



Business tax tip #22

Maryland Sales and Use Tax – Frequently Asked Questions

Filing Due Dates

Your sales and use tax return is due on the 20th day of the month following the month in which the period ends and is indicated on each return. If a due date falls on a Saturday, Sunday, or legal holiday, the return is due on the next business day.

Initially, your sales and use returns are due on a quarterly basis. Depending on the amount of your actual payment, your filing schedule may be changed to monthly, quarterly, bi-annual or annual. The Comptroller's office will notice you in advance of any change in your filing frequency.

File Electronically

You can file your sales and use tax return online for free online by using Maryland Tax Connect.

No Tax Due?

If you have no tax due for the filing period, you can file your sales and use tax and other business tax returns electronically using Maryland Tax Connect.

Timely Discount

If you file your sales and use tax return and pay your sales tax on a timely basis, you are allowed to keep a portion of the sales tax as a discount. The allowable discount for timely filing and paying is 1.2% of the first \$6,000 collected and 0.9% for the amount above \$6,000. If the amount on line 7 of your return is \$6,000 or less, multiply that amount by .12 and enter the total on line 8. If the amount on line 7 is greater than \$6,000, multiply that amount by .009, add \$18 and enter the total on line 8.

The discount may not exceed \$500 for each return. A vendor who files or is eligible to file a consolidated return is allowed a maximum discount not to exceed \$500 for all returns. A discount cannot be taken if the return and payment are submitted after the due date.

Payments

Pay Electronically

You can pay electronically for free. Taxpayers making payments of \$10,000 or more must file and pay electronically, but all taxpayers are encouraged to do so.

Pay by Check or Money Order

Make checks or money orders payable to: Comptroller of Maryland - SUT.

Write your CR (central registration) number on the check or money order. Please remove any stubs from your checks before mailing. Mail completed return, together with payments for taxes due, to the following address:

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

Pay by Credit Card

You may pay by credit card online.

Amended Returns

If you need to change a sales and use tax return that you have already filed, you may email taxhelp@marylandtaxes.gov or call 410-260-7980 in Central Maryland or 1-800-MDTAXES (800-638-2937) from elsewhere.

Exemption Certificates

The Comptroller's Office issues sales and use tax exemption certificates to certain qualifying organizations, entitling them to make specific purchases without paying sales and use tax.

The following organizations can qualify for exemption certificates:

- Nonprofit charitable, educational and religious organizations;
- Volunteer fire companies and rescue squads;
- Nonprofit cemetery companies;
- Qualifying veterans' organizations;
- Government agencies;
- Credit unions.

The exemption certificate is a wallet-sized card, bearing the holder's eight-digit exemption number and the expiration date.

For more information about exemption certificates, see Tax Tip #6- Retail Sales Involving Exemption Certificates.

Purchases for Resale

As a buyer, you may make tax-exempt purchases of property that you intend to resell or property that you will incorporate into something you manufacture to sell. To receive this exemption, you must give the vendor a resale certificate. A resale certificate is a written statement that you provide stating that the merchandise or taxable service you buy will be resold or incorporated into tangible personal property or into a taxable service to be produced for sale.

Although there is no specific form for a resale certificate, it must include a signed statement that the purchase is intended for resale, the purchaser's name and address, and the purchaser's Maryland sales and use tax registration number.

For more information about exemption certificates, see Purchases for Resale and Tax Tip #4 - If You Make Purchases for Resale.