

News Release

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Md. and IRS Begin Processing Personal Income Tax Returns Today

*Comptroller Franchot urges taxpayers to file
electronically for faster processing and to avoid Postal
Service delays*

ANNAPOLIS, Md. (February 12, 2021) - Comptroller Peter Franchot announced today that processing of personal income tax returns for Tax Year 2020 will begin today. The later-than-usual start date allowed the Internal Revenue Service (IRS) more time to implement changes related to federal COVID-19 relief packages.

Corporate income tax returns began being accepted February 1, 2021.

"Tax season may be shortened this year due to the pandemic, but my advice to taxpayers remains the same," Comptroller Franchot said. "File early, file electronically and file carefully."

Presently, the filing deadline for 2020 tax returns is the traditional April 15, 2021 date. If the pandemic prompts any changes to that deadline or other tax filing due dates, the Comptroller's Office will communicate that information.

Taxpayers are encouraged to file their returns electronically for the fastest possible processing and to ensure they receive all possible refunds and to avoid continued delays with the United States Postal Service. A list of approved vendors for use in filing your electronic return can be found on the [Comptroller's website](#).

Maryland taxpayers also can use the agency's [free I-File system](#) to submit their state tax returns.

"I know that many Marylanders have lost their jobs, depleted their savings and are barely scraping by," Franchot said. "They're counting on us to process tax returns and issue refunds quickly. That's something we've always prioritized and will do so

again this year."

Comptroller Franchot recognizes that some Marylanders may have a difficult time paying their tax liabilities this year due to the pandemic's impact on individuals, families and businesses. The agency will work with taxpayers experiencing financial difficulty and offer flexible payment plans.

Several important points taxpayers should know as you prepare tax returns:

- The federal stimulus payments signed in March and December **ARE NOT** considered income and therefore **ARE NOT TAXABLE**.
- Unemployment benefits **ARE TAXABLE**.
- Recipients of forgiven PPP (Paycheck Protection Program) loans **DO NOT HAVE TO PAY TAXES** on the amount forgiven.
- To the extent they are included in federal adjusted gross income, Maryland COVID-19 grants issued by the Maryland Department of Commerce **ARE TAXABLE**.
- Purchases of Personal Protection Equipment, or PPE, **ARE DEDUCTIBLE** for federal tax purposes, and currently these business expenses deductions flow through to the Maryland return.

Last month, Comptroller Franchot extended filing and payment deadlines for certain Maryland business taxes and quarterly estimated income tax returns and payments that would be due in January, February and March 2021 until April 15, 2021. No interest or penalties will be assessed and there is no need to file a request for extension.

Taxpayers with COVID-19-related tax questions or regarding tax filing extensions can visit the special [COVID-19 page on the Comptroller's website](#) or email the Comptroller's Ombudsman at taxpayerrelief@marylandtaxes.gov. More information can be found in the most recent [Tax Alert](#).

Tax fraud is more prevalent than ever. The Comptroller's nationally-recognized Questionable Return Detection Team flags potential fraud cases and suspends processing from tax preparers when necessary. All taxpayers [should be vigilant](#) in protecting their personal identifying information and ensure they are working with trusted preparers. The agency maintains a list of [blocked preparers](#) on its website.

As in previous years, the Comptroller's Office will not immediately process a state tax return if W-2 information is not on file with the agency. Employers are required to report wage information to the Comptroller on or before January 31.

Taxpayers can still get assistance through the agency's 12 branch offices; however, all in-person customer service operations have been temporarily suspended. Virtual appointments can be scheduled online at <https://www.marylandtaxes.gov/contact-us.php>. Expand the "Local Offices

and Directions” tab and look for the scheduling link under each branch office.

The agency’s branch offices are open 8:30 a.m.- 4 :30 p.m., Monday through Friday. Telephone assistance now through the April 15 tax deadline is available from 8:30 a.m. - 7:00 p.m. Monday through Friday.

Taxpayers can also call **1-800-MD-TAXES** or email questions to taxhelp@marylandtaxes.gov. Please include your name, address and **ONLY** the last four digits of your Social Security Number in your e-mail message. This will help generate a quick response to your inquiry. Requests for tax forms should be emailed to taxforms@marylandtaxes.gov.

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