

Instructions for Completing Form BRF-1

GENERAL INSTRUCTIONS

Purpose of this return: Form BRF-1 is used to remit the Bay Restoration Fees collected to the Comptroller of Maryland, and to report certain reasonable administrative costs related to the collection of these fees.

2012 Law Change: The fee for some users in Garrett County and the Ocean City area where the wastewater does not drain into the Chesapeake Bay or the Coastal Bay watersheds (surface or ground water) will remain at the existing fee rate of \$2.50 per month; ALL OTHER areas of Maryland have increased.

Who must file this return: All Maryland non-exempt local governmental entities; billing authorities; drinking water and sewage wastewater treatment plant owners, who provide water or sewage services to residential, multi-residential and/or non-residential users. Also, county governments are responsible for collecting a septic fee from owners of private wells and septic systems (see line 2 instructions).

How do I know whether or not I am exempt: Check the Maryland Department of the Environment's Web site at www.mde.state.md.us/water for guidance on exemptions.

When to file this return: This return is due on the 20th day of the month following the calendar quarter in which the Bay Restoration Fees were collected. Preprinted forms will be sent to you each quarter during the first week on the month in which the return is due.

How to file an amended quarterly return: Call 410-260-7980 to get the amended form. Indicate the quarter to be covered by the amended return. A preprinted amended form will be sent to you. Prepare the return reflecting the corrected figures. Attach a statement outlining the reason for the amended return.

SPECIFIC INSTRUCTIONS

Bay Restoration Fee Calculation

Federal Employer Identification Number: Enter your Federal Employer Identification Number.

Line 1: Enter the amount collected (less refunds of overpayments to your customers) from recipients of sewer bills during the calendar quarter covered by this return. The amount to be collected from residential users is \$5.00 per month (i.e., \$15.00 per quarter). This amount is not to be prorated. The amount to be collected from non-residential and multi-residential users is calculated using equivalent dwelling units (EDU).

Calculate the number of EDU based on average daily flow (gallons) using 1 EDU = 250 gallons.

A self-contained entity (e.g. a residential trailer park community) is responsible for depositing the Bay Restoration Fee to the Comptroller of Maryland. The fee can be based on either (1) a new billing system that collects an equivalent of \$5.00 per month per household, or (2) average daily flow converted to equivalent dwelling units EDU). However, if this entity is only the Drinking Water System Owner, it is not a Bay Restoration Fee billing authority and the county is responsible for collecting the BRF (septic) fee.

The Bay Restoration Fee is calculated at \$5.00 per month per EDU per site, not to exceed \$10,000/month or \$120,000 per year.

Line 2: Enter the amount collected (less refunds of overpayments to your customers) from recipients of water bills only and other users of septic or holding tank systems during the calendar quarter covered by this return. The amount to be collected from residential users is \$5.00 per month per household. The amount to be collected from non-residential and multi-residential users receiving water bills is also calculated on water usage or wastewater generated, converted to Equivalent Dwelling Units(EDU) at \$5.00 per month per EDU, not to exceed \$10,000/month or \$120,000 per year.

County governments collect a septic fee from owners of private wells and septic systems. This fee is \$60 per year per septic or holding tank (\$5.00 per month). Include on line 2 the amount collected for septic fees during this quarter.

Note: The septic fee for some users in Garrett County and the Ocean City area where the wastewater does not drain into the Chesapeake Bay or the Coastal Bay watersheds (surface or ground water) will remain at the existing fee rate of \$30 per year per septic or holding tank.

Line 3: Add lines 1 and 2 and enter the result.

Line 3a: This line is an itemization of Line 3. On line 3a, enter the commercial waste fees due.

Line 3b: This line is an itemization of Line 3. On line 3b, enter the residential waste fees due.

The Environment Article 9-1605.2(I) of the Annotated Code of Maryland permits local governments and billing authorities for water or wastewater facilities to claim reasonable administrative costs not to exceed 5 percent of the Bay Restoration Fees collected.

Reasonable administrative costs include only costs which are both incremental and verifiable. A credit for a claim for overhead or other costs which would have been incurred in the absence of the Bay Restoration Fee will be disallowed.

Line 4: This line of the quarterly Bay Restoration Fee Return that is sent to you will be pre-filled with the amount of eligible costs carried forward from the previous quarter.

Lines 5a-5e and Line 6: Enter the appropriate current quarter's eligible costs incurred in collecting the Bay Restoration Fee in lines 5a through 5d. List other current eligible costs that are not related to programming, direct employee expenses, office supplies, or credit card processing fees on the lines provided within line 5e of this form, and specify the type of cost. Use another page if necessary. If you do use another page, enter the subtotal from the other page on the space provided on the fourth line under line 5e. Enter the total of the "other eligible costs" on line 5e of this form. Add line 4 and lines 5a through line 5e and enter result on line 6.

Line 7: Multiply line 3 by 5 percent (.05). Enter the result.

Line 8: Credit for allowable eligible administrative costs. Enter the smaller of lines 6 or 7.

Line 9: Balance Due: Subtract the credit on line 8 from

the Bay restoration Fee due on line 3 and enter the difference on line 9.

If this return is being filed timely, skip to line 12; otherwise, proceed with line 10.

Line 10: If the return was filed late, multiply line 9 by 10 percent (.10) and enter the result.

Line 11: If the return was filed late, multiply line 9 by the percentage for each month, or fraction of each month, past the date, the return was due to be filed. Enter the result. Interest is computed at a rate of 0.7500% per month for due dates prior to January 1, 2024. Interest is computed at a rate of 0.8339% per month after December 31, 2023. Visit marylandtaxes.gov for more information.

Line 12: Current Balance Due: Add the amounts from lines 9, 10, and 11. Enter the total here. Attach a check payable to the Comptroller of Maryland. Include your Federal Employer Identification Number on your check.

Line 13: If line 6 is more than line 7, subtract line 6 from line 7 and enter the result. This amount will carry forward to the next reporting period. If line 7 is more than line 6, leave line 15 blank.

Mailing instructions: Sign return, attach the check, and mail payment with this return to:

Comptroller of Maryland
Revenue Administration Division
PO Box 1829
Annapolis, MD 21404-1829

For more information about the Bay Restoration Fund, visit the following Web sites:

- Maryland Department of the Environment:
mde.state.md.us/water
- Comptroller of Maryland:
marylandtaxes.gov

For additional information:

Call Taxpayer Service at 410-260-7980
1-800-638-2937 (from elsewhere in Maryland)
from 8:30 a.m. to 4:30 p.m. eastern time.

E-mail: taxhelp@marylandtaxes.gov

For deaf or hard-of-hearing:

TTY users may call via Maryland Relay at 711 in Maryland

If you need a reasonable accommodation for a disability, please contact us before your visit. If you need the information in this brochure in an alternate format, contact the Comptroller's Office.