

MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	06/05/2014	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

1. Desired date of publication in Maryland Register: 7/11/2014

2. COMAR Codification

Title Subtitle Chapter Regulation

18 08 01 04

3. Name of Promulgating Authority

Department of Assessments and Taxation

4. Name of Regulations Coordinator Telephone Number
Jeffrey G Comen 4107671282

Mailing Address

301 W. Preston St., 8th Floor

City State Zip Code
Baltimore MD 21201

Email

jcomen@dat.state.md.us

5. Name of Person to Call About this Document Telephone No.
Renee Manuel-Savage 410-767-4185

Email Address

renee.manuel-savage@maryland.gov

6. Check applicable items:

New Regulations

DEPARTMENT OF ASSESSMENTS AND TAXATION

Subtitle 08 PUBLIC SERVICE COMPANY FRANCHISE TAX

18.08.01 Administration

Authority: Tax-Property Article, §2-201, Tax-General Article, §§8-402, 8-402.1, 8-404, 8-408, 13-303, 13-402, 13-701, 13-702 and 13-708; Annotated Code of Maryland

Notice of Proposed Action

□

The Director of the Department of Assessments & Taxation proposes to amend Regulation .04 under COMAR 18.08.01 Administration.

Statement of Purpose

The purpose of this action is to increase to the statutory limit the penalty for failing to file a public service company franchise tax form, to require certain documents to be included with the form and to give the Department the same authority over incomplete forms as it has over unfiled forms.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Renee Manuel-Savage, Administrator Franchise Tax/Public Utility, State Department of Assessments & Taxation, 301 W. Preston Street, 8th Floor, Baltimore, MD 21201, or call 410-767-4185, or email to renee.manuel-savage@maryland.gov, or fax to 410-333-5873. Comments will be accepted through August 10, 2014. A public hearing has not been scheduled.

Economic Impact Statement Part C

A. Fiscal Year in which regulations will become effective: FY 2015

B. Does the budget for the fiscal year in which regulations become effective contain

funds to implement the regulations?

Yes

C. If 'yes', state whether general, special (exact name), or federal funds will be used:

General funds

D. If 'no', identify the source(s) of funds necessary for implementation of these regulations:

E. If these regulations have no economic impact under Part A, indicate reason briefly:

Regulations only authorize what the Department already had the statutory authority to do.

F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet.

Regulations only authorize what the Department already had the statutory authority to do.

G. Small Business Worksheet:

Attached Document:

Title 18

DEPARTMENT OF ASSESSMENTS AND TAXATION

Subtitle 8 PUBLIC SERVICE COMPANY FRANCHISE TAX

Chapter 01 Administration

Authority: Tax-Property Article, §2-201, Tax-General Article, §§8-402, 8-402.1, 8-404, 8-408, 13-303, 13-402, 13-701, 13-702 and 13-708; Annotated Code of Maryland

.01 Definitions. (no change)

.02 Companies Subject to the Tax. (no change)

.03 Inter-Company Transactions. (no change)

.04 Filing Forms and Additional Information.

A. Forms shall be filed with the Department at the locations specified on the form.

B. Each report, application, or response filed for the tax shall be made under oath with a declaration preceding the signature of the author that it is made under penalties of perjury.

C. A company that anticipates a total tax liability of at least \$1,000 for a taxable year shall file a declaration of estimated tax with the Department by April 15 of the taxable year. The company shall pay the Department an amount equal to at least 25 percent of the tax liability for the full taxable year on April 15, June 15, September 15, and December 15.

D. On or before March 15 annually, each company shall file with the Department a return detailing all operating and nonoperating revenues for the preceding calendar year. Each company shall attach to the return:

(1) a check made payable to the Department for the remaining tax due for the period covered by the return[.];
and

(2) *financial statements and a copy of the company's annual report as submitted to the appropriate regulatory authorities.*

E. If a company fails to file the return as required under this regulation, the Department will mail to the company a notice and demand for the return. If the return is not filed within 30 days of the mailing of the notice, the Department will estimate the company's operating revenues and assess an additional penalty of up to [20] 25 percent of the estimated tax liability.

F. Returns Filed Without Supporting Documents.

(1) If a company files a return but fails to include financial statements and a copy of the company's annual report as required in §D(2) of this Regulation, the Department will mail to the company a notice and demand for the supporting documents. If the supporting documents are not filed within 30 days of the mailing of the notice, the Department will estimate the company's operating revenues and assess an additional penalty of up to 25 percent of the estimated tax liability.

(2) If, at the time of filing a return, a company's annual report has not been submitted to the appropriate regulatory authorities, the company shall furnish to the Department the date that it is due to be submitted. If the company's annual report is not filed with the Department within 30 days of the date that it is due to be submitted, the Department will mail to the company a notice and demand for the annual report. If the annual report is not filed within 30 days of the mailing of the notice, the Department will estimate the company's operating revenues and assess an additional penalty of up to 25 percent of the estimated tax liability.

[F.] G. A company claiming a telephone lifeline credit or a credit for the purchase of Maryland-mined coal shall include with the annual return information detailing the basis for the calculation of the credit. In order to qualify for a Maryland-mined coal tax credit, a company must be able to document that the coal was directly purchased from a mine that extracted the coal from a location in Maryland.

[G.] H. A long distance telephone company shall be allowed a credit for the amount paid, not to exceed the Maryland tax due, upon proof that it has paid a properly due excise, sales and use, or gross receipts tax in another state on a sale from which the gross receipts are subject to Maryland tax.

.05 Assessments, Appeals, and Penalties. (no change)