



Jan. 25, 2023

The Honorable William C. Smith Jr., Chair
Judicial Proceedings Committee
2 East
Miller Senate Office Building
Annapolis, Maryland 21401

Re: SB 12 “*Corporations and Associations - Annual Report Filing Fees - Electronic Filing Exemption*” - **INFORMATIONAL**

Dear Chairman Smith 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.

As we have previously discussed with the State Department of Assessments & Taxation and with members of the General Assembly, the current online filing system is complex and inefficient for filers who need to file multiple reports, including CPA firms that prepare the reports on behalf of many clients. 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.

We understand that the current online filing system can be a good thing for small businesses that file a single report or just a few reports for their entity(ies), and that exemption from 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 SDAT. Our MACPA members are not universally supportive of encouraging use of the current online system via the fee exemption due to the additional time and therefore costs that usually cannot be billed to the clients. 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 or (443) 632-2330.

Sincerely,

MACPA State Tax Committee

cc: Nick Manis, Manis Canning & Associates