

WES MOORE
Governor

ARUNA MILLER
Lt. Governor



MICHAEL HIGGS
Director

MARCUS ALZONA
Deputy Director

301 W. Preston Street, Room 801, Baltimore, Maryland 21201
Legislative Director: Jonathan.Glaser@Maryland.gov
1-888-246-5941 TTY: 1-800-735-2258
www.dat.maryland.gov

HEARING DATE: March 8, 2023

BILL: HB0999

TITLE: Corporations - Filing Requirements for Dissolution and Termination of Registration or Qualification - Repeal

SDAT POSITION: SUPPORT

The State Department of Assessments and Taxation (SDAT) strongly supports HB0999. This bill eliminates the requirement that active Maryland (Domestic) and Non-Maryland (Foreign) corporations file past due annual reports before filing Articles of Dissolution or Articles of Termination of a Foreign Corporation Qualification with SDAT. Presently, active corporations registered with SDAT, unlike LLCs and Partnerships, are required to file past-due annual reports and accompanying filing fees before ending their registration with SDAT.

Under current Law, Maryland and non-Maryland businesses that are LLCs, partnerships, or trusts may cancel their existence in SDAT's records without filing past-due annual reports so long as they are not forfeited.

However, active Maryland and non-Maryland corporations must file all past-due annual reports to dissolve or terminate their registration with SDAT. This can serve as a disincentive for businesses to inform the Department when a Corporation dissolves or terminates, leading to poor or incomplete data.

This bill creates parity between all business types in Maryland statute so that no active business in SDAT records is required to submit past due annual reports, at \$300 each, to conclude their affairs with SDAT.

This bill will eliminate a hardship on small businesses wishing to wrap up their affairs by properly dissolving or terminating their registration with SDAT.

For these reasons, SDAT strongly urges a favorable vote on HB0999.