



**DEPARTMENT OF  
ASSESSMENTS AND TAXATION**

*Larry Hogan, Governor · Boyd K. Rutherford, Lt. Governor · Michael L. Higgs, Jr., Director*

**DATE:** March 18, 2021

**BILL NUMBER:** HB0647

**COMMITTEE:** Judicial Proceedings

**BILL TITLE:** Corporations and Associations - Fees for Processing Articles of Dissolution, Certificates of Cancellation, and Other Documents - Repeal

**SDAT POSITION:** Support

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The State Department of Assessments and Taxation (SDAT) supports HB0647, a bill that would repeal certain fees charged by the State Department of Assessments and Taxation for processing articles of dissolution, certificates of cancellation, and certain other documents filed by certain business entities with the Department.

Generally, this \$100 fee is unfair to ask from entities that are going out of business, but it is especially unfair during the COVID pandemic when many business owners are struggling the most. Maryland's \$100 fee is tied for the third highest in the country, and 6 states currently have a \$0 filing fee.

This exorbitant fee also serves as a disincentive for businesses to inform the Department when their entity closes, as most businesses can avoid filing these documents and lapse into forfeiture 18 months later for being delinquent on their filings. During this two-year period, the Department exerts time and resources to notify entities that they are delinquent on their filings and imminently facing forfeiture, while counties seek to collect on personal property tax liabilities from businesses that are in effect already defunct.

A \$0 fee would greatly increase the chance that businesses close with the state timely and appropriately, and would save the state and counties hundreds of thousands of dollars in wasted notification and collection efforts.

For these reasons, we strongly urge a favorable report by the Committee for HB0647.

*Office of the Director*

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