



Low Income and Fixed Income Taxpayers (LIFT) Collection Relief Program

I. General

The Comptroller of Maryland may grant collection relief (LIFT Relief) to an individual who owes an uncontested individual income tax liability but cannot afford to pay.

II. Definitions

A. Federal Poverty Guidelines

The Federal Poverty Guidelines are determined annually by the United States Department of Health and Human Services. For LIFT Relief, the applicable Federal Poverty Guideline will be determined by (1) the number of individuals in the applicant's household and (2) the applicant's federal adjusted gross income.

The number of individuals in an applicant's household equals the sum of the individuals that the applicant can lawfully claim as exemptions on the applicant's Maryland individual income tax return. For purposes of LIFT Relief, additional exemptions do not apply.

B. Fixed-income taxpayer

"Fixed-income taxpayer" means a taxpayer whose current household income:

1. Is below 200% of the federal poverty level; and
2. Consists of social security and retirement payment income only.

C. Income

For purposes of LIFT Relief, federal adjusted gross income means the sum of the applicant's income from the following sources.

1. Social Security

Social Security means the sum of any payment received by the applicant as old age, survivors, or disability benefits under the Social Security Act (42 U.S.C.A. § 301 *et seq.*), the Railroad Retirement Act (45 U.S.C.A. § 231 *et seq.*), or both.

2. Retirement Payment

A retirement payment is the cumulative or total annuity, pension, or endowment income from an employee retirement system included in federal adjusted gross income.

- a. "Employee retirement system" means a plan: (i) established and maintained by an employer for the benefit of its employees; and (ii) qualified under § 401(a), § 403, or § 457(b) of the Internal Revenue Code.
- b. "Employee retirement system" does not include: (i) an individual retirement account or annuity under § 408 of the Internal Revenue Code; (ii) a Roth individual retirement account under § 408A of the Internal Revenue Code; (iii) a rollover individual retirement account;

(iv) a simplified employee pension under Internal Revenue Code § 408(k); or (v) an ineligible deferred compensation plan under § 457(f) of the Internal Revenue Code.

3. Wages, Overtime, and Tips

Wages means monthly wages and/or salary, overtime, and tips before any deduction for tax withholding or allotments taken out of pay, such as insurance payments, credit union deductions, car payments, etc.

4. Other Income

Other Income includes any income from any source that is not Social Security, a Retirement Payment, or Wages, Overtime, and Tips. This includes all net income from a business, all net rental income, and all distributions from partnerships and subchapter S corporations reported on Schedule K-1, and from limited liability companies reported on Form 1040, Schedule C, D or E, as well as total distributions from IRAs. Other Income also includes agricultural subsidies, unemployment compensation, gambling income, oil credits, rent subsidies, sharing economy income from providing on-demand work, services, or goods (e.g., income from Uber, Lyft, AirBnB, or VRBO) and income through digital platforms like an app or website (e.g., YouTube, TikTok), etc., as well as recurring capital gains from the sale of securities including cryptocurrency and non-fungible tokens.

D. Low-income taxpayer

“Low-income taxpayer” means a taxpayer whose current household income is below 200% of the federal poverty level.

III. Eligibility

A taxpayer who meets the definition of a fixed-income or low-income taxpayer may apply for and be granted LIFT Relief. A taxpayer must file an application with the Comptroller’s Office to request LIFT Relief. LIFT Relief will only be granted for tax years in which a taxpayer has an uncontested liability.

As an example, a married couple filed jointly and claimed two exemptions—one for each person—on their current year Maryland individual income tax return. Under the 2025 Federal Poverty Guidelines, the annual income for a two-person household in Maryland is \$21,150. 200% of that amount is \$42,300.

To qualify for collection relief, the married couple’s federal adjusted gross income must be less than \$42,300.

IV. Application Process

A taxpayer seeking LIFT Relief under the program must complete, sign, and send Maryland Form 400 to the Comptroller via email to lowincomeprogram@marylandtaxes.gov or by U.S. Mail to: P.O. Box 2984, Annapolis, MD 21404, ATTN: LIFT Program. The phone number for the LIFT Program is 410-260-7623.

The Comptroller will review the applicant’s Maryland individual income tax returns to determine the number of individuals in the applicant’s household and the source and the amount of the applicant’s income. You can still apply for LIFT Relief even if you have not filed all your Maryland income tax returns. Unlike the Comptroller’s Offer-in-Compromise program, there is no requirement for all tax returns to be filed. However, LIFT Relief is only granted for the tax years requested. If you file returns with new tax liabilities, you will be required to submit a new application

requesting relief for the new liabilities.

A. Maryland individual income tax returns

The Comptroller will review the applicant's individual income tax returns in the following order.

1. The Maryland individual income tax return for the current year.
2. If there is no return on file for the current year, the return filed for the tax year that immediately precedes the current year.
3. If the applicant has not filed a return for the current year or the year immediately preceding the current year, the applicant must submit documentation that substantiates the income for the individual(s) listed as part of the applicant's household and the amount and source of the income claimed on Maryland Form 400.

B. Power of attorney

An applicant may designate a representative to assist them in filing an application for LIFT Relief. If you submit a completed and signed Maryland Form 548 (Power of Attorney) to designate a representative, you are authorizing the Comptroller's Office to speak with that representative about your application and your tax filings that support your application.

C. Application denial

The Comptroller's Office will deny an application for any of the following reasons.

1. The applicant's federal adjusted gross income is higher than 200% of the applicable Federal Poverty Level Guidelines.
2. The income reported was not documented or the information provided was insufficient to determine the applicant's income.
3. The applicant did not submit a completed and signed Maryland Form 400.
4. The information submitted on Maryland Form 400 or in the documents provided appears inaccurate.
5. The applicant disputes liability for the tax year which relief is requested.
6. The tax year for which relief is requested is the subject of an audit or investigation.
7. The applicant is financially able to pay their individual income tax liabilities.

D. Written notice

The applicant will be notified in writing of the Comptroller's decision to grant or deny relief.

E. No right to appeal

An applicant does not have the right to appeal a denial of their application.

V. LIFT Relief

Collection relief is based on the source of the applicant's income. The Comptroller's Office may grant either long-term or temporary relief, depending on the applicant's eligibility determination that they qualify as either a Fixed-Income Taxpayer or a Low-Income Taxpayer.

	Fixed-Income Taxpayer (Long-Term Relief)	Low-Income Taxpayer (Temporary Relief)
Collection action placed on hold status for one year		✓
Collection action placed on hold indefinitely	✓	
Applicant's withholding may be increased to limit future liabilities		✓
Applicant must resubmit application after one year to determine whether they still qualify.		✓
No payment or payment plan is required	✓	✓
Applicant's tax liability will not be sent to an outside collection agency during hold status	✓	✓
The current hold on the applicant's professional or MVA license will be released during hold status	✓	✓
No future license holds will occur if the applicant still qualifies	✓	✓
Most collection notices from the Comptroller of Maryland will no longer be sent during hold status	✓	✓
Federal income tax refunds and vendor payments will not be used to offset the liability during hold status	✓	
Tax lien(s) will remain or be filed to protect the State's interest	✓	✓
Applicant must file all unfiled Maryland income tax returns	✓	✓
Maryland income tax refunds will be used to offset liability	✓	✓
Applicant must file all unfiled Maryland income tax returns within 90 days of being granted relief	✓	✓

F. Limitations

1. LIFT Relief is limited to an applicant's individual income tax liability and only for the tax year(s) for which relief is granted.
2. Any collection relief provided does not apply to any other tax liability or unpaid fee or fine owed to or collected by the Comptroller or the State of Maryland.
3. The Comptroller reserves the right to audit or adjust a taxpayer's account and assess any deficiency after relief is granted if it determines that the tax due exceeds the amount shown on the return.
4. LIFT Relief will be revoked if the applicant fails to file all unfiled Maryland individual income tax returns within 90 days of relief being granted.

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www.marylandcomptroller.gov

For the deaf or hard of hearing: call via Maryland Relay at 711 in Maryland
or 1-800-735-2258

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If you need the information in this publication in an alternate format, contact the Comptroller's Office.