

News Release

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Comptroller Franchot Announces Tax Season to Begin on February 12

*Taxpayers should file electronically for faster
processing and to avoid Postal Service delays*

ANNAPOLIS, Md. (January 21, 2021) - Comptroller Peter Franchot announced today that processing of personal income tax returns for Tax Year 2020 will begin on February 12, 2021, several weeks later than the traditional mid-to-late January opening date. The delayed start allows the Internal Revenue Service (IRS) additional time to implement changes related to federal COVID-19 relief packages.

Corporate income tax returns will be accepted beginning on February 1, 2021.

“This late-starting tax season is yet another result of the global pandemic that has tragically killed more than 400,000 Americans, destroyed tens of thousands of small businesses, cut millions of jobs and depleted individual savings,” Comptroller Franchot said. “My pledge to Maryland taxpayers is to process state returns as quickly as possible and get refunds back into taxpayers’ hands where it can help individuals and the broader economy.”

Last year, the Comptroller’s Office processed more than 3.2 million individual state tax returns with refunds totaling \$3.03 billion.

As of now, the filing deadline for 2020 tax returns is the traditional April 15, 2021 date. If the pandemic forces any change to that deadline, 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 can also use the agency’s [free I-File system](#) to submit their

state tax returns.

Comptroller Franchot recognizes that some Marylanders may have difficulty paying their tax liabilities this year due to the pandemic's impact on individuals, families and businesses. The agency is working with taxpayers experiencing financial difficulty and providing 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.

Earlier this 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 and call centers are both open 8:30 a.m. – 4:30 p.m., Monday through Friday. Beginning February 1 and continuing through the April 15 tax deadline, telephone assistance will be available from 8:30 a.m. - 7:00 p.m.

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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