



Feb. 8, 2023

The Honorable C. T. Wilson, Chair  
Economic Matters Committee  
House Office Building  
Annapolis, Maryland 21401

Re: HB 171 "*Corporations and Associations - Annual Reports - Filing Fees*" - **INFORMATIONAL**

Dear Chairman Wilson and members of the Committee,

The Maryland Association of Certified Public Accountants (MACPA) is a membership organization with nearly 9,000 CPA members. Our members serve thousands of individual and business clients throughout the state.

We understand that the current online filing system via "electronic transmission" can be a good thing for small businesses that file a single report or just a few reports for their entity(ies), and that the waiver of the filing fee is helpful to businesses. Likewise, some sort of electronic filing makes the receipt and processing of the reports more efficient and cost effective for the State Department of Assessments & Taxation.

As we have previously discussed with the SDAT and with members of the General Assembly, the current electronic filing process is complex and inefficient for filers who need to file multiple reports, including CPA firms who prepare the reports on behalf of many clients.

MACPA members are not universally supportive of encouraging use of the current electronic transmission filing system via the fee exemption. The complexity of the current system can add costs for the filers rather than make the filing process simpler, and the added costs can actually exceed the amount of the proposed filing fee exemption. Instead, the MACPA plans to continue our work with the SDAT in hopes of helping the development of a system that is truly electronic filing (similar to how income tax returns are currently electronically filed) and one that is more effective and suits the needs of more filers than does the current online system.

Thank you very much for the opportunity to offer these comments for your consideration. If you have any questions or if we can provide additional information, please contact Mary Beth Halpern of the MACPA at [marybeth@macpa.org](mailto:marybeth@macpa.org) or (443) 632-2330.

Sincerely,

MACPA State Tax Committee

cc: Nick Manis, Manis Canning & Associates