



COMPTROLLER
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MARYLAND SALES AND USE TAX FACTS

A newsletter for sales and use tax licensees

July 2015 – June 2016

Comptroller Peter Franchot

NO SALES AND USE TAX BULLETIN

There will be no Sales and Use Tax Bulletin for 2015, because no bills relating to sales and use tax were passed by both houses of the General Assembly and signed by the governor.

TAX AMNESTY

Beginning September 1, 2015 through October 30, 2015, the Comptroller's Office will waive penalty and one-half of any interest on taxpayers who failed to file, underreported, or did not pay the tax liability for Maryland state and local income tax, withholding taxes, sales and use taxes, and admissions and amusement taxes due on or before December 31, 2014. In order for the penalties and one-half interest to be waived, the taxpayer must (1) file delinquent returns and pay the tax, including one-half of any interest, due under the return; (2) pay the tax, plus one-half of any interest, due on a previously filed return; or (3) enter into an agreement with the Comptroller to pay the tax and one-half interest. Taxpayers who were granted amnesty under prior Maryland Tax Amnesty Programs held between 1999 and 2014 are not eligible. This includes taxpayers who were eligible for the Settlement Period of July 1, 2004 through November 1, 2004 (under Ch. 557 of the Acts of 2004), for tax periods prior to 2003. An application and more information will be available at www.marylandtaxes.com.

ONLINE PAYMENT OPTION

The Comptroller's Office has a free service to file sales and use tax returns, bFile, and another free service by which to pay outstanding sales and use tax liabilities electronically, BillPay. This system may be used to make bill payments on business tax liabilities using electronic funds withdrawal (direct debit) from a U.S. bank or financial institution. Foreign facilities will not be accepted.

To be eligible to make an online payment via electronic funds withdrawal, for identification purposes, the State of Maryland must have a recent notice number on file for the registered user.

TAX-FREE PERIODS

The 2007 Special Session of the Maryland General Assembly enacted legislation providing for two tax-free periods beginning each year. Listed below is information pertaining to each tax-free period.

Shop Maryland- Tax-Free Week on Clothing and Footwear, Excluding Accessory Items

Beginning in calendar year 2010 and each year thereafter, there will be a one week tax-free period for back-to-school shopping in Maryland during August in which the sales and use tax does not apply to the sale of any items of clothing or footwear, excluding accessory items, if the taxable price of the item of clothing or footwear is \$100 or less. The 2015 tax free period will occur the week of August 9-15. Accessory items that are not exempt from the sales and use tax during the tax-free week include jewelry, watches, watchbands, handbags, handkerchiefs, umbrellas, scarves, ties, headbands, and belt buckles.

Shop Maryland Energy- Tax-Free Weekend on Energy Star Products

Beginning in calendar year 2011 and each year thereafter, there will be a tax-free three-day weekend during February in which the sales and use tax will not apply to the sale of any Energy Star Product listed below. The 2016 tax free weekend will occur the weekend of February 13-15. Energy Star Product means an air conditioner, clothes washer or dryer, furnace, heat pump, standard size refrigerator, compact fluorescent light bulb, light-emitting diode (LED) light bulbs, dehumidifier, programmable thermostat or boiler that has been designated as meeting or exceeding the applicable Energy Star efficiency requirements developed by the U.S. Environmental Protection Agency and the U.S. Department of Energy. Please note that under Energy Star requirements, no dryer has an Energy Star rating and therefore dryers do not currently qualify for this tax-free period.