

Maryland

What's New

| Returns Included | e-File Approved* | e-File Activated |
|----------------------|---------------------|---------------------|
| 500 | 02/08/2024 | 02/08/2024 |
| 502, 502X, 505, 505X | 12/22/2023 | 01/22/2024 |
| 504 | Must be paper filed | Must be paper filed |
| 510 | 02/08/2024 | 02/08/2024 |

*NOTE: Certain return types may not be available for e-file as of the EF approval date. e-File will be activated when the state taxing authority is ready to receive all forms within the applicable package.

Tax Law Changes

- **Form 500CR, Business Income Tax Credits**
 - Part J, Federal Security Clearance Costs Tax Credit – Added back for 2023
 - Part M, Commuter Tax Credit – Removed lines 2 – 5
 - Part Q, Oyster Shell Recycling Tax Credit – Expired and removed
 - Part T, Automated External Defibrillator Tax Credit – Added for 2023
 - Part Y, Apprentice Employee Tax Credit – Reworked
 - Part AAA, Business Tax Credit Summary – Reworked
 - Part CCC, Refundable Business Income Tax Credits – Removed line 3, “Total Clean Energy Incentive Tax Credit from PART N, line 3” (expired)
- **Form 502, Resident Income Tax Return**
 - Line 1e – Increased investment income limit to \$11,000
 - Line 5 – Added modification code “t” for PTE members whose entity paid tax to another state on their behalf and who claimed said tax on Part A of Form 502CR, Income Tax Credits for Individuals
 - Line 10a – Increased maximum pension exclusion amount (per taxpayer) to \$36,200
 - Line 21a – Added for “Recaptured credit from Form 502CR, Part DD, line 1”
 - Maximum amounts and income limits for the (Refundable) Earned Income Credit ((R)EIC) have been increased.
 - Individuals without qualifying children can now claim 100% of federal EITC as a Maryland refundable state income tax credit.
 - The following local county rates have changed for tax year 2023:
 - Alleghany
 - Cecil
 - St. Mary’s
 - Washington
 - 2023 progressive local rates have been added for Anne Arundel and Frederick counties.
 - The 2024 local county rate for Cecil county has been decreased to .0275

- **Forms 502, Resident Income Tax Return, and 505, Nonresident Income Tax Return**

- Standard deduction changes:
 - Single and Married Filing Separately with Dependents statuses – Minimum deduction has been increased to \$1,700; maximum deduction has been increased to \$2,550; income range has been adjusted to \$11,333 – \$17,000.
 - Married Filing Jointly, Head of Household, and Qualifying Surviving Spouse statuses – Minimum deduction has been increased to \$3,450; maximum deduction has been increased to \$5,150; income range has been adjusted to \$23,000 – \$34,333.
- Poverty income levels have been increased as follows:
 - One-person household – \$14,850
 - Each additional personal – An additional \$5,140
- Filing thresholds have been adjusted as follows for tax year 2023:

| Filing Status | Age Restriction | Income Equals or Exceeds |
|------------------------------------|--------------------------|--------------------------|
| Single | Under 65 | \$13,850 |
| | 65 or older | \$15,700 |
| Married Filing Separately | N/A | \$13,850 |
| Married Filing Jointly | Both spouses under 65 | \$27,700 |
| | One spouse 65 or older | \$29,200 |
| | Both spouses 65 or older | \$30,700 |
| Qualifying Surviving Spouse | Under 65 | \$27,700 |
| | 65 or older | \$29,200 |
| Head of Household | Under 65 | \$20,800 |
| | 65 or older | \$22,650 |

- **Form 502CR, Income Tax Credits for Individuals**

- Increased FAGI limits for Part B, Credit for Child and Dependent Care Expenses, and Part CC, line 7, “Refundable credit for Child and Dependent Care Expenses” (MD residents only)
- Updated qualifications for Part CC, line 8, “Refundable Maryland Child Tax Credit” (MD residents only)
- Added Part DD, Recapture of Previously Claimed Credit
- Removed Part G, Venison Donation – Feed the Hungry Organizations Tax Credit

- **Forms 502SU, Subtractions from Income, and 505SU, Nonresident Subtractions from Income**
 - Added new subtraction code “yc” for union dues paid during the taxable year
 - Increased the maximum subtraction for code “k” to \$10,000 (adopting a child without special needs) and \$12,000 (adoption a child with special needs) per taxpayer
 - Increased the maximum military retirement subtraction (code “u”) to \$12,500 (individuals under 55) and \$20,000 (individuals 55 and older) per taxpayer
 - Added new line for state cannabis license information (code “yb”)
- **Form 502UP, Underpayment of Estimated Income Tax by Individuals** – Updated interest rates (visit [MarylandTaxes.gov](https://www.marylandtaxes.gov))
- **Form 502V, Use of Vehicle for Charitable Purposes** – Increased mileage rate reimbursement to 65.5 cents per mile (01/01/2023 – 12/31/2023)
- **Forms 502X, Amended Tax Return, and 505X, Nonresident Amended Tax Return** – Added line 10a, “Recaptured credits from Part DD, line 1 of Form 502CR”
- **Form 505, Nonresident Income Tax Return** – Added line 32c, “Recaptured credit from Form 502CR, Part DD, line 1”
- **Schedule K-1 (510/511), Pass-Through Entity Member’s Information**
 - Automated External Defibrillator Credit for Restaurants – Added
 - Employer Security Clearance Costs (ESCC) Tax Credit – Added back for 2023
 - Oyster Shell Recycling Tax Credit – Expired and removed
 - Part D, line 3 – Reserved
 - Refundable Clean Energy Credit – Expired and removed



e-File Reminder

The MD Department of Revenue requests that taxpayers include a driver’s license or state-issued identification number on their tax return. Doing so may expedite the return processing *but is not required*.

Supported Forms

The following Maryland forms are supported in Drake Tax 2023. Forms denoted with  can be e-signed.

| Form | Description | IND | CRP | SCRIP | PTR | FID |
|-------|---|-----|-----|-------|-----|-----|
| 1 | Business Personal Property Tax Return | ✓ | ✓ | ✓ | ✓ | |
| 1 | Annual Report | ✓ | ✓ | ✓ | ✓ | |
| 2 | Business Personal Property Return | ✓ | | | ✓ | |
| 500 | Corporation Income Tax Return | | ✓ | | | |
| 500CR | Business Income Tax Credits | ✓ | ✓ | ✓ | ✓ | |
| 500D | Corporation Declaration of Estimated Income Tax | | ✓ | | | |
| 500DM | Decoupling Modification | ✓ | ✓ | ✓ | ✓ | ✓ |
| 500E | Application for Extension of Time to File Corporation Income Tax Return | | ✓ | | | |

| Form | Description | IND | CRP | SCRIP | PTR | FID |
|--|--|-----|-----|-------|-----|-----|
| 500UP | Underpayment of Estimated Income Tax by Corporations and Pass-Through Entities | | ✓ | ✓ | ✓ | |
| 502 | Resident Income Tax Return | ✓ | | | | |
| 502AC | Subtraction for Contribution of Artwork | ✓ | | | | |
| 502B | Dependents' Information | ✓ | | | | |
| 502CR | Income Tax Credits for Individuals | ✓ | | | | ✓ |
| 502INJ | Injured Spouse Claim Form | ✓ | | | | |
| 502R | Retirement Income | ✓ | | | | |
| 502S | Heritage Structure Rehabilitation Tax Credit | ✓ | ✓ | ✓ | ✓ | ✓ |
| 502SU | Subtractions from Income | ✓ | | | | |
| 502TP | Computation of Tax Preference Income | ✓ | | | | ✓ |
| 502UP | Underpayment of Estimated Income Tax by Individuals | ✓ | | | | |
| 502V | Use of Vehicle for Charitable Purposes | ✓ | | | | |
| 502X | Amended Tax Return | ✓ | | | | |
| 504 | Fiduciary Income Tax Return | | | | | ✓ |
| 504CR | Business Income Tax Credits for Fiduciaries | | | | | ✓ |
| 504D | Fiduciary Declaration of Estimated Income Tax | | | | | ✓ |
| 504E | Application for Extension to File Fiduciary Income Tax Return | | | | | ✓ |
| 504NR | Fiduciary Nonresident Income Tax Calculation | | | | | ✓ |
| 504UP | Underpayment of Estimated Income Tax by Fiduciaries | | | | | ✓ |
| 505 | Nonresident Income Tax Return | ✓ | | | | |
| 505NR | Nonresident Income Tax Calculation | ✓ | | | | |
| 505SU | Nonresident Subtractions from Income | ✓ | | | | |
| 505X | Nonresident Amended Tax Return | ✓ | | | | |
| 510 | Pass-Through Entity Income Tax Return | | | ✓ | ✓ | |
| 510/511D | Pass-Through Entity Declaration of Estimated Income Tax | | | ✓ | ✓ | |
| 510/511E | Application for Extension to File Pass-Through Entity Income Tax Return | | | ✓ | ✓ | |
| 510C | Composite Pass-Through Entity Income Tax Return | | | ✓ | ✓ | |
| 511 | Maryland Pass-Through Entity Election Income Tax Return | | | ✓ | ✓ | |
| 548 | Power of Attorney | ✓ | ✓ | ✓ | ✓ | ✓ |
| 588 | Direct Deposit of Maryland Income Tax Refund to More Than One Account | ✓ | | | | |
| EL101  | e-File Declaration for Electronic Filing | ✓ | | | | |
| EL101B  | e-File Declaration for Businesses Electronic Filing | | ✓ | ✓ | ✓ | |
| EL102B | Income Tax Payment Voucher for Business Electronic Filers | | ✓ | ✓ | ✓ | |
| HTC60 | Homeowner's Property Tax Credit Application | ✓ | | | | |
| MD4562 | Depreciation and Amortization | ✓ | ✓ | ✓ | ✓ | ✓ |
| PV | Personal Tax Payment Voucher for Form 502/505, Estimated Tax and Extensions | ✓ | | | | |
| RTC60 | Renter's Property Tax Credit Application | ✓ | | | | |
| Schedule A (504) | Fiduciary Income Tax Return Schedule A | | | | | ✓ |
| Schedule A (510) | Computation of Apportionment Factor | | | ✓ | ✓ | |
| Schedule A (511) | Computation of Apportionment Factor | | | ✓ | ✓ | |

| Form | Description | IND | CRP | SCRIP | PTR | FID |
|-------------------------------|---|-----|-----|-------|-----|-----|
| Schedule B (510) | Pass-Through Entity Income Tax Return Members' Information | | | ✓ | ✓ | |
| Schedule B (511) | Pass-Through Entity Election Income Tax Return Members' Information | | | ✓ | ✓ | |
| Schedule K-1 (504) | Fiduciary Beneficiary's Information | | | | | ✓ |
| Schedule K-1 (510/511) | Pass-Through Entity Member's Information | ✓ | ✓ | ✓ | ✓ | ✓ |
| ST-118A | Consumer Use Tax for Purchases | ✓ | | | | |