

What's the effect of filing a lien?

A tax lien - filed in the circuit court for the county where you live - notifies other creditors of the state's claim against your assets and may have priority over other debts you owe. If you do not promptly settle your account, the lien may seriously damage your credit rating.

Will money the state owes me be used to offset my tax liability?

Yes. We will apply all or part of any money the state owes you to your unpaid tax liability, even if a payment plan has been established. This includes any money due to you from the state for any reason, including your personal income tax refund. We also can intercept your federal income tax refund and any payments due you as a federal vendor.

Can taxes be avoided through bankruptcy proceedings?

Most income taxes are not discharged through bankruptcy proceedings. Although Chapter 7 and Chapter 13 may have different effects on the discharge of state income taxes, neither chapter allows the avoidance of recently incurred state income taxes.

REMEMBER

Call the phone number printed on the notice *without delay.*

Assistance

Taxpayer Service
410-260-7980

from Central Maryland
1-800-MDTAXES (1-800-638-2937)

from elsewhere

Monday - Friday
8:00 a.m. - 5:00 p.m. EST

E-mail: taxhelp@comp.state.md.us

World Wide Web

www.marylandtaxes.com

- Download forms and publications.
- Register business tax accounts.
- File income tax, sales and use tax and employer withholding returns online.
- Arrange to pay your overdue taxes.
- Search for unclaimed funds.
- Find tax regulations.

Deaf or hard-of-hearing

TTY users call via Maryland Relay at 711 in Maryland

TTY: 410-767-1967 (Baltimore area)

If you need a reasonable accommodation for a disability, please contact us before your visit. If you need the information in this brochure in an alternate format, contact the Comptroller's Office.

If you get a notice for personal income tax

M A R Y L A N D T A X T I P 36



Peter Franchot

Taxpayers who receive notices from the Comptroller's Office have a right to know what they can expect. This brochure explains the kinds of notices taxpayers might receive, the consequences of not responding to the notices and other facts about the collection process.

How are taxpayers notified that they owe income tax?

The Comptroller's Office sends notices to taxpayers for several different reasons:

- If we believe a taxpayer has made an error and has not paid the correct amount of tax due, we will mail the taxpayer a notice indicating what changes were made to the tax return and the amount of any additional tax we believe is due.
- If you did not pay the full amount due with your return, a notice will be sent to you showing the tax due and any additional charges.
- If we believe your Maryland return may need adjustments because of changes the IRS made to your federal return, you will get a notice showing the impact on your state income tax.
- If you filed a federal return with a Maryland address, but did not file a Maryland return, you may get a notice asking you to clarify your particular situation to determine if a tax return is due.

What happens if I don't respond to a notice you send me?

First, you need to know that Maryland law requires interest at the rate of at least 13 percent per year be added to any unpaid tax from the day the tax return is due. So it's in your best interest to respond to the notice promptly.

Call the phone number printed on the notice without delay.

If you don't respond to a first notice, we'll send you an assessment notice. Once you receive an assessment notice, you'll be billed for a substantial penalty in addition to interest on the tax you owe.

What if I have questions about the notice I receive?

The important point is: Don't assume the problem will take care of itself, even if you believe the notice is incorrect. **Call the phone number printed on the notice without delay.** A representative will answer your questions and help you determine what you need to do to resolve the issue.

What happens if I don't pay overdue taxes?

If you cannot pay the amount in full, you must contact the collections section of the Comptroller's Office for a payment plan. Any agreement we reach will require you to pay the amount you owe within a specific time. If we do not reach a payment agreement, or if you do not adhere to its terms, legal action may be taken which includes filing a lien in the court, attaching your bank accounts or salary. Your account may also be referred to a private collection agency.

How can I resolve a legal dispute concerning the state taxes I owe?

You can file an appeal and request a hearing within 30 days of an assessment. For more information about hearings and appeals, see Tax Tip 34 - Comptroller's Office Hearing Procedures, which can be downloaded from the Comptroller's Web site at www.marylandtaxes.com You can also obtain the Tax Tip by calling Taxpayer Service 410-260-7980 in Central Maryland or 1-800-MDTAXES from elsewhere, Monday - Friday, 8:00 a.m. - 5:00 p.m.

How can I avoid collection actions?

You can pay the overdue tax in full within the allotted time. If you can't pay in full, call us to set up a payment plan. **The telephone number is on the notice you received.**

Does the state impose bad check charges?

Yes. A \$30 service charge is applied to dishonored checks.