



## Business tax tip #13

### Opening a New Business in Maryland?

If you've decided to start a business, you probably have lots on your mind and many things to do. Some of them involve the Maryland State Comptroller's Office. Here are some things you need to know and do to comply with your responsibilities as a new Maryland business.

#### Complete a Combined Registration Application

The combined registration application is a one-stop method for obtaining a variety of tax accounts:

**Sales and use tax license** - If you will make sales in Maryland, you will need a sales and use tax license.

**Employer's withholding tax account** - If you are an employer making payments to resident or nonresident individuals for salaries, wages or compensation, you must withhold income tax as prescribed in published tables.

**Unemployment insurance account** - If you are an industrial or commercial employer, you are subject to the state unemployment insurance law. Many nonprofit charitable, educational and religious institutions are also subject to the unemployment insurance law. You must register upon establishing a new business in the state. For information, please visit the Department of Labor's website <https://www.dllr.state.md.us/employment/empfaq.shtml>.

**Admissions and amusement tax account** - If you are charging admission to any place, including motion pictures, athletic events, shows or exhibits; you will need an admissions and amusement tax account. Also subject to this tax are receipts from athletic equipment rentals, bingo, coin-operated amusement devices, boat rides and excursions, amusement rides, golf green fees, golf cart rentals, skating, bowling shoe rentals, lift tickets, riding academies, horse rentals, and merchandise, refreshments, or a service sold or served in connection with entertainment. A state admissions and amusement tax of 30 percent applies to electronic bingo and electronic tip jars.

**Tire recycling fee account** - If you plan to sell tires in Maryland, you will need this account.

**Transient vendor license** - If you make sales at roadside or temporary locations in Maryland, you must have a vendor license.

**Motor fuel tax account** - If you plan to sell, use or transport any fuels in Maryland, you need this account.

**Alcohol tax license** - If you plan to manufacture, sell, distribute or store alcoholic beverages, this license is needed.

**Tobacco tax license** - You need this license if you plan to sell and/or distribute cigarettes in Maryland.

**Transportation Network Company** - You need this if you plan on operating an Uber, Lyft or Sidecar business.

You will be contacted by the appropriate agency after you file a Combined Registration Application.

If you are a nonprofit charitable, educational and religious organization; volunteer fire company or rescue squad; veterans organization; nonprofit cemetery company, government agency; or credit union located in Maryland or an adjacent jurisdiction, you may apply for a Sales and Use Tax Exemption Certificate.

### **How to register**

Complete the interactive Combined Registration Application online to register new business tax accounts. <https://interactive.marylandtaxes.gov/webapps/comptrollercra/entrance.asp>

### **Corporation filing requirements**

New corporations must file Articles of Incorporation with the State Department of Assessment and Taxation (SDAT). Foreign or existing corporations must register to do business in Maryland with SDAT. New corporations do not need to register with the Comptroller's Office, but they must file a corporation income tax return or extension after the close of the initial year. A corporate group or publicly traded corporation must also file special statements with the Comptroller's Office. To contact the State Department of Assessments and Taxation from Baltimore call 410-767-1340 or visit their Web site at <https://dat.maryland.gov/Pages/default.aspx>

## Check out business licenses

You may also need one or more of the following business licenses to operate your business in the state of Maryland.

- Auctioneer
- Laundry
- Billiard table
- Music box
- Chain store
- Pinball
- Cigarette
- Plumber & gas fitter
- Commercial garage Restaurant
- Console machine
- Special cigarette
- Construction firm
- Storage warehouse
- Hawkers & peddlers
- Traders
- Junk dealers
- Vending machine
- Wholesale dealer-farm machinery

Contact the Clerk of the Circuit Court in the county (or Baltimore City) where your business is located to obtain these licenses.

## Maryland business license info

The Maryland Business License Information System (BLIS) on the Internet helps business owners determine which state permits and licenses they require to operate their businesses. BLIS also connects users with electronic application forms and allows users to apply for certain permits and licenses online.

## Workers' compensation is required in Maryland

Employers in Maryland must provide Workers' Compensation Insurance for all their employees. You may get this coverage from a private insurance company, by becoming self-insured or by contacting the Injured Workers' Insurance Fund at 410-494-2000 or 1-800-264-IWIF.

## Local requirements

The Clerk of the Circuit Court can advise you of any local licensing requirements. Offices of the Clerks of Court are usually located in the county courthouses. Visit the Clerk of the Circuit Court's Web site for phone directories and assistance. <https://www.courts.state.md.us/circuit>

## **Bulk sales**

When you buy an existing business, you are liable for a 6 percent bulk sales and use tax on the price of tangible personal property and digital products unless specific exemptions apply. The tax applies to charges for tangible property such as furniture and fixtures and leasehold improvements, digital products such as computer software, business records, customer lists and non-capitalized goods and supplies. For information on bulk sales call 410-767-1579 or 1-800-492-1751.

## **Report unclaimed wages**

Maryland law requires you to report unclaimed funds such as wages, benefits or security deposits to the Comptroller's Office if they remain unclaimed for three years or more. Contact the Unclaimed Property Section at 410-767-1700 or toll-free 1-800-782-7383.

## **Satisfy state tax obligations**

Maryland law requires individuals seeking to apply for or renew many professional and occupational licenses to certify that all state tax obligations have been met or provided for in a satisfactory manner.

If you have questions about how the state personal income tax applies to your business situation, call Taxpayer Service at 410-260-7980 in Central Maryland or 1-800-MD TAXES from elsewhere, Monday - Friday, 8:30 a.m. – 4:30 p.m. EDT. For more information visit our web site at [www.marylandtaxes.gov](http://www.marylandtaxes.gov).

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