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**HEARING DATE:** March 29, 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 or partnerships may close 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 properly close their registration with SDAT. In creating this parity, the bill will eliminate a potential hardship on small businesses that wish to properly close out with SDAT by properly dissolving or terminating their registration with SDAT, but might choose not to do so because of burdensome fees.

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