

## **Personal Tax Tip #56**

### **When you Live in One State and Work in Another**

#### **If I am living in Maryland, but working in Washington, D.C., Pennsylvania, Virginia or West Virginia, how should my state income tax return be filed?**

You should file a resident income tax return with Maryland. Generally, taxpayers should file with the jurisdiction in which they live. If you live in Maryland, file with Maryland. If you live in Washington, D.C., Pennsylvania, Virginia or West Virginia, you should file with your home state.

Maryland residents who commute every day to work in Washington, D.C., Pennsylvania, Virginia or West Virginia and have taxes withheld for that jurisdiction should file the appropriate form with that locality to obtain a refund. Maryland residents who work in any other jurisdiction on a regular basis should check with that government to determine their taxable status under that state's laws. If you live in Maryland and have income which is taxed in any other state, check [Maryland Form 502CR](#) to see if you are eligible for a tax credit.

#### **What if I live in Washington, D.C., Pennsylvania, Virginia or West Virginia and commute to Maryland and Maryland taxes are withheld by mistake?**

If you are a resident of Washington, D.C. or Virginia who works in Maryland, and you do not live in Maryland for more than six months during the calendar year, you are exempt from Maryland state income tax withholding on wages and salaries earned in Maryland. If you do live in Maryland for more than six months, you are considered a statutory resident and will need to file a resident income tax return with Maryland.

If you are a resident of Pennsylvania who works in Maryland and you do not live in Maryland for more than six months during the calendar year, you may also be exempt. If you do live in Maryland for more than six months, you are considered a statutory resident and will need to file a resident income tax return with Maryland. However, if you do not live in Maryland for more than six months and are a resident of certain cities and townships in Pennsylvania who tax the salaries and wages of Maryland residents employed within their jurisdictions, you may have to file [Maryland Form 515](#). For more information, see the instructions included with Form 515.

If you are a resident of West Virginia who works in Maryland, you are exempt from Maryland income tax withholding, regardless of any length of time you live in Maryland.

If you are exempt, but have had Maryland taxes withheld on wage or salary income earned in Maryland, you must use the following method to obtain a refund:

- Obtain nonresident [Maryland Form 505](#)
- Complete all of the information at the top of the form through the filing status, resident information and exemption areas
- Enter your federal adjusted gross income on line 17 in both columns 1 and 3 and on line 24
- Complete lines 43-48, 50 and 52.
- Attach the state copy of W-2s showing the Maryland tax withheld, and

- File a corrected [Form MW507](#) with your employer. Be sure to complete line 4 of this form to stop the withholding of Maryland tax.

### **What if I live in Maryland, but commute to work in Delaware?**

Taxpayers who live in Maryland and work in Delaware must file income tax returns with both states. To avoid dual taxation, you may get a credit for taxes paid to Delaware by completing [Maryland Form 502CR](#). File Form 502CR with your Maryland income tax return, along with a copy of your Delaware income tax return.

### **Do people who live in Wilmington, Delaware and work in Maryland face unique Maryland filing requirements?**

Yes, in addition to Wilmington, DE, certain cities and townships in Pennsylvania and eight other states tax the salaries and wages of Maryland residents employed within their jurisdictions. Residents of these jurisdictions who are employed in Maryland must file [Maryland Form 515](#).