

ANNUAL REPORT AND PERSONAL PROPERTY RETURN
Form AT3-51 - Frequent Mistakes

Avoid these common errors to help ensure the efficient filing and processing of your personal property return. For more information, please see the General Information and Requirements and/or return form instructions at www.dat.maryland.gov.

Location Reporting Errors

- Not providing a breakdown of property by multiple physical locations.
- Inaccurate or missing address information, especially regarding incorporated towns.
- Reporting the mailing address instead of the actual property location in part A, line 3 of Form AT3-51.
- Reporting property not located in Maryland.

Property Reporting Errors

- Reporting property in the incorrect depreciation category. Example: The business owns a computer but reports it in Category A versus Category D.
- Failing to provide descriptions of property reported in the special rate depreciation categories. Example: Reporting the original acquisition cost of a computer in Category D but failing to provide a description of this property on the return or within a supplemental schedule attached to the return. Without descriptions, the Department may assess the property as Category A using the standard depreciation rate.
- Failure to report commercial inventory. If the business requires a trader's license, commercial inventory must be reported.
- Reporting certain exempt registered/licensed vehicles as taxable under line item 1 on Form AT3-51. Some registered/licensed vehicles are taxable while other types are exempt. See the return instructions for additional information.
- Failure to meet the deadline to apply for an initial manufacturing exemption. See the return instructions for additional information.
- Failure to have Form AT3-45 (available on www.dat.maryland.gov) in our office no later than October 1st when a transfer/sale/disposal of all personal property occurs between January 1st and June 30th of the same assessment year. Sometimes assessments are made after the date of transfer, so it is important to submit this documentation by the deadline. Please see the return instructions for additional information.

Other Errors

- Failure to notify the Department of a change in the mailing address and/or principle business address. See the return instructions for additional information.
- Failure to respond to estimated assessment notices. Remember, these will generate tax bills for which the business owner is liable. The Department only has three years from the April 15th due date to make corrections.
- Failure to notify the Department if a business has discontinued operations or goes "out of business" prior to January 1st. See the return instructions for additional information regarding how to submit this notification and what information must be included. Failure to provide this information may result in an estimated assessment being made against the business.
- Filing under the wrong Maryland Department ID Number.
- Sole proprietorships/general partnerships not obtaining an account number from the Department. See the return instructions regarding how to apply for an account number.
- Attempting to pre-pay an anticipated late filing penalty. These penalties are billed at the time the assessment is made and will be mailed to you, once assessed.
- Inaccurate responses to home-based business exemption questions.
- Failure of home-based businesses to file an initial return in order to qualify for the exemption under §7-227, Tax Property Article.