

MARYLAND REGISTER

Proposed Action on Regulations

Transmittal Sheet PROPOSED OR REPROPOSED Actions on Regulations	Date Filed with AELR Committee	TO BE COMPLETED BY DSD
	02/09/2016	Date Filed with Division of State Documents
		Document Number
		Date of Publication in MD Register

1. Desired date of publication in Maryland Register: 2/19/2016

2. COMAR Codification

Title Subtitle Chapter Regulation

03 02 04 01

3. Name of Promulgating Authority

Comptroller of Maryland

4. Name of Regulations Coordinator

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Title 03
COMPTROLLER OF THE TREASURY
Subtitle 02 ALCOHOL AND TOBACCO TAX

03.02.04 Administration

Authority: Article 2B, §§16-301 and 16-302; Tax-General Article, §2-103; Annotated
Code of Maryland

Notice of Proposed Action

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The Comptroller of Maryland proposes to adopt amendments to Regulation .01 under COMAR 03.02.04 Administration.

Statement of Purpose

The purpose of this action is to change the due dates for certain tax returns according to filing frequency. Propose to move the due date from the 10th of the month to the 15th or 20th depending on whether the taxpayer files quarterly, semiannually, or monthly.

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 Wayne Green, Director, Revenue Administration Division, Comptroller of Maryland, PO Box 1829, Annapolis, MD 21404-1829, or call 410-260-7445, or email to , or fax to . Comments will be accepted through March 15, 2016. A public hearing has not been scheduled.

Economic Impact Statement Part C

- A. Fiscal Year in which regulations will become effective: FY 2016
- B. Does the budget for the fiscal year in which regulations become effective contain funds to implement the regulations?
- C. If 'yes', state whether general, special (exact name), or federal funds will be used:
- 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: There is no economic impact because the only proposed change is the due date of the return.
- F. If these regulations have minimal or no economic impact on small businesses under Part B, indicate the reason and attach small business worksheet. The proposed change merely moves the due date back 5 or 10 days according to filing frequency.
- G. Small Business Worksheet:

Attached Document:

03.02.04.01

.01 Tax Returns and Reports.

A. Alcoholic Beverage Tax Returns and Reports.

(1) Holders of a manufacturer's or a wholesaler's license authorized to sell wine or liquor, or Class E, F, or G license holders authorized to sell beer, wine, or liquor, or holders of a nonresident dealer permit authorized to sell beer shall file a tax return with the Alcohol and Tobacco Tax Bureau on forms prescribed by the Comptroller for each month that their license or permit is active. A tax return is required for each month even if the licensee or permittee had no activity. Manufacturers and wholesalers shall file a wine and liquor tax return ~~by the 10th of the month following the report month~~ under a filing frequency provided in §A(5) of this regulation. Nonresident dealers shall file a beer tax return by the 15th of the month following the report month. Class E, F, and G licensees shall file the appropriate tax return by the 25th of the month following the report month.

(2) Licensed wholesalers authorized to sell beer shall file a beer report, on forms prescribed by the Comptroller, with the Alcohol and Tobacco Tax Bureau by the 10th of the month following the report month. A wholesaler's beer report is required for each month even if the licensee had no activity.

(3) Holders of an import-export, nonresident storage, or a public storage permit shall file a report with the Alcohol and Tobacco Tax Bureau on forms prescribed by the Comptroller for each

month that their permit is active. A report is required for each month even if the permittee had no activity. Import-export, nonresident storage, and public storage reports are due by the 15th of the month following the report month.

(4) Family beer and wine facility permit holders shall file a report with the MATT Regulatory Division on forms prescribed by the Comptroller for each year that the permit is active. A family beer and wine facility permit report is required for each report year beginning October 1 and ending September 30 of the following year. Reports are due by October 15 following the report year, and must be filed even if the permittee had no activity for that year.

(5) Filing frequency for Manufacturers and Wholesalers.

(a) The required return shall be filed on:

(i) Monthly;

(ii) Quarterly; or

(iii) Semiannually.

(b) Monthly. The taxpayer is required to file and pay the tax monthly on or before the 20th day of the following month.

(c) Quarterly. The taxpayer is required to file and pay the tax quarterly on or before the 15th day of the following month for each quarter, January—December; or

(d) Semiannually. The taxpayer is required to file the return and pay the tax semiannually on or before the 15th day of January and July.

(e) The Comptroller shall notify manufacturers and wholesalers of their filing frequency under §A(5)(a) of this regulation.

(5) Beer Franchise Filing.

(a) A beer franchise filing is required to be filed with the Alcohol and Tobacco Tax Bureau on the form prescribed by the Comptroller. A beer franchise form shall be filed before distribution of a brand of beer by:

(i) A beer nonresident dealer who sells beer to a Maryland wholesaler or county dispensary for distribution in the State;

(ii) A Maryland brewery or microbrewery who sells beer to a Maryland wholesaler for distribution in this State; or

(iii) A Maryland beer wholesaler who self imports beer for sale in Maryland or subdistributes beer to another Maryland beer wholesaler for sale in Maryland.

(b) A person required to file a beer franchise form under §A of this regulation, when a franchise status changes, shall report the change promptly to the Comptroller by filing a replacement beer franchise form or submitting an explanatory letter, or both.

(67) A holder of a nonresident winery permit authorized to sell wine shall file a wine tax return with the Alcohol and Tobacco Tax Bureau on forms prescribed by the Comptroller for each month that the holder's permit is active. A tax return is required for each month even if the permittee had no activity. A nonresident winery permit holder shall file a wine tax return by the 10th of the month following the report month.

B. Tobacco Tax Returns.

(1) A manufacturer of cigarettes shall file a tobacco tax return with the Alcohol and Tobacco Tax Bureau on forms prescribed by the Comptroller, listing all sample cigarettes distributed within the State. A tobacco tax return is required for each month even if the manufacturer did not distribute sample cigarettes in this State. Sample cigarettes shipped into Maryland during the report month by a third party (advertising agency, etc.), on behalf of a manufacturer, shall be reported by the manufacturer. Sample cigarettes shipped to federal reservations in Maryland need not be reported. However, complete and accurate records of these shipments shall be maintained on the manufacturer's premises and shall be subject to audit verification. Manufacturers shall file returns by the 15th of the month following the report month.

(2) Licensed cigarette wholesalers shall file a tobacco tax return with the Alcohol and Tobacco Tax Bureau on forms prescribed by the Comptroller for all months that their license is active. A tobacco tax return is required for each month even if the licensee did not take the first possession of any unstamped cigarettes in this State. Licensees shall file returns by the 21st of the month following the report month.

C. Tax Return or Report Waiver. A license or permit holder described in §A or B of this regulation may file a written request for a waiver from filing a nonactivity return or report, and shall provide adequate reasons for the waiver. The Comptroller shall make a determination based on the reasons presented in the request and notify the license or permit holder in writing of the decision.