



COMPTROLLER  
*of* MARYLAND  
*Serving the People*

# Consolidated Revenue Report

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Fiscal Year 2012

PETER FRANCHOT  
Comptroller of Maryland



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## TO THE PEOPLE OF MARYLAND

It has truly been an honor to serve as the state's 33<sup>rd</sup> Comptroller. Our office has a long tradition of providing quality service to taxpayers. In doing this job, I bring my own set of progressive values which have guided me during my time in public service – values which I hope will help bring an even higher level of performance to this great agency.

After all, the Comptroller's Office does more than just collect taxes – we attend to issues that affect the long-term fiscal health of our state.

As the chief fiscal superintendent of Maryland, I believe it is important to:

- Reward law-abiding taxpayers who pay their fair share by making the process easier and more user-friendly;
- Vigorously enforce tax laws to create a level playing field for individuals and businesses;

- Ensure that consumers get a fair shake when they fill up at the pump and keep untaxed contraband cigarettes and alcohol off our streets and out of our communities;
- Expand opportunity for working families through tools such as the Earned Income Tax Credit;
- Ensure that taxpayer money is being spent carefully by scrutinizing every contract that comes before the Board of Public Works; and
- Strengthen our quality of life by promoting tax-saving and environmental-friendly green technologies as well as developing sustainable economic growth through the life sciences and biotechnology industries.

Though our state and national economies face many uncertainties in the near future, our office is committed to providing timely data and thoughtful analysis needed as we work together in Annapolis to get our fiscal house back in order and preserve the quality of life that we as Marylanders have come to enjoy.

You can see more about the wide array of services and information the Comptroller's Office provides online at [www.marylandtaxes.com](http://www.marylandtaxes.com).

Thank you for your contribution to our great state.

A handwritten signature in black ink that reads "Peter Franchot". The signature is fluid and cursive, with a large, stylized initial "P" and "F".

Peter Franchot  
Comptroller of Maryland



## MISSION

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

## VISION

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

## ORGANIZATION

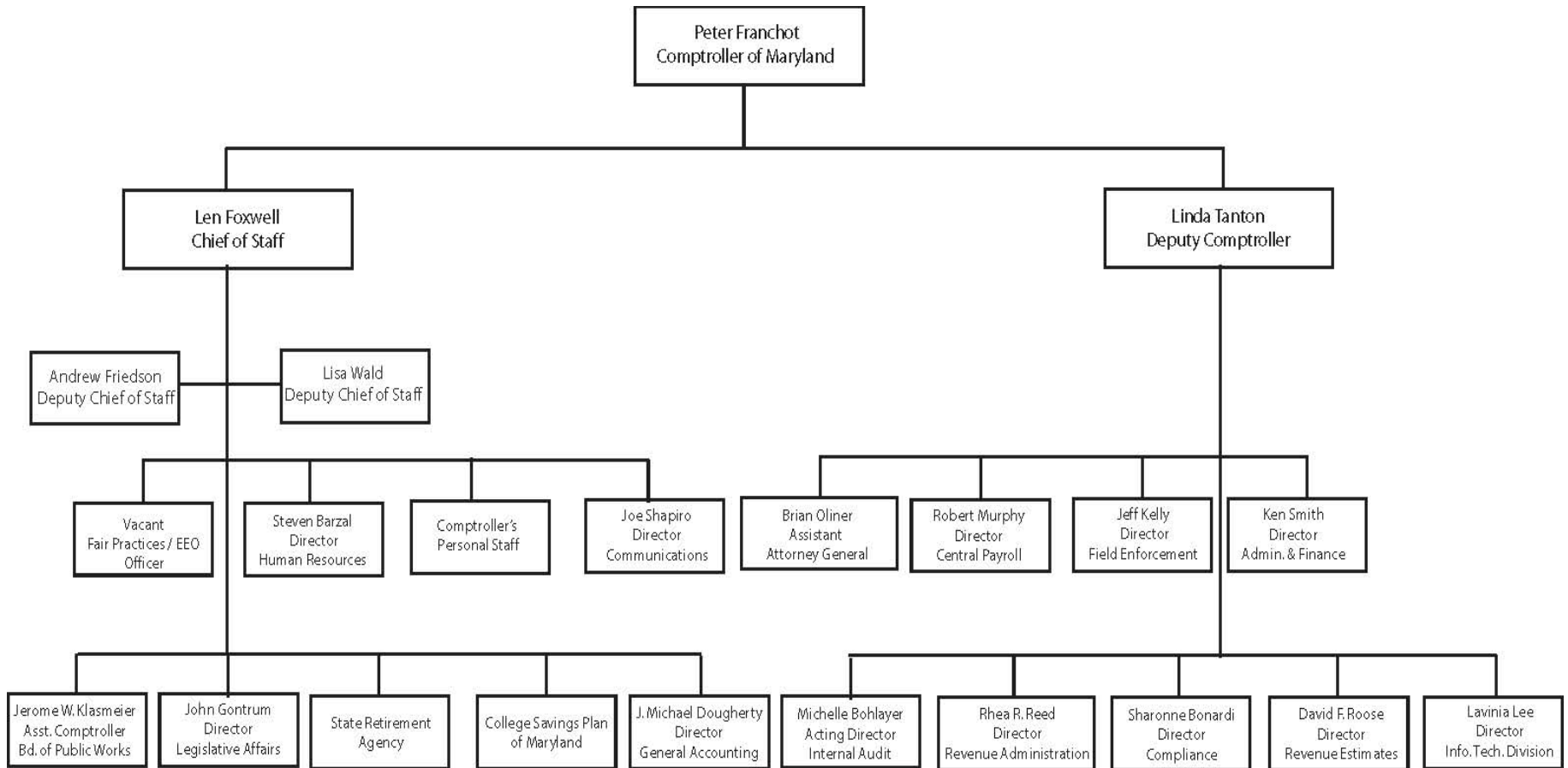
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### A BRIEF HISTORY OF THE COMPTROLLER OF MARYLAND

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

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

# Office of the Comptroller



## **EXECUTIVE DIRECTION AND ADMINISTRATION**

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### **OFFICE OF THE COMPTROLLER**

The Office of the Comptroller provides executive direction for the Comptroller of Maryland, including public affairs and staff support for the Comptroller and Deputy Comptroller as well as support for the Comptroller's responsibilities as a member of the Board of Public Works.

Administrative support and direction for the 24 Register of Wills is also provided by the Office of Comptroller.

### **OFFICE OF ADMINISTRATION AND FINANCE**

The Office of Administration and Finance provides centralized budgeting, accounting and procurement activities for the Comptroller of Maryland. The office provides mailroom and other administrative support services.

This office also performs capital grant and loan administration as well as accounting for debt service on the state's general obligation bonds.

### **OFFICE OF PERSONNEL SERVICES**

The Office of Personnel Services promotes the recruitment, development, and retention of a diverse, competent, and motivated workforce that provides services to individuals, businesses, and government.

The division coordinates, for all Comptroller divisions, the non-temporary and temporary employment processes, agency classification and compensation issues and employee training; administers benefits such as health, retirement, special leave provisions, etc.; and provides related employee services.



# REVENUE ADMINISTRATION

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## REVENUE ADMINISTRATION DIVISION

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

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

## BUREAU OF REVENUE ESTIMATES

The Bureau serves as executive secretariat and provides staff work to the Board of Revenue Estimates, which is composed of the State Comptroller, State Treasurer, and Secretary of the Department of Budget and Management. The Bureau provides revenue forecasts for the Board's approval via the Revenue Monitoring committee, chaired by the Director of the Bureau, and composed of several executive agencies and legislative staff.

The Bureau of Revenue Estimates carries on continuing studies and reviews of the economic and revenue conditions of the state and how they affect the state's revenue.

The Bureau is also responsible for researching tax policy and tax law issues; estimating the fiscal impact of proposed tax law changes for the taxes and fees administered by the Comptroller of Maryland, and conducts studies required by the General Assembly.

## COMPLIANCE DIVISION

The Compliance Division is responsible for business tax audits, compliance programs, delinquent tax collections, tax hearings and appeals.

Additionally, the Compliance Division is responsible for administering the Uniform Disposition of Unclaimed Property Act pursuant to Title 17 of the Commercial Law Article of the Annotated Code of Maryland.

### **FIELD ENFORCEMENT DIVISION**

The Field Enforcement Division is responsible for enforcing the state's revenue laws relating to alcoholic beverages, tobacco, motor fuel, motor carriers, business licenses and sales and use taxes, and the admissions and amusement tax associated with gaming devices and other forms of entertainment. Under the enforcement powers the division also investigates, and enforces illegal transportation and possession of untaxed cigarettes and illegal manufacture, importation, and sales of alcoholic beverages and motor fuel. The division is also responsible for regulating the motor fuel, motor carrier, alcohol, and tobacco industries that conduct business in the state as well as the operation of slot machines by certain authorized organizations in nine counties.

The division's State License Bureau is responsible for administering the business licenses required for many Maryland business activities, including licenses for traders; amusements; auctions; chain stores; construction; dry cleaners; garages; plumbers and gas fitters; restaurants; storage warehouses; vending machines, and retail/vending machines which sell cigarettes and other tobacco products.

The division's Motor Fuel Testing Laboratory analyzes all incoming petroleum products for quality and verifies the fuel is in compliance with state regulations and specifications, as well as federal EPA guidelines. The laboratory is also equipped to run analysis of alcoholic beverages for proof verification using gas chromatography procedures.

## FINANCIAL CONTROL

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### **GENERAL ACCOUNTING DIVISION**

The General Accounting Division sets statewide accounting policy, maintains the state's general ledger and other official accounting records, which account for all state funds; exercises overall appropriation control; audits all disbursements; approves warrants for all money paid into or out of the treasury; and countersigns and distributes all vendor checks.

Furthermore, the Division promulgates general guidance on matters concerning internal control; prepares the state's comprehensive annual financial reports and certain other financial reports, and manages the contract for the audit of the state's annual financial report and the audit of all federal grants to the state.

### **CENTRAL PAYROLL BUREAU**

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

The Central Payroll Bureau provides timely payroll services to state employees, agency payroll offices and other partners through payment of wages, direct deposit services, and electronic data exchanges by the authorizing of payroll charges to agency budgets.

The Bureau oversees payments of payroll taxes, subsidies, garnishments, dependent support payments, retirement and pension deductions and more than 120 other payroll deductions.

The Bureau maintains a web site that provides current payroll instructions and schedules, as well as interactive payroll documents and a net pay calculator.

## TECHNICAL SERVICES

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### INFORMATION TECHNOLOGY DIVISION

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

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

The Comptroller IT Services program provides the technical expertise to analyze, design, develop, implement and maintain the information technology infrastructure that supports the business needs of the Comptroller of Maryland and provides enhanced services to Maryland taxpayers. The IT infrastructure is a complex environment composed of mainframe, centralized servers, network, telecommunications, desktop, peripheral devices, and telephony equipment that support a variety of software systems and developed applications. The skills used to provide these services cover a broad range including systems analysis, programming, project planning, project management, and ongoing production support.

The Annapolis Data Center Operations program provides mainframe computer and telecommunications services, including disaster recovery services, the Comptroller of Maryland, as well as many other state agencies. The ADC's operational costs are fully reimbursed from its customers via charges for computer usage and services rendered.

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

## REVENUES COLLECTED BY THE COMPTROLLER'S OFFICE

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

(Dollars in thousands)

The Comptroller's Office collects revenue on behalf of both the state and local governments. The \$ 13.7 billion in state receipts collected by the Comptroller's Office in fiscal year 2012 represents 41.4% of the \$33.1 billion in total state revenues received.

	FY 2012				FY 2011
	General	State Special	Local	Total	Total
Personal Income Tax	\$7,114,679	\$0	\$4,349,304	\$11,463,984	\$10,887,675
Corporation Income Tax	646,475	231,458	0	877,933	775,845
Sales and Use Tax	4,039,348	37,232	0	4,076,580	3,896,699
Motor Fuel Tax	5,000	728,564	0	733,564	752,319
Alcohol Taxes	31,010	0	0	31,010	30,435
Tobacco Taxes	411,427	0	0	411,427	407,570
Estate Tax	145,240	0	0	145,240	216,044
Admissions and Amusement Tax	14,380	2,253	61,604	78,237	75,113
Environmental Surcharge on Electricity	0	8,901	0	8,901	9,146
Emergency Telephone System Surcharge (911 Fee)	0	52,006	0	52,006	53,864
Electric Universal Service Program Surcharge	0	39,885	0	39,885	39,254
Unclaimed Property	76,296	3,403	0	79,699	77,296
Telecommunications Access Surcharge	0	4,726	0	4,726	4,805
Tire Recycling Fee	0	3,830	0	3,830	3,672
Bay Restoration Fee	0	69,851	0	69,851	69,144
Miscellaneous	42,589	1,984	0	44,573	1,829
<b>Total</b>	<b>\$12,526,444</b>	<b>\$1,184,093</b>	<b>\$4,410,909</b>	<b>\$18,121,446</b>	<b>\$17,300,711</b>

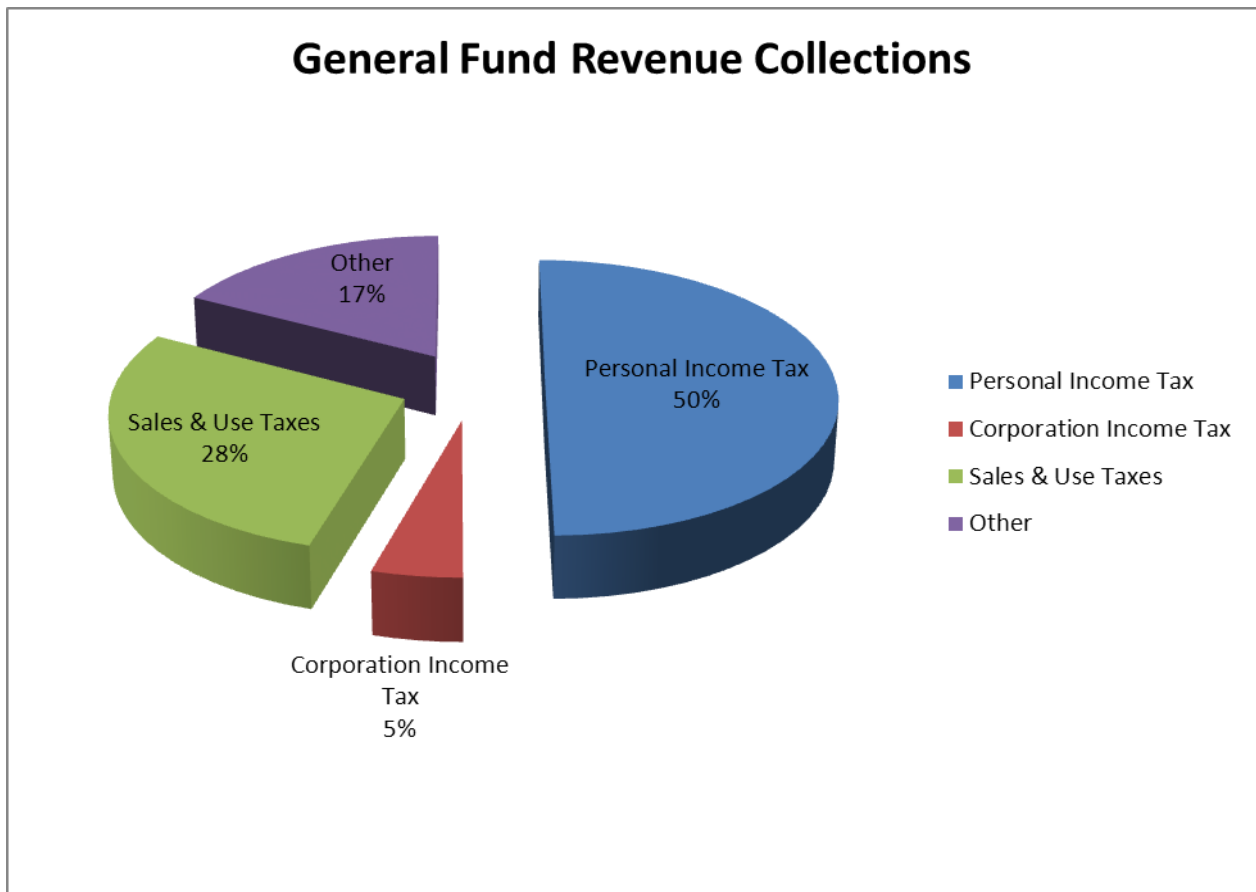
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## GENERAL FUND REVENUE COLLECTIONS

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During fiscal year 2012, the Comptroller's Office collected 93 cents of every revenue dollar (exclusive of inter-fund transfers) deposited into the state's general fund.

The following chart shows the principal sources of general fund revenues, which totaled \$14.3 billion in fiscal year 2012.

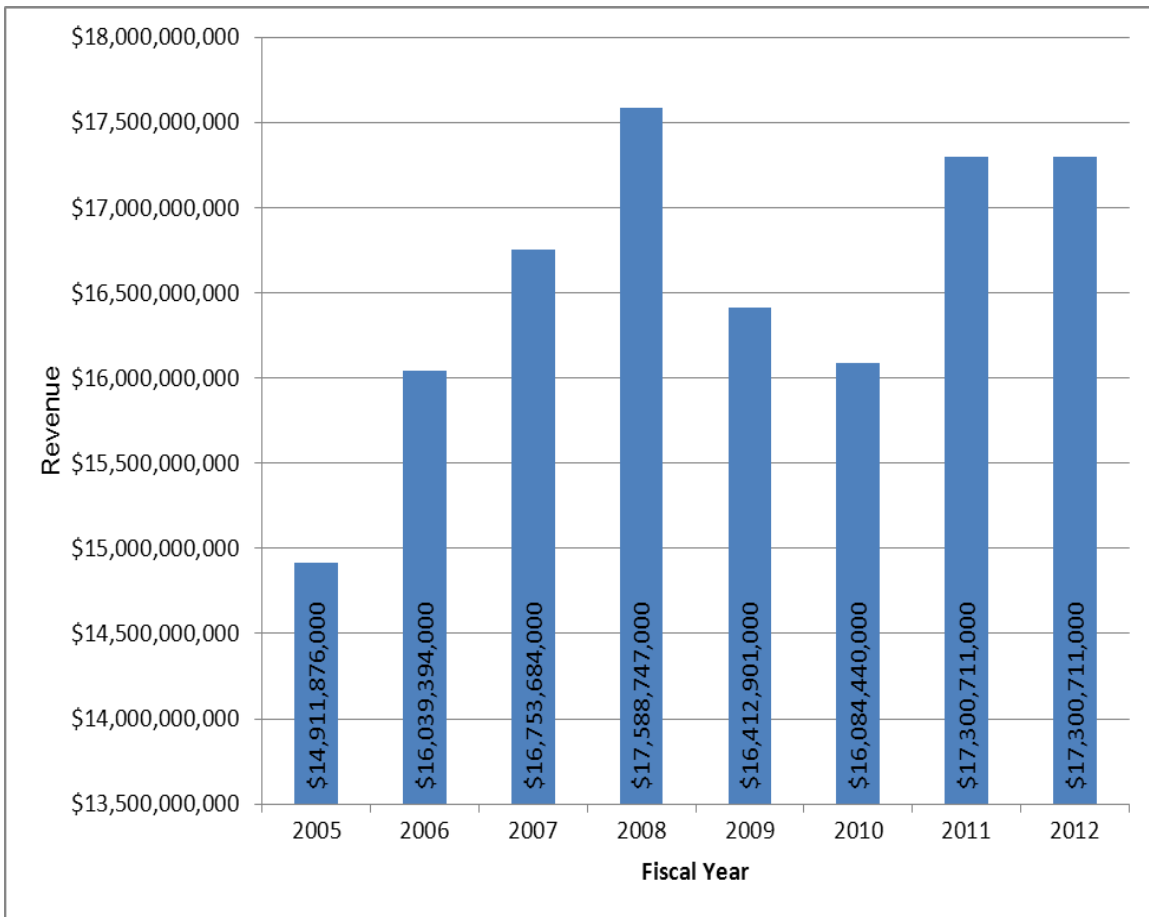


## STATE AND LOCAL REVENUES COLLECTED

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In fiscal year 2005, the Comptroller's Office collected \$14.9 billion in state and local revenues. In fiscal year 2012, these collections amounted to \$18.1 billion – an average annual increase of 4.1 percent.

The following chart shows the annual amounts collected.



# REVENUES ADMINISTERED

Revenue Source	Rate July 1, 2012	Description
Individual Income Tax	<b>Taxpayer filing Joint, Surviving Spouse or Head of Household returns.</b>	
	<u>MD Taxable Income:</u> <u>Rate</u>	
	\$3,001 - \$150,000	4.75%
	\$150,001 - \$175,000	5.00%
	\$175,001 - \$225,000	5.25%
	\$225,001 - \$300,000	5.50%
	Over \$300,000	5.75%
	<b>Taxpayer filing Single, Dependent, or Married Filing Separate.</b>	
	<u>Taxable Income:</u> <u>Tax Rate</u>	
	\$3,001 - \$100,000	4.75%
\$100,001 - \$125,000	5.00%	
\$125,001 - \$150,000	5.25%	
\$150,001 - \$250,000	5.50%	
Over \$250,000	5.75%	
Annual tax imposed upon individuals and fiduciaries as a percentage of Maryland taxable income (federal adjustable gross income with Maryland modifications).		
Corporation Income Tax	8.25%	Annual tax on the net taxable income of the corporation apportioned and allocated to Maryland.
County (Local) Income Tax	A minimum of 1.25% and a maximum of 3.20%	A tax imposed on the net taxable income of resident individuals and certain nonresident individuals and fiduciaries by the 23 counties and Baltimore City. Each county sets its rate as a percentage of net taxable income.
Special Nonresident Tax	1.25%	A tax imposed on the net taxable income of certain nonresident individuals.
Sales and Use Tax	6%	A tax imposed on the sale or use of tangible personal property and certain services.
Admissions and Amusement Tax	Maximum 11% (Combined Local and State taxes)	A tax imposed by counties, incorporated cities and towns on certain admissions and amusement activities.
Agricultural Land Transfer Tax	Less than 20 acres: 3% or 4%, depending on improvements 20 acres or more: 5%	Tax on the value of the transfer of certain land used for agricultural purposes.
Agricultural Land Transfer Tax Surcharge	25% of the Agricultural Land Transfer Tax.	A surcharge imposed on certain land transfers by individuals and businesses.
Unclaimed Property	Actual value of property.	Bank accounts, stock certificates and dividends, security deposits, payroll checks, insurance proceeds, etc., are presumed abandoned if without activity for a fixed number of years. The property is turned over to the state by the holders.
Bay Restoration Fee	<u>Per dwelling unit per month:</u> Up to 3,000 units - \$2.50 3,000 to 5,000 units - \$1.25 5,000 units and over - No fee	A monthly fee collected by local governments and wastewater disposal facilities for each dwelling unit; monies paid into the Bay Restoration Fund.
Environmental Surcharge on Electricity	<u>Not to exceed the lesser of:</u> .15 mill per kilowatt hour or \$1,000 per month.	Environmental surcharge for each kilowatt hour of electric energy distributed to retail electric customers in Maryland; monies paid into the Environmental Trust Fund.



# REVENUES ADMINISTERED

Revenue Source	Rate 7/1/2012	Description
Emergency Telephone System Fee	\$.25 per month paid by each subscriber; counties can charge up to an additional \$.75 per subscriber per month.	Charge paid by customers to public utilities to provide telephone service to low-income Maryland customers. The Comptroller collects these revenues from the utility companies.
Estate Tax	Unused federal credit.	Imposed upon the transfer of a Maryland estate. Calculated as the amount by which the federal state death tax credit (as of 12/31/01) exceeds the total of Maryland inheritance taxes and taxes imposed by other states on property included in the Maryland estate. Regardless of the federal unified credit amount, the Maryland return must be calculated using a federal unified credit equal to an exclusion of \$1 million; for this reason the filing of a Maryland return may be required even when a federal return is not required. The tax is limited to 16% of the amount by which the decedent's taxable estate exceeds \$1 million.
Telecommunications Access Surcharge	\$.20 per month paid by each subscriber.	A fee imposed on telephone subscribers in Maryland to provide telephone service to hearing and speech impaired citizens.
Tire Recycling Fee	\$.80 per new tire.	A fee imposed on each new tire. The fee applies to the first sale of a tire in Maryland which is not a sale to a wholesaler.
Alcoholic Beverages Tax	9%	Special sales tax rate on alcoholic beverages effective 7/1/2011.
Alcoholic Beverages Tax	<u>Per gallon:</u> Distilled spirits \$1.50 Wine \$0.40 Beer \$0.09	Wholesale tax on beer, wine and distilled spirits reported monthly based on sales to retailers. Nonresident supplier, or wholesaler who self-imports beer, remits beer tax prior to entry into state.
Alcoholic Beverages Manufacturer's License	Distillery \$2,000 Rectifying plant \$600 Winery \$750 Limited Winery \$200 Brewery \$1,500 Pub-Brewery \$500 Micro-Brewery \$500	Annual license fee imposed to operate a distillery, rectifying plant, brewery or winery. Pub-brewery, and micro-brewery licenses are issued to holders of Class "B" or "D" retail licenses under certain conditions.
Alcoholic Beverages Wholesaler's License	Beer, Wine, Liquor \$2,000 Wine & Liquor \$1,750 Beer & Wine \$1,500 Beer \$1,250 Wine \$1,250	Annual license fee authorizes holder to receive product from licensees and holders of nonresident dealer permits and to make sale and delivery of product to permit holders in Maryland and to persons outside this state.
Alcoholic Beverages License	Beer, Wine, Liquor \$200	Annual license fee imposed to dispense alcoholic beverages aboard airplanes, in rail cars, and on water vessels hired for the transportation of passengers. The Statewide Caterer's license permits the storage of product by entities that operate in more than one subdivision. The Statewide Caterer's license may be general or limited.
Airplane	Beer, Wine, Liquor \$200	
Railroad	Beer, Wine, Liquor \$150	
Water Vessel	Beer, Wine, Liquor \$750 - \$2,000	
Statewide Caterer's	Beer, Wine, Liquor	
Alcoholic Beverages Permit	Ranges from \$500 - \$2,000	A variety of permits are issued authorizing the sale, shipment, transport, storage and solicitation of alcoholic beverages.
Cigarette Tax	\$2.00 per pack of 20 cigarettes; \$0.10 per each cigarette in packages of fewer than 20.	Wholesalers pay tax by purchasing tax stamps which are then affixed to all packages of cigarettes before sale at retail.

# REVENUES ADMINISTERED

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Revenue Source	Rate 7/1/2012	Description
Tobacco License	Manufacturer	\$25
	Wholesaler	\$750
	Sub-Wholesaler	\$500
	Vendor	\$500
	Storage Warehouse	\$25
Other Tobacco Products	Manufacturer	\$25
	Wholesaler	\$250
	Storage Warehouse	\$25
	<u>OTP Tax Rates</u>	
	Premium Cigars	15%
	Other Cigars	70%
Other OTP	30%	
Motor Fuel Tax	\$.235 per gallon	Tax on all gasoline used as a motor fuel.
	\$.2425 per gallon	Tax on special fuels (diesel/kerosene) other than clean burning fuels used as a motor fuel.
	\$.235 per gallon	Tax on clean-burning fuels used as a motor fuel.
Aviation Fuel Tax	\$.07 per gallon	Tax on motor fuel used to power aircraft not operated for common carriage or by government entities.
Motor Carrier Tax	\$.2425 per gallon for special fuels (diesel/kerosene) other than clean-burning fuels; \$.235 per gallon for gasoline and clean-burning fuels	Tax on interstate motor carriers who operate commercial motor vehicles on Maryland highways.
Motor Carrier	Decal fee eliminated	required for all commercial motor vehicles operated by Maryland based interstate motor carriers in Maryland and at least one other IFTA jurisdiction.
International Fuel Tax Agreement Trip Permit	\$42 per permit	Temporary 15-day permit fee in lieu of IFTA license.

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

## PERSONAL INCOME TAX

During fiscal year 2012, the Comptroller's Office collected \$13.9 billion in state and local income tax payments and refunded \$2.4 billion to individual income taxpayers. The Comptroller's Office also collects and distributes the local income tax to Maryland subdivisions.

Table 1 reflects the gross collections and the net revenues to the general fund.

TABLE 1

	Gross Revenues	Less					Net amount to the General Fund	
		Refunds	Reserve for Subdivisions	Chesapeake Bay and Endangered Species Fund	Fair Campaign Fund	Maryland Cancer Fund		Developmental Disabilities Fund
Personal income tax	\$ 14,541,756,535	2,405,438,873	4,333,257,200	999,697	(2,225)	417,373	201,800	\$7,801,443,817
Personal estimated tax payments not claimed on returns	\$ (1,382,714,078)							(1,382,714,078)
Employer withholding tax payments not claimed on returns	\$ 678,362,314	9,158,408						669,203,906
Fiduciary income tax	88,824,837	18,319,284	16,047,133	101		26	95	54,458,197
Fiduciary estimated tax payments not claimed on returns	\$ (27,712,434)							(27,712,434)
<b>Total</b>	<b>\$13,898,517,174</b>	<b>\$2,432,916,565</b>	<b>\$4,349,304,333</b>	<b>\$999,798</b>	<b>(\$2,225)</b>	<b>\$417,399</b>	<b>\$201,896</b>	<b>\$7,114,679,409</b>

Detail may not sum to totals due to rounding.

## DISTRIBUTION OF LOCAL INCOME TAX

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Table 2 reflects the distribution of local income tax revenue to Baltimore City, Maryland's 23 counties, and the incorporated towns and special taxing districts within those counties.

**TABLE 2**  
**DISTRIBUTION OF LOCAL INCOME TAX RECEIPTS**  
**Fiscal Year 2012**  
*(Dollars in thousands)*

County	Distribution to Cities & Towns	Distribution to Counties	Total Distributions
<b>Allegany</b>	\$ 2,525,064	\$ 24,973,506	\$ 27,498,570
<b>Anne Arundel</b>	5,226,576	394,191,642	399,418,218
<b>Baltimore</b>	-	591,544,025	591,544,025
<b>Calvert</b>	927,841	64,112,630	65,040,471
<b>Caroline</b>	575,094	11,018,010	11,593,104
<b>Carroll</b>	4,691,361	123,692,650	128,384,011
<b>Cecil</b>	2,079,648	49,510,041	51,589,689
<b>Charles</b>	1,376,047	96,523,399	97,899,446
<b>Dorchester</b>	617,516	10,571,077	11,188,594
<b>Frederick</b>	10,580,389	169,348,783	179,929,172
<b>Garrett</b>	353,635	10,545,810	10,899,445
<b>Harford</b>	3,973,167	175,826,306	179,799,473
<b>Howard</b>	-	356,184,104	356,184,104
<b>Kent</b>	671,151	10,210,363	10,881,514
<b>Montgomery</b>	34,378,599	1,249,582,152	1,283,960,752
<b>Prince George's</b>	22,411,750	480,836,928	503,248,678
<b>Queen Anne's</b>	457,052	35,476,848	35,933,900
<b>St. Mary's</b>	1,173,193	74,844,692	76,017,885
<b>Somerset</b>	181,673	6,209,286	6,390,960
<b>Talbot</b>	1,742,720	20,227,045	21,969,765
<b>Washington</b>	3,029,382	64,250,941	67,280,323
<b>Wicomico</b>	1,888,201	41,743,914	43,632,115
<b>Worcester</b>	1,207,197	11,336,846	12,544,043
<b>Baltimore City</b>	-	266,259,166	266,259,166
<b>Total</b>	\$ 100,067,256	\$ 4,339,020,164	\$ 4,439,087,419

Detail may not sum to totals due to rounding.

## CORPORATE INCOME TAX

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During fiscal year 2012, the Revenue Administration Division collected \$877.9 million in corporate income tax revenues. The revenues from Maryland's corporate income tax are allocated between the general fund and various transportation programs as well as the Higher Education investment fund on the basis of a complex formula.

The following table represents the revenues that were distributed to each of the various funds during fiscal year 2012.

### **Allocation of Corporate Income Tax Receipts**

*(Dollars in thousands)*

General Fund	\$646,475
Special Fund:	
Distribution to Gasoline and Motor Vehicle Revenue Account	178,782
Higher Education Investment Fund	52,676
Total	<hr/> \$877,933

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

Revenues distributed to the Higher Education Investment Fund as specified in Maryland Tax-General Article §2-613.1.

Detail may not sum to totals due to rounding.

## SALES AND USE TAX

During fiscal year 2012, the Comptroller's Office collected \$4.1 billion in net sales and use tax receipts.

Table 3 represents a two-year comparison of sales and use tax revenue by county.

**TABLE 3**  
**SALES AND USE TAX RECEIPTS BY COUNTY**  
*(Dollars in thousands)*

	FY 2012	FY 2011	Change	Share of FY 2012 Total Gross Receipts
Allegany	\$ 37,683	37,127	1.50%	0.92%
Anne Arundel	394,152	366,604	7.51%	9.62%
Baltimore City	331,361	316,095	4.83%	8.09%
Baltimore	553,569	535,496	3.37%	13.52%
Calvert	35,197	32,898	6.99%	0.86%
Caroline	7,250	6,960	4.17%	0.18%
Carroll	94,602	89,566	5.62%	2.31%
Cecil	36,949	34,223	7.97%	0.90%
Charles	104,559	100,746	3.79%	2.55%
Dorchester	14,175	13,289	6.67%	0.35%
Frederick	137,105	129,435	5.93%	3.35%
Garrett	17,441	17,112	1.92%	0.43%
Harford	124,625	116,582	6.90%	3.04%
Howard	174,362	166,888	4.48%	4.26%
Kent	13,365	11,912	12.20%	0.33%
Montgomery	523,568	500,212	4.67%	12.78%
Prince George's	481,737	454,394	6.02%	11.76%
Queen Anne's	23,046	21,608	6.66%	0.56%
St. Mary's	49,934	47,929	4.18%	1.22%
Somerset	3,172	3,135	1.17%	0.08%
Talbot	36,985	34,785	6.32%	0.90%
Washington	97,575	91,704	6.40%	2.38%
Wicomico	68,123	66,664	2.19%	1.66%
Worcester	78,749	73,313	7.42%	1.92%
District of Columbia	37,433	35,284	6.09%	0.91%
Other/Out-of-State Vendors	618,987	604,865	2.33%	15.11%
<b>Total Gross Receipts</b>	<b>\$ 4,095,706</b>	<b>\$ 3,908,826</b>	<b>4.78%</b>	<b>100.00%</b>
Less: Refunds	(14,301)	(14,333)	-0.22%	
<b>Total Net Receipts</b>	<b>4,081,405</b>	<b>3,894,493</b>	<b>4.80%</b>	
Less: Distribution to TTF	(23,581)	(24,362)	-3.21%	
Distribution to Chesapeake				
Bay 2010 Fund	(13,651)	(12,675)	-	
Distribution to Rental Car Fund	-	(203,619)	-100.00%	
<b>Net After Distribution to TTF*</b>	<b>\$ 4,044,173</b>	<b>\$ 3,653,837</b>	<b>10.68%</b>	

\*Unlike earlier reports, this amount will be slightly different from reported general fund collections due to a change in return processing methodology which began in fiscal year 2006.

## SALES AND USE TAX

Table 4 represents sales and use tax collections by county and principal type of business for fiscal year 2012.

**TABLE 4**  
**SALES AND USE TAX GROSS RECEIPTS BY COUNTY AND PRINCIPAL**  
**TYPE OF BUSINESS**  
*(Dollars in thousands)*

County	Food & Beverage	Apparel	General Merchandise	Automotive	Furniture & Appliances
Allegany	\$ 12,031	\$ 1,747	\$ 8,307	\$ 3,060	\$ 1,509
Anne Arundel	117,116	26,734	66,757	42,834	23,735
Baltimore City	109,076	15,199	34,834	16,045	15,368
Baltimore	142,191	32,141	126,074	38,408	46,990
Calvert	11,627	640	7,144	2,224	782
Caroline	2,881	130	668	1,051	41
Carroll	24,785	2,909	23,265	6,037	4,565
Cecil	16,147	944	9,005	2,453	1,523
Charles	24,510	6,011	26,720	7,422	6,909
Dorchester	4,027	107	3,582	788	323
Frederick	37,050	6,201	26,739	8,411	7,134
Garrett	4,796	77	4,864	1,868	291
Harford	39,367	4,165	28,213	9,831	5,794
Howard	46,742	11,069	31,800	12,157	14,834
Kent	3,537	282	4,098	628	151
Montgomery	165,894	32,188	83,401	46,244	46,221
Prince George's	124,966	23,341	92,105	36,056	27,966
Queen Anne's	8,763	4,211	2,469	1,867	596
St. Mary's	13,908	1,419	12,472	5,879	1,687
Somerset	1,699	2	586	252	127
Talbot	9,640	940	7,168	1,977	1,384
Washington	25,008	6,320	26,556	7,290	6,696
Wicomico	16,100	3,594	20,146	4,920	2,094
Worcester	34,194	3,800	11,273	2,559	3,355
District of Columbia	658	581	3,213	533	6,314
Other/Out-Of-State Vendors	16,878	8,297	74,659	7,714	103,836
<b>Total</b>	<b>\$ 1,013,589</b>	<b>\$ 193,049</b>	<b>\$ 736,119</b>	<b>\$ 268,506</b>	<b>\$ 330,226</b>

## SALES AND USE TAX

Table 4 is continued from previous page incorporating additional principal types of businesses as well as assessment collections and total collections.

**TABLE 4**  
**SALES AND USE TAX GROSS RECEIPTS BY COUNTY AND PRINCIPAL**  
**TYPE OF BUSINESS**  
*(Dollars in thousands)*

County	Building & Contractors	Utilities & Transportation	Hardware, Machinery & Equipment	Miscellaneous	Assessment Collections	Total Collections
Allegany	\$ 4,351	\$ 2,351	\$ 1,544	\$ 2,654	\$ 129	\$ 37,683
Anne Arundel	38,032	22,819	9,440	44,914	1,772	394,152
Baltimore City	31,888	54,900	9,524	43,689	837	331,361
Baltimore	75,418	33,691	7,612	48,304	2,740	553,569
Calvert	3,330	4,381	1,712	3,345	12	35,197
Caroline	383	1,110	228	751	7	7,250
Carroll	16,433	5,015	3,253	7,697	644	94,602
Cecil	2,520	199	892	2,718	547	36,949
Charles	15,289	9,536	1,101	6,728	332	104,559
Dorchester	811	1,070	624	2,819	24	14,175
Frederick	20,839	7,201	4,251	18,759	519	137,105
Garrett	1,799	10	509	3,223	4	17,441
Harford	20,790	3,802	3,420	8,763	480	124,625
Howard	17,368	5,790	5,460	27,810	1,331	174,362
Kent	2,028	1,047	340	1,252	2	13,365
Montgomery	42,900	43,382	7,184	53,642	2,512	523,568
Prince George's	72,590	34,024	10,175	58,076	2,440	481,737
Queen Anne's	1,440	1,287	833	1,565	16	23,046
St. Mary's	4,601	4,436	1,235	4,278	20	49,934
Somerset	149	60	41	256	0	3,172
Talbot	7,742	3,726	939	3,446	22	36,985
Washington	10,493	3,831	2,237	8,595	548	97,575
Wicomico	7,064	4,596	2,169	7,216	222	68,123
Worcester	7,493	783	533	14,646	115	78,749
District of Columbia	3,221	16,474	593	5,829	17	37,433
Other/Out-Of-State Vendors	76,615	83,761	24,982	220,911	1,334	618,987
<b>Total</b>	<b>\$ 485,588</b>	<b>\$ 349,284</b>	<b>\$ 100,832</b>	<b>\$ 601,886</b>	<b>\$ 16,627</b>	<b>\$ 4,095,706</b>



## ADMISSIONS AND AMUSEMENT TAX

The Comptroller's Office is responsible for administering, collecting, and distributing the admissions and amusement tax revenues to the counties and incorporated cities and towns in Maryland.

The table below lists the net receipts and amounts distributed to counties including municipalities within the counties for fiscal year 2012.

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

County	Gross Receipts	Administrative Expense	Total Distributed
Allegany	\$ 305	\$ 11	\$ 293
Anne Arundel	10,212	377	9,835
Baltimore City	7,855	274	7,581
Baltimore	5,709	206	5,503
Calvert	776	28	748
Caroline	10	*	10
Carroll	632	23	609
Cecil	203	6	196
Charles	751	27	724
Dorchester	72	3	70
Frederick	1,428	51	1,376
Garrett	756	28	729
Harford	785	29	756
Howard	2,482	88	2,394
Kent	57	2	55
Montgomery	5,204	187	5,017
Prince George's	13,040	442	12,599
Queen Anne's	196	7	188
St. Mary's	135	5	130
Somerset	25	1	24
Talbot	109	4	105
Washington	555	20	535
Wicomico	514	20	494
Worcester	1,850	64	1,786
MD Stadium Authority	10,199	351	9,847
<b>Total</b>	<b>\$ 63,858</b>	<b>\$ 2,253</b>	<b>\$ 61,604</b>
State tax on electronic bingo and tip jars			\$ 14,380

\*Denotes less than \$500.  
Detail may not sum to totals due to rounding.

## UNCLAIMED PROPERTY

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The Comptroller's Office is responsible for administering unclaimed property, pursuant to §17-101 Uniform Disposition of Unclaimed Property Act.

The Comptroller's Office serves as the legal custodian of stocks, bonds, savings accounts and other property, except real property, that are reported to us as unclaimed after three years by banks and other financial institutions.

The value of the property may be claimed by its rightful owner at any time subsequent to this distribution.

The table below represents an analysis of collections and distributions of unclaimed property receipts during fiscal year 2012.

TABLE 6  
UNCLAIMED PROPERTY RECEIPTS AND DISTRIBUTIONS  
*(Dollars in thousands)*

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

Life Insurance	\$	5,736
Other Insurance		6,029
Public Utilities		205
Corporations		30,793
Fiduciaries & Trustee Assets		171
Government Agencies		5,467
Nursing Homes		738
Banks & Financial Organizations		26,460
Total Net Revenues	\$	<u>75,599</u>

**Allocation of Net Revenues – Special Fund Attainment:**

Administrative Expenses	\$	2,903
Distribution to Maryland Legal Services Corporation		500
Transfer to Surplus		72,197
Total Net Revenues	\$	<u>75,600</u>

Detail may not sum to totals due to rounding.

## ALCOHOL AND TOBACCO TAXES

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During fiscal year 2012, the Comptroller's Office collected \$443.7 million in alcohol and tobacco tax revenues for the state general fund.

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

**TABLE 7**  
**COMPARISON OF ALCOHOL AND TOBACCO REVENUES**  
*(Dollars in thousands)*

	<b>FY 2012</b>	<b>FY 2011</b>	<b>Change</b>
Distilled Spirits Tax	\$ 15,970	\$ 15,575	2.54%
Wine Tax	6,009	5,795	3.69%
Beer Tax	9,030	9,065	-0.38%
Tobacco Tax	411,427	407,570	0.95%
Other Receipts	1,220	1,171	4.17%
	<hr/>	<hr/>	<hr/>
Total Net Receipts	\$ 443,657	\$ 439,176	1.02%

Detail may not sum to totals due to rounding.

## MOTOR FUEL TAXES

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During fiscal year 2012, the Comptroller's Office collected \$733.6 million in motor vehicle fuel tax revenues.

Table 8 represents a two-year comparison of motor vehicle fuel tax receipts.

**TABLE 8**  
**MOTOR VEHICLE FUEL TAX RECEIPTS**  
*(Dollars in thousands)*

	<b>FY 2012</b>	<b>FY 2011</b>	<b>% Change</b>
Dealer Receipts	\$ 630,349	\$ 640,919	(1.65)
Special Fuels Receipts	113,226	123,633	(8.42)
Sellers of Jet Fuel & Aviation	670	751	(10.78)
Motor Carrier Temporary Permits	147	181	(18.60)
Miscellaneous Revenues	276	270	2.14
Refunds	(14,257)	(16,315)	(12.61)
	<hr/>	<hr/>	<hr/>
Net Revenues Subtotal	\$ 730,411	\$ 749,439	(2.54)
	<hr/>	<hr/>	<hr/>
IFTA Collections	4,729	5,320	(11.12)
IFTA Refunds	(1,576)	(2,440)	(35.41)
	<hr/>	<hr/>	<hr/>
Net Revenues	<u>\$ 733,564</u>	<u>\$ 752,319</u>	<u>(2.49)</u>

( ) denotes decrease

Detail may not sum due to rounding.

## DISTRIBUTION OF MOTOR FUEL TAX REVENUE

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Net motor fuel tax revenues are distributed among the general fund and selected special funds on the basis of a statutory formula.

Table 9 represents the revenues distributed to each of the various funds during fiscal year 2012.

TABLE 9  
DISTRIBUTION OF MOTOR FUEL TAX REVENUE  
*(Dollars in thousands)*

Administrative Expenses	\$ 8,857
Transportation Trust Fund (Jet Fuel & Aviation)	670
General Fund	5,000
Chesapeake Bay 2010 Trust Fund	7,971
Gasoline and Motor Vehicle Revenue Account	711,066
Total	<u>\$ 733,564</u>

Detail may not sum to totals due to rounding.

## GROSS MOTOR FUEL GALLONAGE REVENUE STATEMENT

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Table 10 represents the gross motor fuel gallonage and revenue statement for fiscal year 2012.

**TABLE 10**  
**GROSS MOTOR FUEL GALLONAGE & REVENUE STATEMENT**  
*(Dollars in thousands)*

	<b>Actual Gallons</b>	
Gross Gallons Reported	3,182,291,149	
Less Adjustments:		
Temperature & stock adjustments	14,855,011	
Federal exempt purchases	1,758,620	
Cost of collection allowance	16,431,530	
Total adjustments	33,045,161	
Total taxable motor fuel gallons:	3,149,245,988	
	<b>Actual Gallons</b>	<b>Revenue</b>
Motor vehicle fuel dealers	2,682,336,320	\$ 630,349
Special fuel	466,909,668	113,226
Total taxable gallons sold:	3,149,245,988	\$ 743,575
Sellers of jet fuel and aviation	9,565,863	\$ 670
Motor carrier collections:		
Motor carrier permits		147
IFTA Taxes- MD based carriers		3,131
IFTA Taxes- from other jurisdictions		1,206
IFTA Tax assessments		392
Penalties and interest		276
Dishonored check fee		-
Total gross revenue		\$ 749,397
Refunds		(14,257)
IFTA Refunds		(1,576)
Total Refunds		\$ (15,833)
Total Net Revenue		\$ 733,564

Detail may not sum to totals due to rounding.

## OTHER REVENUES COLLECTED

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### ENVIRONMENTAL SURCHARGE ON ELECTRICITY

The Comptroller's Office also collects and distributes to the Environmental Trust Fund revenue collected from the environmental surcharge on electricity delivered in Maryland.

This revenue is used to fund the Department of Natural Resources Power Plant and Environmental Review Division and the Chesapeake Bay Research and Monitoring Division.

During fiscal year 2012, \$8.9 million was collected from this revenue source.

### 911 EMERGENCY TRUST FUND FEE

The Comptroller's Office collects the 911 emergency telephone system fee. This revenue is used to fund local emergency 911 telephone systems.

During fiscal year 2012, \$52.0 million was collected from this revenue source.

### UNIVERSAL SERVICE SURCHARGE

The Comptroller's Office collects the telecommunications access surcharge revenues and deposits them into the Universal Service Trust Fund. The Fund is used to provide telephone service to disabled and hearing and speech impaired citizens of Maryland.

During fiscal year 2012, \$4.7 million was collected from this revenue source.

### TIRE RECYCLING FEE

The Comptroller's Office is responsible for collecting the Tire Recycling Fee.

Proceeds of the fee go to a special fund administered by the Department of the Environment to support the Scrap Tire Program which is dedicated to manage the collection, transportation, recycling, and processing of scrap tires in Maryland.

During fiscal year 2012, \$3.8 million was collected from this revenue source.

### ESTATE TAX

The Comptroller's Office is responsible for collecting the estate tax from Maryland-situs estates.

During fiscal year 2012, \$145.2 million was collected from this revenue source and deposited into the general fund.

### ELECTRIC UNIVERSAL SERVICE SURCHARGE

The Comptroller's Office collects revenue from electric companies and deposits the in the Electric Universal Service Program Fund.

The program assists low-income Maryland electric customers with payment of their electric bills as

well as to retire arrearages for these individuals.



## OTHER REVENUES COLLECTED

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During fiscal year 2012, \$39.9 million was collected from this revenue source.

### BAY RESTORATION FEE

The Comptroller's Office collects revenue from the billing authorities of local governments and facilities that provide wastewater disposal services to Maryland residents and businesses.

The revenue is deposited into the Bay Restoration Fund which will be used to upgrade Maryland's wastewater treatment plants and to fund cover crop activities under a water quality cost share program administered by the Maryland Department of Agriculture.

During fiscal year 2012, \$69.9 million was collected from the fee.

### SPEED MONITORING SYSTEM

The Comptroller's Office collects revenue in from the local governments to enforce speed limit laws using speed monitoring systems if the amount that the fines collected exceed 10% of the subdivision's fiscal year revenues.

During fiscal year 2012, \$2.2 million was collected from the fee.

## **INCOME TAX**

### **Maryland Income Tax Refund – Anne Arundel County - Warrants SB 8 (Chapter 451)**

The Act requires the Comptroller to withhold an individual's income tax refund when that individual is a resident of Anne Arundel County with an outstanding warrant, and/or has an outstanding warrant from Anne Arundel County. The withheld refund may not be paid out by the Comptroller until an official of the federal, state or local government notifies the Comptroller the warrant is no longer outstanding. Effective 10/1/2012.

### **Income Tax – Subtraction Modification – Mortgage Forgiveness Debt Relief SB 580 (Chapter 544) HB 600 (Chapter 545)**

These Acts create a subtraction modification under Tax-General Article §10-207, for cancellation of debt income from a discharge of qualified principal residence indebtedness relating to acquiring, constructing, substantially improving, or refinancing a principal residence. Effective 7/1/2012.

### **Income Tax – Subtraction Modification – Land Acquisition for Department of Transportation SB 807 (Chapter 587)**

This Act provides for a subtraction modification in the amount of a gain resulting from a payment by the Maryland Department of Transportation for the acquisition of a portion of an individual's property on which the individual's principal residence is located. The amount of the subtraction modification may not

exceed the amount that may be excluded from income on the condemnation of an individual's principal residence. Effective 7/1/2012.

### **Income Tax – Subtraction Modification – Forest Conservation and Management Program Expenses HB 975 (Chapter 693)**

This Act adds Tax-General Article §10-208, to allow an individual who has applied for and received an approval to enter into a forest conservation and management plan, to claim a subtraction modification of up to \$500 of qualified conservation program expenses paid by the individual. Effective 07/01/2012.

### **Real Property – Foreclosures and Mediation HB 1374 (Chapter 156)**

The Act allows an income tax subtraction modification for income resulting from a foreclosure settlement negotiated by the Maryland Attorney General. Effective 7/1/2012.

### **State and Local Revenue and Financing Act of 2012 SB 1302 (Chapter 2) Special Session**

This Act raises individual State income tax rates, and establishes new State income tax brackets.

The Act reduces the amounts allowed for personal exemptions, claimed by certain high income individuals.

The Act provides a new addition modification (for tax years beginning after 12/31/2012) for the amount of

income of an Electing Small Business Trust (ESBT).

This Act repeals the Telecommunications Tax Credit. (Tax-General Article §10-708)

The Act is effective for all taxable years beginning after December 31, 2011, with the exception of the ESBT.

### **TAX CREDITS**

#### **Maryland Health Improvement and Disparities Reduction Act of 2012** *SB 234 (Chapter 3)*

This Act designates specified areas as Health Enterprise Zones in a specified manner, specifying the purpose of establishing Health Enterprise Zones. Effective 07/1/2012.

#### **Security Clearances – Employer Costs**

*SB 296 (Chapter 478)*

This Act creates an income tax credit for individuals and corporations for a portion of the costs incurred to obtain federal security clearances, and to construct or renovate sensitive compartmented information facilities located in Maryland. Effective 07/01/2012.

#### **Job Creation Tax Credit – Termination Provisions**

*SB 477 (Chapter 521)*

*HB 1107 (Chapter 522)*

These Acts extend the termination date of the Job Creation Tax Credit from January 1, 2014 to January 1, 2020. Effective 07/01/2012.

#### **Tax Credit Evaluation Act**

*SB 739 (Chapter 568)*

#### *HB 764 (Chapter 569)*

These Acts establish a review committee to evaluate the One Maryland Economic Development, Film Production Activity, and the Biotechnology Investment Incentive.

These Acts also repeal the Job Creation and Recovery Tax Credit, Qualified Ex-Felon Tax Credit, Solar Water Heating Property or Photovoltaic Property Tax Credit, and the Commercial Fertilizer Costs Tax Credit. Effective 07/01/2012.

#### **Businesses that Create New Jobs – Enhanced Credit – Extension**

*HB 592 (Chapter 128)*

This Act extends the duration of the enhanced property tax credit for Businesses that Create New Jobs for specified business entities that construct or expand specified business premises and meet specified obligations for an additional 12-year period. Effective 7/1/2012.

#### **Sustainable Communities Tax Credit Program – Eligibility**

*HB 568 (Chapter 688)*

The Act amends State Finance and Procurement Article §5A-303 to provide that the Sustainable Communities Tax Credit Program may be allocated among the partners, members, or shareholders of an entity in any manner agreed to by those persons in writing.

This provision applies only to any commercial rehabilitation project for which an application was approved on or after July 1, 2012. Effective 07/01/2012.

**Economic Development –  
Qualified Distressed Counties –  
One Maryland Economic  
Development Tax Credit**

*HB 1289 (Chapter 715)*

The Act alters the definition of “qualified distressed county” to include counties with unemployment rates at least two percentage points higher than the State average. It also authorizes qualified business entities to claim in specified circumstances a prorated share of the One Maryland tax credits awarded by the Department of Business and Economic Development. Effective 7/1/2012.

**SALES AND USE TAX**

**Sales and Use Tax – Exemption –  
Veterans’ Organizations**

*SB 19 (Chapter 452)*

*HB 319 (Chapter 453)*

The Acts make permanent the sales and use tax exemption for a sale to an organization of veterans of the armed forces of the United States, if the organization is qualified as tax exempt under the Internal Revenue Code. Effective 6/1/2012.

**Sales and Use Tax – Machinery  
and Equipment – Energy Star  
Windows and Doors**

*SB 40 (Chapter 456)*

*HB 1301 (Chapter 457)*

The Acts provide that the sales and use tax does not apply to the sale of machinery and equipment to be used directly and predominately to produce Energy Star windows or entry doors for residential real property.

The Acts also provide that the sales and use tax does not apply to the sale of electricity, fuel, and other

utilities used to operate that machinery and equipment. Effective 7/1/2012.

**Sales and Use Tax – Consuming  
Wine Not Bought on Premises –  
Restaurants, Clubs, and Hotels**

*SB 755 (Chapter 86)*

*HB 228 (Chapter 87)*

The Acts allow an individual, in a restaurant, club, or hotel for which a Class B or Class C license is issued, to consume wine not purchased from the license holder only if the wine is consumed with a meal during the hours of sale specified by the license, the individual receives the approval of the license holder, the wine is not available for sale on the license holder’s wine list, and the license holder obtains a permit allowing an individual the privilege of consuming wine not purchased from or provided by the license holder.

The Acts allow the license holder to determine and charge a fee to the individual for the privilege at the current sales tax rate of 6%.

The Acts require that the individual cannot be under 21 years old, and cannot be visibly under the influence of an alcoholic beverage. Effective 7/1/2012.

**Sales and Use Tax – Alcoholic Beverages – Calculation of Tax**

*SB 852 (Chapter 597)*

*HB 918 (Chapter 598)*

The Acts modify the State sales and use tax rate applicable to charges for labor, materials, or property in connection with the sale of an alcoholic beverage so that the general 6% sales tax rate applies to these items, rather than the 9% rate that applies to the sale of an alcoholic beverage.

The Acts specify that the sales tax rate of 6% applies to a mandatory gratuity charge or service charge in the nature of a tip for serving food or any type of beverage to a group of more than 10 individuals. Effective 7/1/2012.

**State and Local Revenue and Financing Act of 2012**

*SB 1302 (Chapter 2)*

The Act repeals Tax-General Article ¶11-202 which exempted from the sales and use tax a sale in the form of a demurrage charge made in the nature of a penalty for failure to return gas cylinder within a designated period. Effective 7/1/2012.

**ADMISSIONS AND AMUSEMENT TAX**

**Gaming – Electronic Machines - Regulation**

*SB 864 (Chapter 603)*

The Act provides that an entity licensed to operate instant bingo under a commercial bingo license on July 1, 2007, or as a qualified nonprofit organization, may continue to operate a game of instant bingo in the same manner using electronic

machines. The machines had to have been in operation for a 1-year period ending December 31, 2007 or the machines were in operation under a commercial bingo license on December 31, 2007. The entity may not operate more than the number of machines in operation on February 28, 2008, and the conduct of the gaming and operation of the machines are consistent with all other provisions of the Criminal Law Article.

The bill clarifies that the State and local A&A taxes applicable to electronic instant bingo must be determined on a tax-included or separately stated basis, while other State and local A&A taxes applicable to gaming may be determined on a tax-included or separately stated basis. Effective 7/1/2012.

**TOBACCO TAX**

**State and Local Revenue and Financing Act of 2012**

*SB 1302 (Chapter 2)*

Except for premium cigars, this Act increases the current tobacco tax rate of 15% for other tobacco products (OTP). The tax rate for premium cigars remains at 15% of the wholesale price. The tax rate for other cigars is 70% of the wholesale price and the tax rate for the remaining OTP is 30% of the wholesale price.

The Act provides that floor stock in possession on July 1, 2012 is subject to the new tax, and requires a filing of the floor tax return by October 15, 2012 to remit the tax difference. Effective 7/1/2012.

**ESTATE TAX**

**Maryland Estate Tax – Family  
Farm Preservation Act of 2012**

*SB 294 (Chapter 448)*

The Act exempts from the State estate tax up to \$5.0 million of qualified agricultural property. In order to qualify for the exemption, the property must pass from a decedent to an individual who enters into an agreement to use the property for farming purposes after the decedent's death. Qualified agricultural property includes real and personal property that is used primarily for farming purposes. The estate tax is subject to recapture if the property ceases to be used for farming purposes within 10 years after the decedents' death.

Effective 7/1/2012

## TAXPAYER ASSISTANCE INFORMATION

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### *Admissions and Amusement Tax*

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

Or call: In the Baltimore area.....410-767-1300  
Toll free.....800-492-1751  
Fax.....410-767-1571

E-mail [taxhelp@comp.state.md.us](mailto:taxhelp@comp.state.md.us)

### *Alcohol and Tobacco Tax*

Contact: Revenue Administration Division  
Motor Fuel, Alcohol and Tobacco Tax Unit  
P.O. Box 2999  
Annapolis, Maryland 21404-2999

Or call: Central Maryland.....410-260-7980  
Toll free.....888-638-2937  
Fax.....410-974-3201

E-mail: [att@comp.state.md.us](mailto:att@comp.state.md.us)

### *Bay Restoration Fee*

Contact: Maryland Department of the Environment  
1800 Washington Boulevard  
Baltimore, Maryland 21230

Or Call: 410-537-3000

E-mail: [lcross@mde.state.md.us](mailto:lcross@mde.state.md.us)

### *Estate Tax*

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

Or call: Central Maryland.....410-260-7850  
Toll free.....800-MDTAXES  
Fax.....410-974-2968

## TAXPAYER ASSISTANCE INFORMATION

### *Estate Tax (continued)*

E-mail: [taxhelp@comp.state.md.us](mailto:taxhelp@comp.state.md.us)

### *Income Tax*

Contact: Revenue Administration Center  
110 Carroll Street  
Annapolis, Maryland 21411

Or call: Central Maryland.....410-260-7980  
Toll free.....800-MDTAXES  
Tax Forms.....410-260-7951  
Fax.....410-974-5808

E-mail: [taxhelp@comp.state.md.us](mailto:taxhelp@comp.state.md.us)

### *Motor Fuel Tax*

Contact: Revenue Administration Division  
Motor Fuel, Alcohol and Tobacco Tax Unit  
P.O. Box 1751  
Annapolis, Maryland 21404-1751

Or call: Central Maryland.....410-260-7980  
Toll free (Licensing).....888-638-2937  
Fax.....410-974-3129  
IFTA inquiries.....888-638-2937

E-mail: [mft@comp.state.md.us](mailto:mft@comp.state.md.us)

### *New Business Information*

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

Or call: In the Baltimore area.....410-767-1313  
Toll free.....800-638-2937

E-mail: [taxhelp@comp.state.md.us](mailto:taxhelp@comp.state.md.us)



## TAXPAYER ASSISTANCE INFORMATION

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### *Sales and Use Tax*

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

Or call: Central Maryland.....410-767-1300  
Toll free.....800-492-1751  
Fax.....410-767-1571

E-mail: [sut@comp.state.md.us](mailto:sut@comp.state.md.us)

### *Tire Recycling Fee*

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

Or call: Central Maryland.....410-767-1300  
Toll free.....800-492-1751  
Fax.....410-767-1571

E-mail: [taxhelp@comp.state.md.us](mailto:taxhelp@comp.state.md.us)

### *Unclaimed Property*

Contact: Compliance Division  
Unclaimed Property Section  
301 West Preston Street  
Baltimore, Maryland 21201-2383

Or call: In the Baltimore area.....410-767-1700  
Toll free.....800-MDTAXES  
Fax.....410-333-7150

E-mail: [unclaim@comp.state.md.us](mailto:unclaim@comp.state.md.us)

### *Utility Surcharges and Fees*

*(Environmental Surcharge on Electricity, 911 Telephone Systems, Electric Universal Service Fee, Telecommunications Access)*

Contact: Revenue Administration Center  
Revenue Accounting Section  
110 Carroll Street  
Annapolis, Maryland 21411

## TAXPAYER ASSISTANCE INFORMATION

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### *Utility Surcharges (continued)*

Or call:           In the Baltimore area.....410-260-7782  
                  Toll free.....800-MDTAXES  
                  Fax.....410-974-2803

E-mail:           [taxhelp@comp.state.md.us](mailto:taxhelp@comp.state.md.us)

For further information contact:

Comptroller of Maryland  
Louis L. Goldstein Treasury Building  
80 Calvert Street  
P.O. Box 466  
Annapolis, Maryland 21404-0466  
410-260-7801  
[www.marylandtaxes.com](http://www.marylandtaxes.com)