

# HOUSE BILL 55

C1, Q3  
HB 1053/07 – W&M

8lr4610

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By: **Delegate Hucker**

Introduced and read first time: October 30, 2007

Assigned to: Ways and Means

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## 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 a credit against the State  
5 income tax for certain filing fees paid related to filing certain annual reports;  
6 providing certain limitations on the amount of the credit allowed under certain  
7 circumstances; allowing certain unused credit to be carried forward to certain  
8 taxable years under certain circumstances; defining certain terms; providing for  
9 the effective date and application of this Act; and generally relating to certain  
10 filing fees of certain business organizations.

11 BY repealing and reenacting, without amendments,  
12 Article – Corporations and Associations  
13 Section 1–203(a) and (b)(1) and (2)  
14 Annotated Code of Maryland  
15 (2007 Replacement Volume)

16 BY repealing and reenacting, with amendments,  
17 Article – Corporations and Associations  
18 Section 1–203(b)(3)  
19 Annotated Code of Maryland  
20 (2007 Replacement Volume)

21 BY adding to  
22 Article – Tax – General  
23 Section 10–726  
24 Annotated Code of Maryland  
25 (2004 Replacement Volume and 2007 Supplement)

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

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **Article – Corporations and Associations**

2 1–203.

3 (a) In addition to any organization and capitalization fee required under §  
4 1–204 of this subtitle, subject to subsection (c) of this section, the Department shall  
5 collect the fees specified in subsection (b) of this section.

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

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

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

- 22 (i) Notice of change of address of principal office ..... \$25
- 23 (ii) Notice of change of name or address of resident agent ... \$25,  
24 up to a maximum of \$30,000 for a bulk filing
- 25 (iii) Certificate of correction ..... \$25
- 26 (iv) Any other documents ..... \$25

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

- 29 Reservation of a corporate, limited partnership, limited liability  
30 partnership or limited liability company name ..... \$25
- 31 Original registration of name of a foreign corporation to end of calendar  
32 year ..... \$100
- 33 Renewal of registration of name of a foreign corporation for one calendar  
34 year ..... \$100
- 35 Documents in connection with the qualification of a foreign corporation to  
36 do intrastate business in this State..... \$100

1	Application for registration of a foreign limited partnership, a foreign	
2	limited liability partnership, or a foreign limited liability company .	\$100
3	Other documents .....	\$6

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

6	Annual report of a Maryland corporation, except a charitable or	
7	benevolent institution, nonstock corporation, savings and loan	
8	corporation, credit union, family farm, and banking institution ...	[\$300]
9		<b>\$1,000</b>
10	Annual report of a foreign corporation subject to the jurisdiction of this	
11	State, except a national banking association, savings and loan	
12	association, credit union, nonstock corporation, and charitable	
13	and benevolent institution .....	[\$300]
14		<b>\$1,000</b>
15	Annual report of a Maryland savings and loan association, banking	
16	institution, or credit union or of a foreign savings and loan	
17	association, national banking association, or credit union that is	
18	subject to the jurisdiction of this State.....	[\$300]
19		<b>\$1,000</b>
20	Annual report of a Maryland limited liability company, limited liability	
21	partnership, limited partnership, or of a foreign limited liability	
22	company, foreign limited liability partnership, or foreign limited	
23	partnership, except a family farm .....	[\$300]
24		<b>\$1,000</b>
25	Annual report of a business trust.....	[\$300]
26		<b>\$1,000</b>
27	Annual report of a real estate investment trust doing business in this	
28	State.....	[\$300]
29		<b>\$1,000</b>
30	Annual report of a family farm .....	\$100

31 **Article - Tax - General**

32 **10-726.**

33 (A) IN THIS SECTION, "BUSINESS ORGANIZATION" INCLUDES ANY  
34 ORGANIZATION REQUIRED TO FILE AN ANNUAL REPORT UNDER  
35 § 1-203(B)(3)(II) OF THE CORPORATIONS AND ASSOCIATIONS ARTICLE OTHER  
36 THAN A FAMILY FARM.

37 (B) SUBJECT TO THE LIMITATIONS OF THIS SECTION, AN INDIVIDUAL  
38 OR CORPORATION MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN  
39 THE AMOUNT OF THE FILING FEE PAID DURING THE TAXABLE YEAR FOR AN

1 ANNUAL REPORT UNDER § 1-203(B)(3)(II) OF THE CORPORATIONS AND  
2 ASSOCIATIONS ARTICLE.

3 (C) EXCEPT AS PROVIDED IN SUBSECTION (D) OF THIS SECTION:

4 (1) FOR EACH FILING FEE PAID, THE AMOUNT OF THE CREDIT  
5 ALLOWED UNDER THIS SECTION IS \$500;

6 (2) THE CREDIT ALLOWED FOR AN INDIVIDUAL OR CORPORATION  
7 FOR ANY TAXABLE YEAR MAY NOT EXCEED THE STATE INCOME TAX IMPOSED  
8 FOR THE TAXABLE YEAR; AND

9 (3) THE UNUSED AMOUNT OF THE CREDIT MAY NOT BE CARRIED  
10 OVER TO ANY OTHER TAXABLE YEAR.

11 (D) IF THE GROSS REVENUES OF THE BUSINESS ORGANIZATION FOR  
12 WHICH THE FILING FEE WAS PAID WERE LESS THAN \$1,000,000 FOR THE  
13 TAXABLE YEAR IN WHICH THE FILING FEE WAS PAID:

14 (1) FOR EACH FILING FEE PAID, THE AMOUNT OF THE CREDIT  
15 ALLOWED UNDER THIS SECTION IS \$700;

16 (2) THE CREDIT ALLOWED FOR AN INDIVIDUAL OR CORPORATION  
17 FOR ANY TAXABLE YEAR MAY NOT EXCEED THE STATE INCOME TAX IMPOSED  
18 FOR THE TAXABLE YEAR; AND

19 (3) IF THE AMOUNT OF THE CREDIT EXCEEDS THE STATE INCOME  
20 TAX IMPOSED FOR THE TAXABLE YEAR, AN INDIVIDUAL OR CORPORATION MAY  
21 APPLY THE EXCESS AS A CREDIT AGAINST THE STATE INCOME TAX FOR  
22 SUCCEEDING TAXABLE YEARS UNTIL THE EARLIER OF:

23 (I) THE FULL AMOUNT OF THE EXCESS IS USED; OR

24 (II) THE EXPIRATION OF THE FIFTH TAXABLE YEAR AFTER  
25 THE TAXABLE YEAR IN WHICH THE FILING FEE WAS PAID.

26 (E) SUBJECT TO REGULATIONS ADOPTED BY THE COMPTROLLER, IF  
27 THE BUSINESS ORGANIZATION FOR WHICH A FILING FEE IS PAID IS A  
28 PASS-THROUGH ENTITY, AS DEFINED IN § 10-102.1 OF THIS TITLE, THE CREDIT  
29 ALLOWED UNDER THIS SECTION MAY BE CLAIMED BY THE SHAREHOLDERS,  
30 PARTNERS, MEMBERS, OR BENEFICIARIES OF THE PASS-THROUGH ENTITY.

1           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
2   January 1, 2008, and shall be applicable to all fees for annual reports filed after  
3   December 31, 2007, and taxable years beginning after December 31, 2007.