

# SENATE BILL 677

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CF HB 455

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By: **The President (By Request – Office of the Comptroller)**

Introduced and read first time: January 29, 2024

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Comptroller – Electronic Tax and Fee Return Filing Requirements**

3 FOR the purpose of requiring that returns for certain taxes and fees collected by the  
4 Comptroller be filed electronically, subject to certain exceptions; altering certain  
5 requirements for electronic filing of returns for certain taxes; and generally relating  
6 to electronic filing of tax and fee returns.

7 BY repealing and reenacting, with amendments,

8 Article – Environment

9 Section 9–228(g)(4) and 9–1605.2(e)(1)

10 Annotated Code of Maryland

11 (2014 Replacement Volume and 2023 Supplement)

12 BY repealing and reenacting, with amendments,

13 Article – Tax – General

14 Section 4–201, 10–817, and 10–824

15 Annotated Code of Maryland

16 (2022 Replacement Volume and 2023 Supplement)

17 BY repealing

18 Article – Tax – General

19 Section 5–201(f) and 9–308(e)

20 Annotated Code of Maryland

21 (2022 Replacement Volume and 2023 Supplement)

22 BY adding to

23 Article – Tax – General

24 Section 5–201(f), 7.5–201(d), 9–207(c), 9–308(e), 10–809.1, 10–812.1, 10–819.1,  
25 11–502.2, and 12–202.1

26 Annotated Code of Maryland

27 (2022 Replacement Volume and 2023 Supplement)

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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 MARYLAND,  
2 That the Laws of Maryland read as follows:

3 **Article – Environment**

4 9–228.

5 (g) (4) (I) Each tire dealer shall:

6 [(i)] 1. Pay the tire recycling fee; and

7 [(ii)] 2. Complete and submit, under oath, a return and remit the  
8 fees to the Comptroller of the Treasury on or before the 21st day of the month that follows  
9 the month in which the sale was made, and for other periods and on other dates that the  
10 Comptroller specifies by regulation, including periods for which no fees were due.

11 (II) BEGINNING IN CALENDAR YEAR 2026, A PERSON SHALL  
12 FILE A TIRE RECYCLING FEE RETURN ELECTRONICALLY.

13 9–1605.2.

14 (e) (1) (I) A local government, the billing authority for a water or  
15 wastewater facility, or any other authorized collecting agency shall complete and submit,  
16 under oath, a return and remit the restoration fees collected to the Comptroller:

17 [(i)] 1. On or before the 20th day of the month that follows the  
18 calendar quarter in which the restoration fee was collected; and

19 [(ii)] 2. For other periods and on other dates that the Comptroller  
20 may specify by regulation, including periods in which no restoration fee has been collected.

21 (II) BEGINNING IN CALENDAR YEAR 2026, A PERSON SHALL  
22 FILE A BAY RESTORATION FEE RETURN ELECTRONICALLY.

23 **Article – Tax – General**

24 4–201.

25 (A) A person shall complete, under oath, and file with the Comptroller the  
26 admissions and amusement tax return:

27 (1) on or before the 10th day of the month that follows the month in which  
28 the person has gross receipts subject to the admissions and amusement tax; and

1 (2) for other periods and on other dates that the Comptroller specifies by  
2 regulation, including periods in which the person has no gross receipts subject to the tax.

3 (B) BEGINNING IN CALENDAR YEAR 2026, A PERSON SHALL FILE THE  
4 ADMISSIONS AND AMUSEMENT TAX RETURN ELECTRONICALLY.

5 5-201.

6 [(f) On or before January 1, 2018, the Comptroller shall develop and implement  
7 procedures for the electronic filing of the alcoholic beverage tax returns required to be filed  
8 under this section.]

9 (F) BEGINNING IN CALENDAR YEAR 2026, A PERSON SHALL FILE AN  
10 ALCOHOLIC BEVERAGE TAX RETURN ELECTRONICALLY.

11 7.5-201.

12 (D) BEGINNING IN CALENDAR YEAR 2026, A PERSON SHALL FILE A DIGITAL  
13 ADVERTISING GROSS REVENUES TAX RETURN ELECTRONICALLY.

14 9-207.

15 (C) BEGINNING IN CALENDAR YEAR 2026, A PERSON SHALL FILE A MOTOR  
16 CARRIER TAX RETURN ELECTRONICALLY.

17 9-308.

18 [(e) (1) The Comptroller by regulation may require each person that is required  
19 to file a return under this section to file the return through electronic means.

20 (2) A regulation adopted under this subsection:

21 (i) shall include an exemption from electronic filing for persons that  
22 do not have access to means of transmitting data electronically; and

23 (ii) shall include provisions for the periodic affirmation and  
24 verification of the information that is submitted electronically.]

25 (E) BEGINNING IN CALENDAR YEAR 2026, A PERSON SHALL FILE A MOTOR  
26 FUEL TAX RETURN ELECTRONICALLY.

27 10-809.1.

1           **(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, FOR A**  
2 **TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2029, AN INDIVIDUAL SHALL FILE**  
3 **AN INCOME TAX RETURN ELECTRONICALLY.**

4           **(B) AN INDIVIDUAL IS NOT REQUIRED TO FILE AN INCOME TAX RETURN**  
5 **ELECTRONICALLY IF THE INDIVIDUAL:**

6                   **(1) IS AT LEAST 65 YEARS OLD AS OF DECEMBER 31 OF THE TAXABLE**  
7 **YEAR FOR WHICH THE RETURN IS BEING FILED;**

8                   **(2) IS SINGLE AND THE INDIVIDUAL'S MARYLAND ADJUSTED GROSS**  
9 **INCOME IS LESS THAN \$200,000;**

10                   **(3) IS MARRIED FILING SEPARATELY, A HEAD OF HOUSEHOLD, OR A**  
11 **QUALIFYING WIDOW OR WIDOWER WITH A DEPENDENT CHILD AND THE MARYLAND**  
12 **ADJUSTED GROSS INCOME OF THE INDIVIDUAL IS LESS THAN \$400,000;**

13                   **(4) IS MARRIED FILING JOINTLY AND THE MARYLAND ADJUSTED**  
14 **GROSS INCOME OF THE INDIVIDUAL AND THE INDIVIDUAL'S SPOUSE IS LESS THAN**  
15 **\$400,000; OR**

16                   **(5) HAS A DISABILITY AS DEFINED IN THE FEDERAL AMERICANS WITH**  
17 **DISABILITIES ACT.**

18 **10-812.1.**

19           **(A) EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, FOR A**  
20 **TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2025, A CORPORATION SHALL**  
21 **FILE AN INCOME TAX RETURN ELECTRONICALLY.**

22           **(B) A CORPORATION WITH FEWER THAN 15 EMPLOYEES IS NOT REQUIRED**  
23 **TO FILE AN INCOME TAX RETURN ELECTRONICALLY.**

24 **10-817.**

25           **(A) A person required to withhold income tax under § 10-906 of this title shall file**  
26 **an income tax withholding return.**

27           **(B) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2025, A**  
28 **PERSON SHALL FILE AN INCOME TAX WITHHOLDING RETURN ELECTRONICALLY.**

29 **10-819.1.**

1           (A) IN THIS SECTION, “PASS-THROUGH ENTITY” HAS THE MEANING STATED  
2 IN § 10-102.1 OF THIS TITLE.

3           (B) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2025, A  
4 PASS-THROUGH ENTITY SHALL FILE AN INCOME TAX RETURN ELECTRONICALLY.

5 10-824.

6           (a) (1) In this section the following words have the meanings indicated.

7                   (2) (i) “Income tax return preparer” means a person who for  
8 compensation prepares a substantial portion or more of a qualified return or employs one  
9 or more persons to prepare for compensation a substantial portion or more of a qualified  
10 return.

11                   (ii) “Income tax return preparer” does not include a person who  
12 merely performs those acts described under § 7701(a)(36)(B) of the Internal Revenue Code.

13                   (3) “Qualified return” means any original return of individual income tax  
14 imposed by this title, regardless of whether a tax is due or a refund is claimed.

15           (b) [Except] **SUBJECT TO § 10-809.1 OF THIS SUBTITLE AND EXCEPT** as  
16 otherwise provided in this section, an income tax return preparer shall file all qualified  
17 returns that the income tax return preparer prepares by electronic means as prescribed by  
18 the Comptroller if[:

19                   (1) for a taxable year beginning after December 31, 2008, but before  
20 January 1, 2010, the income tax return preparer has prepared more than 300 qualified  
21 returns in the prior taxable year;

22                   (2) for a taxable year beginning after December 31, 2009, but before  
23 January 1, 2011, the income tax return preparer has prepared more than 200 qualified  
24 returns in the prior taxable year; and

25                   (3) for any taxable year beginning after December 31, 2010,] the income  
26 tax return preparer has prepared more than 100 qualified tax returns in the prior taxable  
27 year.

28           (c) [Subsection] **SUBJECT TO § 10-809.1 OF THIS SUBTITLE, SUBSECTION (b)**  
29 of this section does not apply to a qualified return if:

30                   (1) the taxpayer has indicated on the qualified return that the taxpayer  
31 does not want the return filed by electronic means; or

32                   (2) the income tax return preparer preparing the qualified return has  
33 requested and received a waiver from the Comptroller.

1 (d) **[On] SUBJECT TO § 10–809.1 OF THIS SUBTITLE, ON** written request for a  
2 waiver by an income tax return preparer who is subject to subsection (b) of this section, the  
3 Comptroller may grant the income tax return preparer a waiver of the requirements of this  
4 section if the income tax return preparer is able to establish to the satisfaction of the  
5 Comptroller either reasonable cause for not filing the return by electronic means or that  
6 there is no feasible means of filing the return by electronic means without undue hardship.

7 **11–502.2.**

8 **BEGINNING IN CALENDAR YEAR 2026, A PERSON SHALL FILE A SALES AND USE**  
9 **TAX RETURN ELECTRONICALLY.**

10 **12–202.1.**

11 **BEGINNING IN CALENDAR YEAR 2026, A PERSON SHALL FILE A TOBACCO TAX**  
12 **RETURN ELECTRONICALLY.**

13 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July**  
14 **1, 2024.**