110 Carroll Street, Annapolis, Maryland 21411-0001 (410-260-7980 from Central Maryland or 1-800-MD-TAXES from elsewhere) or from any branch office.

Electronic filing You may file and pay your 2018 estimated taxes electronically. When you use our iFile program, we give you the ability to make a single estimated tax payment, as well as providing the convenience of scheduling all of your payments at one time. These scheduled payments will be deducted from your bank account on the dates that you specify. Visit us at **www.marylandtaxes.gov** and look for **online services**.

ALTERNATIVE PAYMENT METHODS

For alternative methods of payment, such as a credit card, visit our website at **www.marylandtaxes.gov**.

Payment by check or money order Make your check or money order payable to Comptroller of Maryland. Use blue or black ink. Write the type of tax, year of tax and tax being paid on your check. It is recommended that you include your Social Security number on check. **DO NOT SEND CASH.**

Mailing instructions Mail your declaration of estimated tax to:

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

Penalties and interest If you are required by law to file a declaration of estimated tax for any tax year and you either (1) fail to file on the date prescribed, (2) **fail to pay the installment or installments when due** or (3) estimate a tax less than 90% of the developed tax shown on the return for the current taxable year and which estimate was less than 110% of the tax that was developed for the prior year, you will be subject to the penalties and interest as provided by law for the failure to file a return and the failure to pay a tax when due.



File and pay your estimated tax online. Scan this code with your mobile phone or tablet's QR Reader. Free readers are available at your favorite APP store.



The Maryland General Assembly enacted House Bill 1148 in the 2016 Session requiring the collection of information detailing the amount of retirement income reported by an individual and/or their spouse by source.

Part 1

Your First Name _____ Initial _____ Your Last Name _____ Your Social Security Number _____

Spouse's First Name _____ Initial _____ Spouse's Last Name _____ Spouse's Social Security Number _____

Part 2

Your Age _____ Spouse's Age _____

Part 3

Are you or your spouse totally and permanently disabled? (Check if **Yes**): You Spouse

Part 4 Retirement and Pension Benefits: Determine your source of retirement income and input the required information in the appropriate areas below.

Source description:	Amount included in Federal Adjusted Gross Income	
	You	Spouse
1. Retirement income received as a pension, annuity or endowment from an "employee retirement system" qualified under Sections 401(a), 403 or 457(b) of the Internal Revenue Code. (Do not include a traditional, Roth or SIMPLE individual retirement account or annuity (IRA), a simplified employee plan (SEP), a Keogh plan, an ineligible deferred compensation plan or foreign retirement income.)1a.	.00	1b. .00
2. An IRA under Section 408 (excluding Section 408(k)) of the Internal Revenue Code. Examples include a SIMPLE IRA under Section 408(p) of the Internal Revenue Code and a traditional IRA2a.	.00	2b. .00
3. An IRA consisting entirely of contributions rolled over from a <i>defined benefit plan</i>3a.	.00	3b. .00
4. A simplified employee pension (SEP) under Section 408(k) of the Internal Revenue Code. .4a.	.00	4b. .00
5. A Roth IRA under Section 408A of the Internal Revenue Code.5a.	.00	5b. .00
6. An ineligible deferred compensation plan under Section 457(f) of the Internal Revenue Code6a.	.00	6b. .00
7. Other retirement income (for example, a Keogh Plan, also known as an HR-10), including foreign retirement income.7a.	.00	7b. .00
8. Total: Add the amounts in the above columns and enter here. (This line should reflect the total amount of pension, IRA and annuities reported as income on lines 15b and 16b of your federal Form 1040 or lines 11b and 12b of your federal Form 1040A).8.	.00	.00

Part 5

	You	Spouse
9. Total benefits you received from Social Security and/or Railroad Retirement, Tier I and Tier II (See Instructions for Part 5)9a.	.00	9b. .00
10. Amount of military retirement income subtracted on Maryland Form 502 (from code letter u on Form 502SU)10a.	.00	10b. .00

Part 6 If you claimed a Pension Exclusion on line 10 of Maryland Form 502, complete Part 6 using information from Worksheet 13A of the Maryland Resident Income Tax Return Instructions.

11. Pension Exclusion (from line 5 of Worksheet 13A)11a.	.00	11b. .00
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Part 7 If you claimed the Retired Law Enforcement Officer or Fire, Rescue, or Emergency Services Personnel pension exclusion (from code letter rr on Form 502SU), complete Part 7 using information from Worksheet 13E of the Maryland Resident Income Tax Return Instructions.

12. Retired Law Enforcement Officer or Fire, Rescue, or Emergency Services Personnel pension exclusion (from line 8 of Worksheet 13E)12a.	.00	12b. .00
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The Maryland General Assembly enacted House Bill 1148 in the 2016 Session requiring the collection of information detailing the amount of retirement income reported by an individual and/or their spouse by source.

Complete Form 502R if you or your spouse were required to file a 2017 Form 502 AND:

1. Reported income from a pension, annuity or individual retirement account or annuity (IRA) on your federal income tax return (on lines 15b and/or 16b of federal Form 1040 or lines 11b and/or 12b of federal Form 1040A);
2. Received any income during the tax year (taxable or non-taxable) from Social Security or Railroad Retirement (Tier I or Tier II);
3. Claimed a pension exclusion on line 10 of Maryland Form 502; or
4. Claimed a pension exclusion on Form 502SU code "rr".

Nonresidents are not required to complete and file the Form 502R.

Married individuals who filed Maryland returns with married filing separate status should each complete a separate Form 502R.

PRINT OR ENTER ALL INFORMATION USING BLUE OR BLACK INK

Part 1: Enter your first name, middle initial, last name and Social Security number exactly as entered on Form 502. If you are filing a joint Maryland return, also enter the name and Social Security number of your spouse.

Part 2: Enter your age as of December 31, 2017. If you are filing a joint Maryland return, also enter the age as of December 31, 2017 of your spouse.

Part 3: Check the appropriate box if you or your spouse were totally and permanently disabled on the last day of the tax year.

Part 4: Complete Part 4 if you or your spouse reported income from a pension, annuity or individual retirement account or annuity (IRA) on your federal income tax return (lines 15b and/or 16b of federal Form 1040 or lines 11b and/or 12b of

federal Form 1040A). Add these amounts and enter on line 8. This amount must equal the sum of the retirement income reported on your federal return (line 15b plus line 16b of Form 1040, or line 11b plus line 12b of Form 1040A).

DO NOT include any benefits received from Social Security and/or Railroad Retirement, Tier I and Tier II, in Part 4. Those benefits should be included on line 9 of Part 5.

EXCEPTION: If you retired on disability and received a taxable disability retirement pension or annuity reported to you on Form 1099R and you report the taxable income as wages on line 7 of federal Form 1040 until you reach minimum retirement age, include this amount of taxable income on line 1 of Part 4.

Part 5: Complete Part 5 if you or your spouse received Social Security or Railroad Retirement benefits (Tier I or Tier II). Enter the gross amount of those benefits received during the tax year (do not enter the taxable amount only) in the appropriate column.

Complete Part 5 if you received military retirement income subtracted using code letter u on Maryland Form 502SU.

Part 6: Complete Part 6 if you or your spouse claimed a pension exclusion on Maryland Form 502. Enter the amounts in the appropriate column using the amounts calculated for each spouse on line 5 of the PENSION EXCLUSION COMPUTATION WORKSHEET (13A) which can be found in the Maryland Resident Income Tax Return Instructions.

Part 7: Complete Part 7 if you or your spouse claimed the Retired Law Enforcement Officer or Fire, Rescue, or Emergency Services Personnel pension exclusion (from code letter rr on Form 502SU). Enter the amounts in the appropriate column using the amounts calculated for each spouse on line 8 of the RETIRED LAW ENFORCEMENT OFFICER OR FIRE, RESCUE, OR EMERGENCY SERVICES PERSONNEL PENSION EXCLUSION COMPUTATION WORKSHEET (13E) which can be found in the Maryland Resident Income Tax Return Instructions.

		Pension, profit-sharing or stock bonus plans - 401(a), 403 or 457(b)	401(k) Cash or Deferred Arrangement	Deferred compensation plan of a state or local government or a tax exempt organization - 457(b)	Thrift Savings	SIMPLE 401(k)	SIMPLE Individual Retirement Account - 408(p)	SIMPLE Individual Retirement Annuity - 408(b)	Traditional Individual Retirement Account or Annuity (IRA)	Rollover IRA consisting entirely of contributions from a defined benefit plan	Simplified Employee Pension - 408(k)	Roth IRA - 408A	Ineligible Deferred Compensation Plan 457(f)	Keogh retirement plans for self-employed individuals (also known as an HR-10 plan)	Foreign retirement income	Other taxable retirement plans
1	Retirement income received as a pension, annuity or endowment from an "employee retirement system" qualified under Sections 401(a), 403 or 457(b) of the Internal Revenue Code. (Do not include a traditional, Roth or SIMPLE individual retirement account or annuity (IRA), a simplified employee plan (SEP), a Keogh plan, an ineligible deferred compensation plan or foreign retirement income.)	X	X	X	X	X										
2	An IRA under Section 408 (excluding Section 408(k)) of the Internal Revenue Code. Examples include a SIMPLE IRA under Section 408(p) of the Internal Revenue Code and a traditional IRA						X	X	X							
3	An IRA consisting entirely of contributions rolled over from a defined benefit plan									X						
4	A simplified employee pension (SEP) under Section 408(k) of the Internal Revenue Code										X					
5	A Roth IRA under Section 408A of the Internal Revenue Code											X				
6	An ineligible deferred compensation plan under Section 457(f) of the Internal Revenue Code												X			
7	Other taxable retirement income (for example, a Keogh Plan, also known as an HR-10), including foreign retirement income													X	X	X



Print Using Blue or Black Ink Only

Form fields for taxpayer and spouse names, initials, and social security numbers.

Subtractions from income. Determine which subtractions from income apply to you. See Instruction 13 in Resident Booklet for more information.

- List of subtractions from income (a-w) with corresponding lines for calculation.



NAME _____ SSN _____

- xa. Up to \$2,500 per contract purchased for advanced tuition payments made to the Maryland Prepaid College Trust. See Administrative Release 32. xa. _____
- xb. Up to \$2,500 per account contributor per beneficiary of the total of all amounts contributed to investment accounts under the Maryland College Investment Plan and Maryland Broker-Dealer College Investment Plan. See Administrative Release 32. xb. _____
- xc. Any amount included in federal adjusted gross income as a result of a distribution to a designated beneficiary from a Maryland ABLE account, unless it is a refund or non-qualified distribution . . . xc. _____
- xd. Up to \$2,500 per ABLE account contributor per beneficiary of the total of all amounts contributed under the Maryland ABLE Program. xd. _____
- xe. An amount included in federal adjusted gross income contributed by the State into an investment account under §18-19A-04.1 of the Education Article during the taxable year. xe. _____
- y. Any income that is related to tangible or intangible property that was seized, misappropriated or lost as a result of the actions or policies of Nazi Germany towards a Holocaust victim. y. _____
- z. Expenses incurred to buy and install handrails in an existing elevator in a qualified healthcare facility or other building in which at least 50% of the space is used for medical purposes z. _____
- aa. Payments from a pension system to the surviving spouse or other beneficiary of a law enforcement officer or firefighter whose death arises out of or in the course of their employment aa. _____
- ab. Income from U.S. Government obligations (See Instruction 13.) ab. _____
- bb. Net subtraction modification to Maryland taxable income when claiming the federal depreciation allowances from which the State of Maryland has decoupled. **Complete and attach Form 500DM.** See Administrative Release 38. bb. _____
- cc. Net subtraction modification to Maryland taxable income when using the federal special 5-year carryback period for a net operating loss under federal law compared to Maryland taxable income without regard to federal provisions. **Complete and attach Form 500DM.** See Administrative Release 38. cc. _____
- cd. Net subtraction modification to Maryland taxable income resulting from the federal ratable inclusion of deferred income arising from business indebtedness discharged by reacquisition of a debt instrument. **Complete and attach Form 500DM.** See Administrative Release 38 cd. _____
- dd. Income derived within arts and entertainment district(s) by a qualifying residing artist. **Complete and attach Form 502AE** dd. _____
- dm. Net subtraction modification from multiple decoupling provisions. **Complete and attach Form 500DM** dm. _____
- dp. Net subtraction decoupling modification from a pass-through entity. **Complete and attach Form 500DM.** See Administrative Release 38 dp. _____
- ee. Amount received as a grant under the Solar Energy Grant Program administered by the Maryland Energy Administration but not more than the amount included in your total income ee. _____
- ff. Amount of the cost difference between a conventional on-site sewage disposal system and a system that utilizes nitrogen removal technology, for which the Department of Environment’s payment assistance program does not cover. ff. _____
- hh. Net subtraction to adjust phase out of exemptions as a result of including U.S. obligations in your adjusted gross income hh. _____
- ii. Interest on any Build America Bond that is included in your federal adjusted gross income. See Administrative Release 13 ii. _____
- jj. 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 jj. _____
- kk. 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 kk. _____
- ll. Payment received as a result of a foreclosure settlement negotiated by the Maryland Attorney General ll. _____
- mm. Amount received by a claimant for noneconomic damages as a result of a claim of unlawful discrimination mm. _____



17502S200

NAME

SSN

-
- nn. Amount of student loan indebtedness discharged **Attach notice** nn. _____ . _____
 - oo. Up to \$5,000 of income earned by a law enforcement officer residing in the Maryland political subdivision in which the officer is employed if the crime rate in that political subdivision exceeds the State's crime rate oo. _____ . _____
 - pp. The value of any medal given by the International Olympic Committee, the International Paralympic Committee, the Special Olympics International Committee, or the International Committee of Sports for the Deaf AND any prize money or honoraria received from the United States Olympic Committee from a performance at the Olympic Games, the Paralympic Games, the Special Olympic Games, or the Deaflympic Games pp. _____ . _____
 - qq. Amount of qualified principal residence indebtedness included in federal adjusted gross income that was allowable as an exclusion under the Mortgage Forgiveness Debt Relief Act of 2007, as amended qq. _____ . _____
 - rr. Pension exclusion for retired law enforcement officer or fire, rescue, or emergency services personnel rr. _____ . _____
 - 1. TOTAL.** Add lines a through rr and enter this amount on line 13 of Form 502 with the appropriate code letters. **TOTAL 1.** _____ . _____



ATTACH THIS FORM TO FORM 502, 505 or 515. IMPORTANT: REVIEW THE INSTRUCTIONS BEFORE COMPLETING THIS FORM. SEE SPECIAL INSTRUCTIONS FOR FARMERS AND FISHERMEN OR IF YOUR INCOME IS TAXABLE BY ANOTHER STATE.

First Name Initial Last Name Social Security Number
Spouse's First Name Initial Spouse's Last Name Spouse's Social Security Number

EXCEPTIONS WHICH AVOID THE UNDERPAYMENT INTEREST

No interest is due and this form should not be filed if:

- A. The tax liability on gross income after deducting Maryland withholding is \$500 or less, or,
B. You have made four quarterly payments as required, each equal to or more than one-fourth of 110% of last year's taxes.

COMPUTATION OF UNDERPAYMENT - LINES 1 THROUGH 15

1. Total Maryland income (from line 16 of Form 502 or line 8 of Form 505NR) 1.
2. 2017 Maryland and local tax (from line 34 of Form 502 or line 37 of Form 505) 2.
3. Refundable earned income credit (from line 42 of Form 502) 3.
4. Refundable income tax credits (from line 43 of Form 502 or line 46 of Form 505) 4.
5. Total tax developed on tax preference items 5.
6. Total (Add lines 3, 4 and 5.) 6.
7. Balance (Subtract line 6 from line 2.) 7.
8. Multiply line 7 by 90% (.90) 8.
9. a. 2016 tax: Enter line 34 of 2016 Form 502 or line 37 (reduced by any credits on line 46) of 2016 Form 505. 9a.
b. Multiply line 9a by 110% (1.10) 9b.
10. Minimum withholding and/or estimated tax required (Enter the lesser of line 8 or 9b. If first-time filer, enter line 8.) 10.

DUE DATES OF INSTALLMENTS INSTALLMENT PERIODS

Table with 4 columns: 1st Period (April 15, 2017 Jan 1 to Mar 31), 2nd Period (June 15, 2017 Jan 1 to May 31), 3rd Period (Sept 15, 2017 Jan 1 to Aug 31), 4th Period (Jan 15, 2018 Jan 1 to Dec 31). Rows 11-15: 11. Divide total Maryland income on line 1 into earnings per period... 12. Divide earnings per period on line 11 by the amount on line 1 to determine the percent per period... 13. Payments required. Multiply the amount on line 10 by the percent on line 12 for each period... 14. Estimated tax paid and tax withheld per period... 15. Underpayment per period (line 13 less line 14) If less than zero, enter zero...

COMPUTATION OF INTEREST

16. Interest factor .0200 .0302 .0399 .0283
17. Multiply underpayment on line 15 by the factor on line 16 for each period
18. Interest. Add amounts on line 17. Place total in appropriate box on line 49 of Form 502 or line 52 of Form 505 and include amount in your total payment with return 18.

GENERAL INSTRUCTIONS

Section 10-815 of the Tax-General Article of the Annotated Code of Maryland requires every individual, or individuals filing jointly, who receives taxable income which is not subject to Maryland withholding, or from which not enough Maryland tax is withheld to file a Declaration of Estimated Tax, if the income can be expected to develop a tax of more than \$500 in excess of the Maryland withholding. Furthermore, Sections 13-602 and 13-702 stipulate that any individual so required to file, who either (1) fails to file on the date or dates prescribed; (2) fails to pay the installment or installments when due or (3) estimates a tax less than ninety (90) percent of the developed tax shown on the return for the current tax year and less than 110% of the tax that was developed for the prior year, shall be subject to penalty and interest.

WHO MUST FILE

If you believe you are liable for interest for one of the reasons outlined above, or if you believe you are not liable for interest due to an unequal distribution of income, complete and submit this form with your tax return.

If you meet one of the exceptions shown on page 1, you are not required to file this form.

If you want us to figure the interest for you, complete your return as usual. Do not file Form 502UP. You will be notified of any interest due.

SPECIFIC INSTRUCTIONS

Lines 1 through 10 are used to determine the minimum amount required to be paid by estimated or withholding tax to avoid interest.

Line 1 Enter your Maryland adjusted gross income from line 16 of Form 502 or line 8 of Form 505NR. Alternatively, if you itemize deductions, you may elect to enter taxable net income from line 20 of Form 502 or net income from line 11 of Form 505NR.

Lines 2-4 Enter the amount specified from your 2017 Form 502 or 505.

Line 5 Multiply the amount on line 5 of Form 502TP by the highest state rate used on your tax return. Add to this result the amount on line 5 of Form 502TP multiplied by your local (or special nonresident) tax rate.

Line 9a If your 2016 tax was corrected or amended, be sure to include any additional tax when calculating your total tax for the year.

Lines 11 through 15 will determine which periods are underpaid and the amount of underpayment.

Line 11 Enter in each column the income received for the period of the year covered by that column. If your income was received evenly throughout the year, enter one-fourth of line 1 in column 1, one-half of line 1 in column 2, three-fourths of line 1 in column 3 and an amount equal to line 1 in column 4. You may elect to report your income based on the actual dates of receipt. If so, enter income received between January 1 and March 31 in the first column; enter income received between January 1 and May 31 in the second column; enter income received between January 1 and August 31 in the third column and 100% of your income in the fourth column.

NOTE: Regardless of whether you use an even distribution or base your entries on the actual receipt dates, each successive column will include the amount from the prior columns. See the example in the instructions for line 14.

Line 14 Enter in each column the sum of any estimated payments you have made and any Maryland tax withheld from the beginning of the year to the due date at the top of that column. Include any nonresident tax paid by S corporations, partnerships or limited liability companies on your behalf.

NOTE: Just as in line 11, each successive entry will include the amount from the prior columns. For example, if you paid \$500 in estimated payments each quarter, the first column will contain \$500, the second \$1,000, the third \$1,500 and the fourth \$2,000. Overpayments in later quarters may not be used to offset underpayments in previous quarters.

Lines 16 through 18 determine the amount of interest due for each underpaid quarter.

Line 16 The factors represent the interest rate for the portion of the year between the due date of each quarter and the due date of the next quarter. Interest is computed at a rate of 1.00% per month for due dates prior to January 1, 2018.

Interest is computed at a rate of 0.9583% per month after December 31, 2017. See www.marylandtaxes.gov for more information.

If your estimated tax payment was not timely, but was paid earlier than the due date of the next quarter, adjust the factor as follows:

1st Period - For payments due by April 15, 2017 that were not paid by April 15, 2017 but paid earlier than June 15, 2017, count the number of months from the due date of April 15, 2017 that the payment was late. Treat a partial month as one month. Divide that number by twelve and multiply it by the 12% annual rate. Apply this adjusted factor to the underpaid amount on line 15.

2nd Period - For payments due by June 15, 2017 that were not paid by June 15, 2017 but paid earlier than September 15, 2017, count the number of months from the due date of June 15, 2017 that the payment was late. Treat a partial month as one month. Divide that number by twelve and multiply it by the 12% annual rate. Apply this adjusted factor to the underpaid amount on line 15.

3rd Period - For payments due by September 15, 2017 that were not paid by September 15, 2017 but paid earlier than December 15, 2017, count the number of months from the due date of September 15, 2017 that the payment was late. Treat a partial month as one month. Divide that number by twelve and multiply it by the 12% annual rate. Apply this adjusted factor to the underpaid amount on line 15. For payments made on or later than December 15, 2017, apply the interest factor of .0399 to the underpaid amount on line 15.

4th Period - For payments due by January 15, 2018 that were not paid by January 15, 2018 but paid earlier than April 15, 2018, count the number of months from the due date of January 15, 2018 that the payment was late. Treat a partial month as one month. Divide that number by twelve and multiply it by the 11.5% annual rate. Apply this adjusted factor to the underpaid amount on line 15.

Line 17 Using the factors on line 16 or the adjusted factor described above, determine the amount of interest due for each quarter and enter the amounts in the appropriate columns.

Line 18 Add all interest amounts in columns 1 through 4 on line 17. Enter the total interest on the appropriate line of your tax return.

If the interest calculated on line 18 is zero because your income was not received evenly throughout the year, enter code number 301 on one of the lines marked "code numbers" on the Form 502, 505 or 515 and attach this form to your return.

FARMERS AND FISHERMEN

If your gross income from farming or fishing is at least two-thirds of your total estimated gross income for the year, the 2017 declaration and full payment of the estimated tax is due on or before January 15, 2018. In lieu of filing the declaration, you may elect to file your full and complete annual return on or before March 1, 2018 and make full payment of the developed tax at that time.

If you fail to do either of the above, and the income not subject to withholding or from which not enough Maryland tax is withheld would be expected to develop a tax of more than \$500, then you are subject to interest. To compute the applicable interest charge, complete lines 1 through 10 of this form. Enter the amount from line 10 on line 13, column 4 and complete the rest of the form. Only column 4 will have entries.

To claim exemption from this interest charge or to use the special calculation, enter code number 300 on one of the lines marked "code numbers" on the Form 502, 505 or 515. Attach this form to your return if you used the special calculation.

INCOME TAXABLE BY ANOTHER STATE

If at least 90% of your taxable income is taxable by another state, and the underpayment is not greater than the local tax, no interest is due and you are not required to file this form.

To claim exemption from this interest charge, enter code number 302 on one of the lines marked "code numbers" on the Form 502, 505 or 515.

For more information, visit our Web site at www.marylandtaxes.gov or email your question to TAXHELP@comp.state.md.us. You may also call 1-800-638-2937 or from Central Maryland 410-260-7980.

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STATE DEPARTMENT OF ASSESSMENTS AND TAXATION INFORMATION REGARDING PROPERTY TAX CREDITS AND EXEMPTIONS

Under Maryland law, you may be eligible for a substantial credit on the property tax bill issued on your home, based upon your gross household income. This program is available to homeowners of all ages and the credit is calculated solely on the basis of gross income. The application form is not provided in this income tax booklet because the credits are issued as a deduction from the homeowner's July property tax bill. The property tax credit application forms are processed separately by the State Department of Assessments and Taxation.

Use the chart printed below to see if it would be worthwhile for you to submit a Homeowners' Tax Credit application. If the actual property taxes on your home (based on no more than \$300,000 of assessed value) exceed the "Tax Limit" amount shown on the table below for your household income level, you may be eligible for a credit and are urged to file an application. The table is printed for illustrative purposes, and therefore, the income amounts are listed in increments of \$1,000. For purposes of this program, the applicant must report total income, which means the combined gross household income before any deductions are taken. Nontaxable income, such as Social Security, Railroad Retirement or Veterans' benefits, also must be reported as income for the tax credit program.

2017 COMBINED GROSS HOUSEHOLD INCOME		2017 COMBINED GROSS HOUSEHOLD INCOME		2017 COMBINED GROSS HOUSEHOLD INCOME	
BEFORE DEDUCTIONS	TAX LIMIT	BEFORE DEDUCTIONS	TAX LIMIT	BEFORE DEDUCTIONS	TAX LIMIT
\$0 - \$8,000	\$ 0	17,000	510	26,000	1,320
9,000	40	18,000	600	27,000	1,410
10,000	80	19,000	690	28,000	1,500
11,000	120	20,000	780	29,000	1,590
12,000	160	21,000	870	30,000	1,680
13,000	225	22,000	960	and up to a maximum	*
14,000	290	23,000	1050	of \$60,000	
15,000	355	24,000	1140		
16,000	420	25,000	1230		

* For each additional \$1,000 of Income add \$90 to \$1,680 to find the amount that your tax must exceed.

If you think you might qualify on the basis of your household income, there are certain other legal requirements which must be met. Due to space restrictions, all of the other special limitations cannot be listed in this notice. The purpose of this notice is simply to advise you of the availability of the program and to suggest that you inquire further if you think you qualify on the basis of the income chart provided above. **To obtain a Homeowners' Tax Credit application form or to receive further information about your eligibility for the program, you should telephone 410-767-4433 in the Baltimore metropolitan area or 1-800-944-7403 (toll free) for those living elsewhere in Maryland.** Applications can also be found on the SDAT website at www.dat.maryland.gov. The deadline for filing a Homeowners' Tax Credit application is generally September 1, 2018.

RENTERS' TAX CREDIT PROGRAM

The State of Maryland also makes available a Renters' Tax Credit of up to \$1000 a year for renters age 60 and over or those 100% disabled if they qualify on the basis of income. Renters under age 60 who have a dependent child may be eligible for a credit if certain separate income requirements are met. **To obtain a Renters' Tax Credit application form or to receive further information about the program, you may telephone 410-767-4433 in the Baltimore metropolitan area or 1-800-944-7403 (toll free) for those living elsewhere in Maryland.** Applications can also be found on the SDAT website at www.dat.maryland.gov. The filing deadline for the Renter's Program is September 1, 2018.

REAL PROPERTY TAX EXEMPTIONS FOR 100% DISABLED VETERANS AND BLIND PERSONS

There is a complete exemption from real property taxes on the dwelling house owned by disabled veterans with a 100% service connected permanent disability or by their surviving spouses. The State also allows an exemption on the first \$15,000 of valuation on the dwelling house owned by legally blind persons. **For further information about either exemption, please telephone 410-767-4433 in the Baltimore area or 1-800-944-7403 (toll free) in other areas of Maryland.**

For additional information regarding property tax credits and exemptions please visit the State Department of Assessments and Taxation website at www.dat.maryland.gov.



TAX INFORMATION AND ASSISTANCE

Visit our web site at www.marylandtaxes.gov or call **1-800-638-2937** or from Central Maryland **410-260-7980**

WALK IN SERVICE

Free, in-person tax assistance is provided at the taxpayer service offices listed below. Bring a completed copy of your federal return and all W-2 statements. Offices are open Monday - Friday, 8:30 a.m. - 4:30 p.m. except for State Holidays.

SPECIAL ASSISTANCE

Hearing impaired individuals may call:
Maryland Relay Service (MRS) 711
Larger format tax forms 410-260-7951
ADA accommodations for Walk-in Service:
from Central Maryland 410-260-7980
from elsewhere 800-638-2937

TELEPHONE SERVICE

Telephone service is available 8:30 a.m. until 4:30 p.m., Monday through Friday. The Comptroller of Maryland offers extended hours for telephone assistance from February 1 - April 17, 2018. During this period, telephone assistance is available from 8:30 a.m. until 7:00 p.m., Monday through Friday except for State Holidays.

EMAIL SERVICE

Email to: taxhelp@comp.state.md.us. Include your name, address and the last four digits of your Social Security Number in your email message. This will help us generate a quick response to your inquiry.

REFUND INFORMATION

Central Maryland 410-260-7701
Elsewhere 1-800-218-8160

MAILING YOUR RETURN

For returns filed with payments, mail your completed return to:

**Comptroller of Maryland
Payment Processing
PO Box 8888
Annapolis, MD 21401-8888**

For returns filed without payments, mail your completed 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.

BRANCH OFFICES

Annapolis

Revenue Administration Division
110 Carroll St.
Annapolis, MD 21411-0001

Baltimore

State Office Building
301 W. Preston St., Rm. 206
Baltimore, MD 21201-2384

Cumberland

3 Pershing St., Ste. 101
Cumberland, MD 21502-3042

Elkton

Upper Chesapeake Corporate Center
103 Chesapeake Blvd., Ste. D
Elkton, MD 21921-6313

Frederick

Courthouse/Multiservice Center
100 West Patrick St., Rm. 2603
Frederick, MD 21701-5646

Greenbelt

6401 Golden Triangle Dr., Ste. 100
Greenbelt, MD 20770

Hagerstown

Crystal Building
1850 Dual Hwy., Ste. 201
Hagerstown, MD 21740-6686

Salisbury

Sea Gull Square
1306 South Salisbury Blvd., Ste. 182
Salisbury, MD 21801-6846

Towson

Hampton Plaza
300 East Joppa Rd., Ste. PL 1A
Towson, MD 21286-3020

Upper Marlboro

Prince George's County Courthouse
14735 Main St., Rm. 083B
Upper Marlboro, MD 20772-9978

Waldorf

1036 St. Nicholas Dr., Ste. 202
Waldorf, MD 20603-4757

Wheaton

Westfield Wheaton South Building
11002 Veirs Mill Road, Ste. 408
Wheaton, MD 20902-2574

DUE DATE: TUESDAY, APRIL 17, 2018