

HOUSE BILL 1053

C1, Q3

71r2050

By: **Delegates Huckler, Barve, Gutierrez, Hixson, Howard, Ivey, Kaiser, Lawton, and Stukes**

Introduced and read first time: February 9, 2007

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Business Organization Filing Fees – Income Tax Credit**

3 FOR the purpose of increasing the filing fee for certain annual reports required to be
4 filed by certain business organizations; providing certain business organizations
5 a credit against the State income tax for filing fee costs related to filing certain
6 annual reports; defining certain terms; providing for application of this Act; and
7 generally relating to certain filing fees of certain business organizations.

8 BY repealing and reenacting, without amendments,
9 Article – Corporations and Associations
10 Section 1–203(a) and (b)(1) and (2)
11 Annotated Code of Maryland
12 (1999 Replacement Volume and 2006 Supplement)

13 BY repealing and reenacting, with amendments,
14 Article – Corporations and Associations
15 Section 1–203(b)(3)
16 Annotated Code of Maryland
17 (1999 Replacement Volume and 2006 Supplement)

18 BY adding to
19 Article – Tax – General
20 Section 10–726
21 Annotated Code of Maryland
22 (2004 Replacement Volume and 2006 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
2 MARYLAND, That the Laws of Maryland read as follows:

3 **Article – Corporations and Associations**

4 1–203.

5 (a) In addition to any organization and capitalization fee required under §
6 1–204 of this subtitle, subject to subsection (c) of this section, the Department shall
7 collect the fees specified in subsection (b) of this section.

8 (b) (1) For each of the following documents, the nonrefundable processing
9 fee is \$100:

- 10 Document
- 11 Articles of incorporation
- 12 Articles of amendment
- 13 Articles of extension
- 14 Articles of restatement of charter
- 15 Articles of amendment and restatement
- 16 Articles supplementary
- 17 Articles of share exchange
- 18 Articles of consolidation, merger, or transfer
- 19 Articles of dissolution
- 20 Articles of revival for stock corporation
- 21 Articles of revival for non–stock corporation

22 (2) For each of the following documents, the nonrefundable processing
23 fee is as indicated:

24 (i) Notice of change of address of principal office \$25

25 (ii) Notice of change of name or address of resident agent ... \$25,

26 up to a maximum of \$30,000 for a bulk filing

1 (iii) Certificate of correction \$25

2 (iv) Any other documents \$25

3 (3) (i) For each of the following documents which are filed but not
4 recorded, the nonrefundable processing fee is as indicated:

5 Reservation of a corporate, limited partnership,
6 limited liability partnership or limited liability
7 company name..... \$25

8 Original registration of name of a foreign corporation
9 to end of calendar year..... \$100

10 Renewal of registration of name of a foreign
11 corporation for one calendar year..... \$100

12 Documents in connection with the qualification of a
13 foreign corporation to do intrastate business in
14 this State..... \$100

15 Application for registration of a foreign limited
16 partnership, a foreign limited liability
17 partnership, or a foreign limited liability
18 company..... \$100

19 Other documents..... \$6

20 (ii) For each of the following documents which are filed but not
21 recorded, the filing fee is as indicated:

22 Annual report of a Maryland corporation, except a
23 charitable or benevolent institution, nonstock
24 corporation, savings and loan corporation,
25 credit union, family farm, and banking
26 institution..... [~~\$300~~] **\$1,000**

1 Annual report of a foreign corporation subject to the
 2 jurisdiction of this State, except a national
 3 banking association, savings and loan
 4 association, credit union, nonstock corporation,
 5 and charitable and benevolent institution[\$300] **\$1,000**

6 Annual report of a Maryland savings and loan
 7 association, banking institution, or credit
 8 union or of a foreign savings and loan
 9 association, national banking association, or
 10 credit union that is subject to the jurisdiction of
 11 this State.....[\$300] **\$1,000**

12 Annual report of a Maryland limited liability
 13 company, limited liability partnership, limited
 14 partnership, or of a foreign limited liability
 15 company, foreign limited liability partnership,
 16 or foreign limited partnership, except a family
 17 farm.....[\$300] **\$1,000**

18 Annual report of a business trust.....[\$300] **\$1,000**

19 Annual report of a real estate investment trust doing
 20 business in this State[\$300] **\$1,000**

21 Annual report of a family farm\$100

22 **Article - Tax - General**

23 **10-726.**

24 (A) IN THIS SECTION, "BUSINESS ORGANIZATION" INCLUDES ANY
 25 ORGANIZATION REQUIRED TO FILE AN ANNUAL REPORT UNDER

1 **§ 1-203(B)(3)(II) OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE OTHER**
2 **THAN A FAMILY FARM.**

3 **(B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, AN INDIVIDUAL**
4 **OR CORPORATION MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN**
5 **THE AMOUNT OF THE FILING FEE PAID DURING THE TAXABLE YEAR FOR AN**
6 **ANNUAL REPORT UNDER § 1-203(B)(3)(II) OF THE CORPORATIONS AND**
7 **ASSOCIATIONS ARTICLE.**

8 **(C) (1) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS**
9 **SECTION MAY NOT EXCEED THE LESSER OF:**

10 **(I) \$500; OR**

11 **(II) THE STATE INCOME TAX IMPOSED FOR THE TAXABLE**
12 **YEAR.**

13 **(2) THE UNUSED AMOUNT OF THE CREDIT MAY NOT BE CARRIED**
14 **OVER TO ANY OTHER TAXABLE YEAR.**

15 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
16 July 1, 2007, and shall be applicable to all fees for annual reports filed after December
17 31, 2007, and taxable years beginning after December 31, 2006.