

News Release

Comptroller Franchot Offers Guidance to Businesses on Sales and Use Tax Credit

Agency ready to assist vendors on RELIEF Act tax provisions

ANNAPOLIS, Md. (April 29, 2021) - Comptroller Peter Franchot is issuing a reminder and further guidance to business owners who may be eligible for a [Sales and Use Tax Credit](#) under the RELIEF Act of 2021.

“While the RELIEF Act provides much-needed help to many Marylanders affected by the COVID-19 pandemic, it also includes many complicated tax provisions for our businesses that are difficult to implement,” Comptroller Franchot said. “Our agency is determined to make it easy for business taxpayers to understand the different types of relief they may be eligible for and to simplify the process by which they receive state aid.”

The legislation authorizes eligible vendors to claim an increased tax credit ONLY for the three consecutive sales periods of March, April and May – which are typically filed in April, May and June. However, taxpayers should note that [filing deadlines for those months have been extended to July 15, 2021](#) and will be considered “timely filed” if filed by the July 15th deadline.

To be eligible, a vendor must file a "timely" sales and use tax return or consolidated return using the Comptroller’s [bFile system](#). Additionally, the gross amount of sales and use tax collected during the monthly reporting period may not exceed \$6,000. The vendor must also forgo the standard vendor credit to claim the RELIEF Act credit and the credit may not be applied to sales and use taxes collected by a marketplace facilitator.

For vendors reporting \$6,000 or less in gross collected sales tax for the reporting period, up to \$3,000 may be claimed as a tax credit. If the gross sales tax collected is less than \$3,000 the vendor may claim the full amount of the sales tax reported

as a credit. For example:

- If your business collected \$5,000 in total sales tax for the March filing period, you could claim the full \$3,000 RELIEF Act Credit;
- If your business collected \$1,500 in sales tax for the March filing period, you could claim a RELIEF Act credit for the full \$1,500 you collected;
- If your business collected \$6,500 in sales tax for the March filing period, you would not be eligible to claim a RELIEF Act credit, as you exceed the \$6,000 eligibility threshold;
- Eligible vendors who claim the RELIEF Act credit may not also claim the standard vendor credit; and
- For vendors not eligible for the RELIEF Act credit, the standard vendor credit may still be claimed, even when filing by the extended July 15th deadline.

Vendors can claim the RELIEF Act vendor credit by filing their sales and use tax return using the Comptroller's bFile system. The Comptroller anticipates the bFile system to be updated to accept requests for the RELIEF Act credit by May 17, 2021. Businesses that are eligible for this credit should not file an SUT return until the bFile system is updated. The bFile welcome page will show an announcement once the updates are complete and when RELIEF Act credit claims can be made.

Businesses that already filed their monthly SUT return for the period ending March 31, 2021, but didn't claim the RELIEF Act credit can email taxpayerrelief@marylandtaxes.gov for instructions on how to request an amendment of their March return.

The Comptroller has published [Frequently Asked Questions on the Sales and Use Tax Credit](#) where Marylanders can get additional information. The [agency's Tax Alert](#) provides further guidance on the RELIEF Act of 2021, including the Sales and Use Tax Credit provision.

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