



Instructions for Form AT3-51 Annual Report and Personal Property Return

State of Maryland · Department of Assessments and Taxation · Personal Property Division · P.O. Box 17052 · Baltimore, Maryland 21297-1052
www.dat.maryland.gov · (410) 767-1170 · (888) 246-5941 within Maryland · sdat.persprop@Maryland.gov

GENERAL INFORMATION AND REQUIREMENTS

REQUIREMENTS FOR SOLE PROPRIETORSHIPS AND GENERAL PARTNERSHIPS

Sole proprietorships or general partnerships require no legal entry formalities except compliance with State and local licensing and taxation requirements.

In Maryland, compliance with State and local licensing and taxation requirements means sole proprietorships and general partnerships that own, lease, rent, use, or borrow personal property or need a business license are required to:

- 1) Obtain an identification number by registering with the Department of Assessments and Taxation
and
- 2) File an annual report and business personal property return.

REGISTRATION PROCESS

To register on-line, please visit the Department's website for the link to Maryland Business Express.

To register by mail, please visit the Department's website (www.dat.maryland.gov) and proceed to the Forms section. Under "Create or Start a Business in Maryland" complete the Application for Sole Proprietorship and/or General Partnership. The mailing address is within this form. There is no fee to complete this registration.

Businesses that are registering as a corporation, a limited partnership, a limited liability company, or a limited liability partnership must complete the appropriate documents and register directly with the Department's Charter Division.

WHO MUST FILE FORM AT3-51

Form AT3-51 must be filed annually by all sole proprietorships and general partnerships if the either of the following criteria are met:

1. If the sole proprietorship or general partnership possesses (owns, leases, rents, uses or borrows) business personal property as of January 1st or

2. If the sole proprietorship or general partnership needs a business license.

A sole proprietorship or general partnership which fails to file this return may receive an estimated assessment and/or could result in the closure of the business. The closure of the business may impact your ability to obtain or renew a business license.

If a business was registered with the Department's Charter Division as a corporation, a limited partnership, a limited liability company, or a limited liability partnership, do not complete Form AT3-51. Instead, the business is required to file using Form 1, which is available on the Department's website. Failure to report using the correct return may result in the Department not accepting the return.

REMINDER: To ensure proper posting to your account, please include your Maryland Department ID Number on your return and in all communications with the Department.

WHEN AND WHERE TO FILE

The business is responsible for obtaining and filing a return on time. The forms can be found on the Department's website: www.dat.maryland.gov.

The annual deadline to file is April 15th.

- If April 15th falls on a Saturday, Sunday, or Maryland legal holiday as defined by §1.111 of the General Provisions Article, the deadline to file the return will be the next succeeding day that is not a Saturday, Sunday, or Maryland legal holiday.
- A US Postal Service postmark on or before the April 15th due date will be considered timely filed.
- See the Extension of Time to File instructions should you wish to extend the April 15th deadline.

Form AT3-51 should be mailed to the following address:

**State of Maryland
Department of Assessments and Taxation
Personal Property Division
301 W Preston Street
Baltimore, MD 21201-2395**

EXTENSION OF TIME TO FILE

The Department may grant a 2 month extension to file the return. There are two ways to request an extension, which are as follows:

- **Internet Extensions:**

- Go to the Department's website (www.dat.maryland.gov) and click on:
1) Businesses, 2) Personal Property Information and Forms, and 3) Filing Extension.
- This option is free of charge and offers Maryland Department ID look-up, extension verification, confirmation numbers and recall lists by last year's confirmation number.
- Always print and keep a copy of the confirmation number. The Department will automatically accept it as evidence of a valid approved extension.
- When you file for an extension via our website, do not also submit a paper extension request.
- This system is available 24 hours a day, 7 days a week beginning February 1st through April 15th. If April 15th falls on a Saturday, Sunday, or Maryland legal holiday as defined by §1.111 of the General Provisions Article, the deadline to file the extension using the website will be the next succeeding day that is not a Saturday, Sunday, or Maryland legal holiday.
- Please file early to avoid delays. The system typically experiences high traffic volume the week prior to April 15th.

- **Paper Extensions (Form AT3-71):**

- If a business would prefer to request an extension in writing, the request must be filed using Form AT3-71 Extension Request, which is available on our website.
- Please follow the instructions on Form AT3-71 completely.
 - List the exact business name, business mailing address and Maryland Department ID Number.
 - Incomplete forms and invalid IDs will not be approved.
 - A \$20 non-refundable processing fee is required for each Maryland Department ID Number and must accompany this form. Make checks payable to the Department of Assessments and Taxation and note the Maryland Department ID Number on the check.
 - If requesting extensions for multiple entities, a separate form along with the \$20 non-refundable processing fee must be submitted for each Department ID Number.
- In order to be considered timely filed, Form AT3-71 and the non-refundable processing fee must be mailed to the Department per the instructions on the form no later than March 15th.
 - If March 15th falls on a Saturday, Sunday, or Maryland legal holiday as defined by §1.111 of the General Provisions Article, the deadline to file the extension using

Form AT3-71 will be the next succeeding day that is not a Saturday, Sunday, or Maryland legal holiday.

- A postmark from the US Postal Service dated on or before the due date will be considered timely filed.
- Retain a copy of the extension request for your records. Approved requests will be recorded by the Department.
- No notification of acceptance of the extension request will be mailed. You can use the Business Data search on our website to verify acceptance.
- **With an approved extension, a personal property return must be physically in our office on or before June 15th to avoid incurring a late filing penalty.** A postmark from the US Postal Service dated June 15th **does not** constitute timely filing of the extended return.
- Extensions granted by the IRS or the Maryland Comptroller are not accepted.

ADDRESS CHANGES

To change an address, the Department must receive written notification.

A sole proprietorship or general partnership may have provided the Department with a mailing address as well as a separate business location address when registering. In addition, there may be one or more physical locations within Maryland where the business personal property owned, leased, rented, used, or borrowed by the business is located as of January 1st.

Please see below for additional information regarding how to update any of these address types:

- **Mailing Address Changes** - Mailing address changes may be made as follows:
 - Make necessary address corrections on page 1 of Form AT3-51 in the address area and place a checkmark in the mailing address correction box.
 - Send a signed written request to the Business Personal Property Division and mail the request to the following address:

**State of Maryland
Department of Assessments and Taxation
Personal Property Division
301 W Preston Street
Baltimore, MD 21201-2395**

- **Changes to the Business Address and/or Physical Location of Business Personal**

Property

- If there is a change in the business address, which is also the physical location of the business personal property, make the necessary address corrections on Form AT3-51 Part A Item 3 and place a check mark in the box that indicates “Check here if this location has changed from the prior year return.”
- If there are multiple physical locations within Maryland where the business personal property owned, leased, rented, used, or borrowed by the business is located as of January 1st, please see the Form AT3-51 Form Specific Instructions for Part A Item 3.

ANNUAL REPORT FILING FEES

There is no filing fee for Form AT3-51.

LATE FILING PENALTIES

A business which files an annual return after the due date will receive an initial penalty of 1/10 of one percent (0.1%) of the county assessment, plus interest at the rate of two percent (2%) of the initial penalty amount for each thirty (30) days or part thereof that the return is late. If returns are filed late, do not prepay penalties. They will be assessed at a later date.

For additional information regarding the due dates, please see “WHEN AND WHERE TO FILE.”

PERIOD COVERED

All returns shall cover the calendar year regardless of any fiscal year.

All information required in the Form AT3-51 Annual Report and Business Personal Property Return shall be given as of January 1st, except Part B line items ② through ④, which refer to the twelve calendar months of the prior year.

ROUNDING

Round cents to the nearest whole dollar. Fifty cents and above should be rounded to the next highest dollar.

PUBLIC INFORMATION

Information supplied on Form AT3-51 and any and enclosures are not open to public inspection.

WHAT MUST BE REPORTED

All tangible personal property owned, leased, consigned or used by the business and located

within the State of Maryland on January 1st must be reported annually.

- Personal property includes but is not limited to office and plant furniture, machinery, equipment, tools, furnishings, trade fixtures, inventory, and all other property not considered part of the real estate.
- Personal property not in use must still be reported.
- All fully depreciated and expensed personal property must also be reported.

Personal property in this State (other than operating property of railroads and public utilities) falls into two subclasses:

- **Personal Property**

All personal property, other than inventory, is assessed at full cash value.

- Taxpayers shall report such property which has been acquired by purchase at the original acquisition cost in the year of the acquisition.
- Taxpayers shall report such property which has been acquired other than by purchase (including property manufactured by the taxpayer) at what the property would have sold for in the year of acquisition.
- To assess “all other personal property” the Department generally applies a 10% rate of depreciation per annum to the reported property. Normally, property will not be depreciated below 25% of the original cost. Exceptions to the 10% rate can be found on the Personal Property Depreciation Rate section of these instructions.

- **Stock in Business or Inventory**

Goods held by a taxpayer for sale and goods placed on consignment to another for sale in the expectation of a quick turnover.

- Stock in business does not include goods manufactured by the taxpayer but held by the taxpayer for purposes other than sale or goods manufactured by the taxpayer but placed in possession and control of another as in the case of leased property.
- Stock in business is assessed at its fair average value, which is the average fair value over a 12 month period. MD Tax-Prop Code § 8-110 defines fair value as cost or market value, whichever is lower. **LIFO method of valuation is prohibited.**

All questions must be answered in full unless the business does not own, lease, or use personal property. If the reporting taxpayer does not own the class of property covered by any question, the word “none” or the figure “0” should be written in the appropriate space.

Since local exemptions differ in each county and in each incorporated town, the business must report all information required within the return. Local exemptions are listed on the Department's website. After the Department determines the assessment on personal property and stock in business, any applicable local exemptions not requiring prior approval will be applied.

Estimated assessments may be issued when questions remain unanswered or the answers are incomplete or evasive. Real property is not to be reported on the return.

FORM 4 FILING REQUIREMENTS

All returns must be accompanied by Form 4A and 4B (Balance Sheet and Depreciation Schedule) unless the business does not own any personal property in Maryland.

- A substitute Balance Sheet, including Schedule L from IRS Form 1120, may be used, however Form 4B (Depreciation Schedule) must be completed.
- If the business does not maintain a balance sheet, submit a copy of IRS Schedule C and a copy of the depreciation worksheet used to prepare IRS Form 4562.
- If the Balance Sheet reflects property outside the State of Maryland, please reconcile with the property reported on the return.
- Form 4C must be completed if there were additions, disposals, or transfers of property in or out of the State of Maryland since the prior year filing.
 - Failure to complete this information may result in an assessment that may include business personal property reported in the previous year in addition to property reported with the current return.
 - It is preferred if an additional itemized schedule were included with Form 4C to list the disposed property. If there are more than 5 physical locations being reported under one Maryland Department ID Number, it is preferred this information be sent in an electronic format. See Part A Multiple Physical Locations within the Form AT3-51 Specific Instructions section for more information.

TRANSFER OF PROPERTY

If a business transfers, sells, or disposes of **all** personal property on or after January 1st and before July 1st, it must notify the Department in writing using Form AT3-45 Transfer, Sale or Disposal of ALL Tangible Personal Property, which is available on the Department's website.

In order to have the assessment transferred to the new owner, please follow the instructions on the form carefully and answer all of the questions directed. The information submitted on the form and any attachments must include the following items:

- An itemized description of the property involved

- The date and manner of transfer
- The name(s) and address of the new owner(s) of the property
- The consideration received for the property
- A copy of the sales agreement (if available).

Form AT3-45 must be in our office no later than October 1st of the same year in order to be considered timely filed. A US Postal Service postmark dated October 1st does not constitute timely filing.

If AT3-45 is timely filed and in compliance with Section 10-402 of the Tax Property Article, the assessment shall be transferred to the new owner(s).

OUT OF BUSINESS

If a business discontinues operations or goes “out of business” prior to January 1st, a return or letter of explanation detailing the date the business ceased operations and what happened to the property must be filed.

Failure to provide this information may result in an estimated assessment being made against the business.

EXEMPTIONS

Property tax exemptions provided by statute shall be strictly construed. Before an exemption can be obtained, the taxpayer must show affirmatively that the exemption is clearly allowed.

Businesses may file **amended returns** to correct reporting errors or claim missed exemptions (except for missed manufacturing exemptions) within three years of the April 15th date that the return was originally due.

- **Manufacturing Exemptions:**
 - For manufacturing exemption requests, Section 7-104(d) of the Tax- Property Article of the Annotated Code of Maryland allows the owner of manufacturing personal property to file an application within 6 months after the date of the first assessment notice for a taxable year that includes the manufacturing personal property.
 - The law specifically includes the following activities as part of the manufacturing process: (1) the identification, design or genetic engineering of biological materials for research or manufacture; and (2) the design, development or creation of computer software for sale, lease or license.
 - If the application is approved, the exemption shall be granted for the taxable year. No manufacturing exemption can be granted unless a timely application is filed.

Once filed, no additional manufacturing applications are required in subsequent years. See the Form AT3-51 Specific Instructions section regarding where to report manufacturing business personal property.

- Full or partial exemptions may apply depending on the location of the property for: manufacturing/R&D machinery and equipment, manufacturing / R&D inventory. Visit the Department's website for a complete listing of these exemptions.

- **Exempt Organizations:**

- All personal property is exempt if owned by certain organizations, including religious groups, government, non-profit educational institutions, non-profit charitable organizations, non-profit hospitals, cemetery and mausoleum companies, and certain other organizations or groups which meet certain "strict use" criteria. These are referred to as exempt organizations and are fully exempt throughout Maryland from any assessment and taxation.
- To obtain this type of exemption, an organization must submit written information detailing its operation. If the organization is required to file an IRS Form 990, it should be included with the written information. It should be noted that because the laws differ, organizations granted exempt status by the Internal Revenue Service are not necessarily exempt from personal property taxation in Maryland.
- Businesses owning exempt personal property described in the paragraph above should report the total cost of that property on form 4B (Depreciation Schedule), line 11. Do not report this type of property on the Form AT3-51.

- **Other Personal Property Exemptions:**

- In addition, State law requires that certain types of personal property be fully exempt throughout Maryland from any assessment and taxation. These include aircraft, farming implements, residential (non-business) property, most registered vehicles, boats not more than 100 feet in length, customized computer software, intangible personal property (e.g., stocks, bonds, patents, goodwill, trademarks, etc.).
- As of July 1, 2011 a 2% gross receipts tax on short-term lease or rental of heavy equipment property by rental businesses must be paid directly to local government making this property exempt from the personal property assessment. Rental businesses must determine whether they are required to pay the gross receipts tax and are qualified to receive this exemption. The legislation requires an entity to meet all of the following provisions:
 - It must receive the largest segment of its total receipts from the short-term leases or rental of heavy equipment at retail without operators;

- It must be defined under Code 532412 of the North American Industry Classification System as published by the U.S. Census Bureau;
 - The property exempted must meet the definition of heavy equipment property as defined in § 9-609(D)(5) of the Political Subdivisions Article;
 - The lease or rental of the heavy equipment property is for a period of 365 days or less.
- The personal property of certain home-based businesses is exempt if:
 - All of the following criteria are met:
 - It is owned by a sole proprietorship;
 - It is located at the owner's principle residence; and
 - Its total original cost, including inventory and excluding licensed vehicles, is less than \$10,000.
 - An initial return must be filed to receive this exemption.
 - Partnerships and other legal entities are not eligible for this exemption.

AMENDED RETURNS

Amended returns can be filed to correct reporting errors or claim a missed exemption (except for missed manufacturing exemptions) within three years of the April 15th date that the return was originally due. Amended returns must be physically in our office by the deadline. A US Postal Service postmark on the date of the amended return deadline will not be considered timely filed.

Amended returns must be accompanied by information explaining why the amended return is being filed and reconciling the differences with the original return. Please include the Maryland Department ID Number on all correspondence.

Write the word "AMENDED" across the top of page 1 of the return. No filing fee is required for an amended return, regardless of the business type.

AUDIT OF RETURN

All personal property assessments, and any information, and figures reported on the personal property return, accompanying schedules and related documents are subject to audit. As a result of such audits, the Department may issue corrected assessments.

INFORMATION AND ASSISTANCE

Division	Information	Contact
State Department of Assessments & Taxation	Internet Site	www.dat.maryland.gov
	Main Phone Number	410-767-1184
	Toll Free within Maryland	1-888-246-5941
	MRS (Maryland Relay Service for Speech and Hearing Impaired)	1-800-735-2258 TT/VOICE
	Customer Service Counter Walk-in Assistance: In-person counter assistance is available Monday - Friday, 8:30 a.m. to 4:30 p.m. You must be in line no later than 4:15 p.m. in order to receive service that same day.	301 West Preston Street Room 801 Baltimore, Maryland
Charter Division (Business Records & Registration)	Corporate Charter Division	410-767-1340
	E-mail Address	sdat.charterhelp@maryland.gov
	Business Not in Good Standing	410-767-4950
	Forfeited Businesses	410-767-1350
	Certificates (Status, Good Standing, Existence)	410-767-1344
	New Businesses	410-767-1350
	Legal Review	410-767-1350
	Trade Names	410-767-1801
	Name Availability (Not Guaranteed over the Phone)	410-767-1330
	Resident Agent (Existing Entities)	410-767-1330
	Newly Filed Charter Documents	410-767-1340
	Copies of Documents	410-767-1350
	UCC Filings	410-767-1459
	Service of Process	410-767-8195
Business Personal Property Division	Annual Report / Business Personal Property Forms, Instructions, and General Information	www.dat.maryland.gov
	Annual Report / Business Personal Property Return Extensions by Internet (Available February 1st through April 15th)	www.dat.maryland.gov
	On-Line Annual Report / Business Personal Property Filing	https://egov.maryland.gov/businessexpress
	E-mail Address	sdat.persprop@maryland.gov
	Personal Property Division	410-767-1170
	Subscribe to Receive E-mail Reminders	https://public.govdelivery.com/accounts/MDSDAT/subscriber/new

PERSONAL PROPERTY DEPRECIATION RATES			
DEPRECIATION TYPE	CATEGORY	DEPRECIATION RATE	PROPERTY TYPES
Standard Depreciation Rates	A	10% per annum*	All property not specifically listed below.
Special Depreciation Rates: These rates apply only to the items specifically listed. Use Standard Depreciation Rates Category A for other assets.	B	20% per annum*	Mainframe computers originally costing \$500,000 or more.
	C	20% per annum*	Autos (unlicensed/unregistered), bowling alley equipment, brain scanners, carwash equipment, contractor's heavy equipment (tractors, bulldozers), fax machines, hotel, motel, hospital and nursing home furniture and fixtures (room and lobby), MRI equipment, mobile telephones, model home furnishings, music boxes, outdoor Christmas decorations, outdoor theatre equipment, photocopy equipment, radio and T.V. transmitting equipment, rental pagers, rental soda fountain equipment, self-service laundry equipment, stevedore equipment, theatre seats, trucks (unlicensed/unregistered), vending machines, x-ray equipment.
	D	30% per annum**	Data processing equipment and canned software.
	E	33 1/3% per annum*	Blinds, carpets, drapes, shades. The following applies to equipment rental companies only: rental stereo and radio equipment, rental televisions, rental video cassette recorders and rental DVDs and video tapes.
	F	50% per annum*	Pinball machines, rental tuxedos, rental uniforms, video games.
	G	5% per annum*	Boats, ships, and vessels over 100 feet.
	Long-lived assets		Property determined by the Department to have an expected life in excess of 10 years at the time of acquisition shall be depreciated at an annual rate as determined by the Department.
	* Subject to a minimum assessment of 25% of the original cost.		
** Subject to a minimum assessment of 10% of the original cost.			

THE FOLLOWING IS A LIST OF COUNTIES AND INCORPORATED TOWNS IN MARYLAND. IF A BUSINESS OWNS PERSONAL PROPERTY IN ANY OF THESE LOCATIONS, THE LOCATIONS SHOULD BE LISTED IN THE ANNUAL REPORT AND BUSINESS PERSONAL PROPERTY RETURN.

<p>ALLEGANY Barton Cumberland Frostburg Lonaconing Luke Midland Westernport</p> <p>ANNE ARUNDEL Annapolis Highland Beach</p> <p>BALTIMORE CITY</p> <p>BALTIMORE No incorporated cities or towns</p> <p>CALVERT Chesapeake Beach North Beach</p> <p>CAROLINE Denton Federalsburg Goldsboro Greensboro Henderson Hillsboro Marydel Preston Ridgely Templeville</p> <p>CARROLL Hampstead Manchester Mount Airy New Windsor Sykesville Taneytown Union Bridge Westminster</p>	<p>CECIL Cecilton Charlestown Chesapeake City Elkton North East Perryville Port Deposit Rising Sun</p> <p>CHARLES Indian Head La Plata Port Tobacco</p> <p>DORCHESTER Brookview Cambridge Church Creek East New Market Eldorado Galestown Hurlock Secretary Vienna</p> <p>FREDERICK Brunswick Burkittsville Emmitsburg Frederick Middletown Mount Airy Myersville New Market Rosemont Thurmont Walkersville Woodsboro</p> <p>GARRETT Accident Deer Park Friendsville Grantsville Kitzmilller Loch Lynn Heights Mountain Lake Park Oakland</p>	<p>HARFORD Aberdeen Bel Air Havre de Grace</p> <p>HOWARD No incorporated cities or towns</p> <p>KENT Betterton Chestertown Galena Millington Rock Hall</p> <p>MONTGOMERY Barnesville Brookeville Chevy Chase Sec. 3 Chevy Chase Sec. 5 Chevy Chase View Chevy Chase Village Gaithersburg Garrett Park Glen Echo Kensington Laytonsville Martin's Additions North Chevy Chase Poolesville Rockville Somerset Takoma Park Town of Chevy Chase Washington Grove</p>	<p>PRINCE GEORGE'S Berwyn Heights Bladensburg Bowie Brentwood Capitol Heights Cheverly College Park Colmar Manor Cottage City District Heights Eagle Harbor Edmonston Fairmount Heights Forest Heights Glenarden Greenbelt Hyattsville Landover Hills Laurel Morningside Mount Rainier New Carrollton North Brentwood Riverdale Park Seat Pleasant University Park Upper Marlboro</p> <p>QUEEN ANNE'S Barclay Centreville Church Hill Millington Queen Anne Queenstown Sudlersville Templeville</p> <p>ST. MARY'S Leonardtown</p> <p>SOMERSET Crisield Princess Anne</p>	<p>TALBOT Easton Oxford Queen Anne St. Michaels Trappe</p> <p>WASHINGTON Boonsboro Clear Spring Funkstown Hagerstown Hancock Keedysville Sharpsburg Smithsburg Williamsport</p> <p>WICOMICO Delmar Fruitland Hebron Mardela Springs Pittsville Salisbury Sharptown Willards</p> <p>WORCESTER Berlin Ocean City Pocomoke City Snow Hill</p>
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*Please also refer to the
General Information and Requirements Instructions
for additional information.*

Form AT3-51 – General Business Information

At the top of Form AT3-51, insert the name of the sole proprietorship or general partnership and trade name (if applicable) along with the mailing address and Maryland Department ID Number of the business.

Failure to include the Maryland Department ID Number may cause a delay in processing your return.

If the mailing address for the business has changed, please add a check mark in the box that states “Check here if this is a change of mailing address.”

Reminder: In an effort to protect the environment and save Maryland taxpayer dollars, the Department is no longer printing and mailing the Annual Report / Business Personal Property return forms. In order to receive important Department reminders and correspondence, please either include your e-mail address within the space provided on the return form with the mailing address of the business and/or visit our website to sign-up for reminder e-mails.

Part A

1. List the Federal Employee ID Number (FEIN) for the business. If none, provide the social security number of the owner of the business.
2. Provide the Federal Principal Business Code Number for the business, which can be found on IRS Form 1065 or Schedule C.

3. Location Information:

Exact Location Information Required:

Since local tax rates and exemptions differ in each county and in each incorporated town, the physical location (situs) of the tangible business personal property within Maryland as of January 1st must be clearly indicated by the business.

- Provide the physical street address of all personal property owned and used within Maryland. Post Office Box numbers are not acceptable.
- If property is located in an incorporated town, supply the name of the town. An incorporated town has its own government and defined municipal boundaries. Please see the General Information and Requirements Instructions for a current listing of incorporated towns within each county.
- Inventory is deemed permanently located where the business is conducted. Although some jurisdictions may exempt inventory from an assessment, entities that require a Trader's License must report commercial inventory in Section II Line Item 2. Failure to provide this information may result in the Department entering an estimated inventory value.
- Exemptions are listed on the Department's website. Although a business that owns or uses business personal property within Maryland as of January 1st may be located within an exempt jurisdiction, the business is still required to report the information requested in each Section of Form AT3-51 as well as Forms 4A, 4B, and 4C (if applicable).

Multiple Physical Locations

See below if the business has multiple physical locations within Maryland that are being reported under one Maryland Department ID Number:

Form AT3-51 Section	Form AT3-51 Page Number	5 or more Physical Locations within Maryland as of January 1 st	Less than 5 Physical Locations within Maryland as of January 1 st
General Business Information	page 1	1 consolidated for the business	1 consolidated for the business
Part A Line Items 1, 2, 4, 5, 6, 7, 8, and 10	page 1	1 consolidated for the business	1 consolidated for the business
Part A Line Item 3	page 1	1 indicating "various - see attached" for the business	1 indicating "various - see attached" for the business
Part A Line Item 9	page 1	include a separate schedule per the instructions for Part A Item 9	include a separate schedule per the instructions for Part A Item 9
Part B Line Item 1	page 2	see instructions for electronic format	1 for each physical location with the physical address included at the top of page 2
Part B Line Items 2 through 4	page 2	include a separate schedule with the amounts for each physical location per line item	
Part B Line Item 5	page 2	see instructions for electronic format	
Original Signature of Owner or Partner of the Business	page 2	1 consolidated for the business	1 consolidated for the business

Reminder: Please include your Maryland Department ID Number on all correspondence to the Department, including any supplemental schedules and attachments.

Electronic Format

This section is only for a business with 5 or more physical locations within Maryland being reported under one Maryland Department ID Number.

- The preferred electronic format is Microsoft Excel.
- The preferred mode of delivery is a CD attached to Form AT3-51 and mailed to the Department. Alternative methods of delivery include submitting the information by e-mail to sdatt.persprop@Maryland.gov or delivering a CD in person at the Department's Customer Service Counter (refer to the General Information and Requirements

Instructions for the location and hours of operation). Please include the Maryland Department ID Number on all correspondence to the Department.

- For Part B Items 1 and 5, the electronic format should be an itemized listing of the property and include the following information: asset identification number (if available), the physical location as of January 1st, a description of the asset, the original acquisition date, and the original acquisition cost. If applicable, include leasing information as outline within the instructions for Part B Line Item 1.
4. Provide a brief explanation of business activity in Maryland (i.e. restaurant, legal service, construction, etc.).
 5. Total gross sales must include sales in Maryland and sales by the Maryland location to out of state purchasers as well as transfers from the Maryland location of the reporting business to out of state locations.

If the business has sales in Maryland and does not report any personal property, explain how the business is conducted without personal property. If a business shares the property of another business that reports the personal property, supply the name and address of that business. This explanation may be added in the Remarks section at the bottom of Form AT3-51 page 1 or an additional written explanation may be attached to the return.

6. Items 6a and 6b are for Sole Proprietorships only.
 - Item 6a: If the location in Part A Item Number 3 is also the principal residence of the business owner, answer “yes.” If not, answer “no.”
 - Item 6b:
 - Total the original cost of the personal property, inventory, and unlicensed/unregistered motor vehicles (exclude licensed/registered vehicles - see below for additional information).
 - If the total is less than \$10,000, answer “yes.”
 - If the total is more than \$10,000, answer “no.”
 - **Non-Exempt Vehicle Costs to Include in the Original Cost Total for Item 6b:**
 - Unlicensed/unregistered motor vehicles
 - Interchangeable Registrations are considered to be non-exempt from personal property assessments and taxation and should be **included** for the purpose of Question 6b:
 - Dealer plates (Class 1A, 1B, 1C)

- Recycler plates (Class 2)
- Finance company plates (Class 3)
- Special mobile equipment plates (Class 4)
- Transporter plates (Class 5)

○ **Exempt Vehicle Costs to Exclude in the Original Cost Total for Item 6b:**

- Vehicles registered in Maryland and classified in one of the following are considered licensed/registered and should be exempt, meaning they should be excluded for the purpose of Question 6b:
 - Passenger cars (Class A)
 - For hire vehicles (Class B)
 - Funeral or ambulance vehicles (Class C)
 - Motorcycles (Class D)
 - Single unit, Dump, Tow, and Farm Trucks (Class E)
 - Truck tractors (Class F)
 - Trailers and Semi-trailers (Class G)
 - School vehicles (Class H)
 - Passenger buses (Class I and P)
 - Vanpool (Class J)
 - Farm vehicles (Class K)
 - Historic vehicles (Class L)
 - Multipurpose vehicles (Class M)
 - Street rods (Class N)
 - Limousine vehicles (Class Q)
 - Low speed vehicles (Class R)
- Vehicles registered outside of Maryland may be exempt, meaning they should be excluded for the purpose of Question 6b. Exempt vehicles include those registered in another taxing jurisdiction and of a classification described in Title 13, Subtitle 9, Part II of the Maryland Transportation Article (Class A-R listed above).

- If you answered “no” to Items 6a or 6b, continue filling out the rest of the return form.
- If you answered “yes” to both Items 6a and 6b, the business is exempt from personal property assessment and taxation in Maryland. You may skip to the signature line on page 2 to complete the return.

7. List the beginning and ending dates of the fiscal period used by the business.

8. If the business owns fully depreciated and/or expensed personal property within Maryland as of January 1st, answer “yes” to the first question. Note, all fully depreciated and expensed personal property must be reported on this return within Part B. Please see the instructions for Part B for additional information.
9. Property Owned by Others and Leased or Held by the Business
 - All property that is not owned by the business but is held by the business as lessee, on consignment, or otherwise must be reported.
 - Attach a separate schedule to Form AT3-51 showing the names and addresses of the owners, lease numbers, description of the property, physical location of the property, installation date, and separate cost of assets must be supplied. If costs are not known, supply the terms of the lease, including lease payment and number of months.
10. If the business has disposed of assets or transferred assets in or out of the State of Maryland between January 1st of the prior year and January 1st of the current year, you must complete Form 4C (Disposal and Transfer Reconciliation). Please see the General Information and Requirements Instructions regarding Form 4 Filing Requirements.

Part B

At the top of Part B Page 2, please include the address listed in Part A Item 3. If there are multiple physical locations being reported for a business using the same Maryland Department ID Number, see the instructions for Part A Item 3 - Multiple Physical Locations regarding how to report information for Part B. Below are instructions for each Part B Line Item:

LINE ITEM ① Furniture, Fixtures, Tools, Machinery and Equipment not used for Manufacturing or Research and Development

- This includes but is not limited to office furniture, fixtures and equipment, factory equipment and machinery, shelves, signs, counters, etc.
- Non-exempt vehicles should be reported within Line Item ①. See the instructions for part A Item 6 for additional information.
- This property shall be reported at original cost by year of acquisition without deduction of depreciation, investment credit, or trade-in of previously owned property.
- Include all fully depreciated personal property and property expensed under IRS rules.
- If the business has multiple physical locations within Maryland that are being reported under one Maryland Department ID Number, see the instructions section for Item A: Multiple Physical Locations regarding how to report this line item.
- If the business owns rental equipment, including but not limited to video tapes, stereos,

televisions, tools, appliances and furniture, these assets must be included.

- All property that is owned by the business but is held by others as consignee, lessee or otherwise must be reported.
 - All leased property must be reported, including manufacturing equipment, and property leased to tax exempt organizations.
 - Manufacturer lessors shall report property which has been acquired other than by purchase at the retail selling price in the year the property was manufactured (including property manufactured by a business for its own use). Manufacturing lessors may not report this property using the cost of manufacture.
 - Do not include the costs of these items in Part B Line Item ①. Instead, include a separate schedule showing the names and addresses of lessees, lease numbers, description of property, installation date and original cost by year of acquisition for each location must be supplied. Provide the physical street address of lessees. Post Office Box numbers are not acceptable.
 - If the schedule is for fewer than 5 physical locations, you should group the schedule by county where the property is located.
 - If there are 5 or more physical locations, please see the instructions section for Part A Line Item 3: Multiple Physical Locations regarding how to report this property using an electronic format.
- **All property is to be reported under Category A unless specifically listed in another category.**
 - Refer to the Depreciation Rate Chart for Personal Property within the General Information and Requirements section of the instructions to determine which category column property owned by the business should be reported.
 - Property reported in category columns B through G require a detailed description. Include an explanation on the lines provided below the table. If additional space is needed to show the necessary detail, attach an itemized supplemental schedule.
 - Failure to provide the required detail will result in the reported property being assessed as Category A at 10% rate of depreciation per annum.

EXAMPLE

ORIGINAL COST BY YEAR OF ACQUISITION							
Year Acquired	A	SPECIAL DEPRECIATION RATES (SEE PAGE 4)					TOTAL COST
		B	C	D	E	F	
2016							0
2015	1,150				12,600		13,750
2014	3,104				8,400		11,504
2013	1,500			5,261			6,761
2012							0
2011			2,500				2,500
2010	9,127						9,127
2009 and prior							0
TOTAL COST COLUMNS A-G →							43,642

DESCRIBE B THROUGH G PROPERTY HERE: Category C - 2011 Fax \$500, Vending Machine \$2,000, Category D - 2013 Personal Computer, Category E - 2015 Rental DVD's, Category E - 2014 Drapery & Blinds

LINE ITEM ② Commercial Inventory

- Commercial Inventory is merchandise and stock in trade available for sale. This includes manufactured products sold at retail by the manufacturer.
- An average of twelve (12) monthly inventories should be reported including two (2) physical inventories. Book inventories may be used for months when physical inventories were not taken.
- Values are to be reported at cost or market value. The LIFO method is prohibited in computing values.
- Business entities that need a Trader's License **must** report commercial inventory.
- Rental equipment, including but not limited to video tapes, stereos, televisions, tools, appliances and furniture, is not considered commercial inventory. These assets must be reported in Part B Line Item ①.
- All property that is owned by the business but is held by others as consignee, lessee or otherwise is not considered commercial inventory – see the instructions for Part B Line Item ①.
- If the business has multiple physical locations within Maryland that are being reported under one Maryland Department ID Number, see the instructions section for Part A Item 3: Multiple Physical Locations regarding how to report this line item.

LINE ITEM ③ Supplies

- Supplies are consumable items not held for sale (e.g., contractor's supplies, office supplies, etc.).
- Report the average cost.
- If the business has multiple physical locations within Maryland that are being reported under one Maryland Department ID Number, see the instructions section for Part A Item 3: Multiple Physical Locations regarding how to report this line item.

LINE ITEM ④ Manufacturing/Research and Development (R&D) Inventory

- Manufacturing/Research and Development (R&D) Inventory is raw materials, supplies, goods in process and finished products used in and resulting from manufacturing/R&D by the business.
- Include manufactured products sold at retail by the manufacturer under line item ② Commercial Inventory.
- An average of twelve (12) monthly inventories should be reported including two (2) physical inventories. Book inventories may be used for months when physical inventories were not taken.
- Values are to be reported at cost or market value. The LIFO method is prohibited in computing values.
- If the business has multiple physical locations within Maryland that are being reported under one Maryland Department ID Number, see the instructions section for Part A Item 3: Multiple Physical Locations regarding how to report this line item.

LINE ITEM ⑤ Tools, Machinery and Equipment used for Manufacturing or Research and Development (R&D)

- Exemption Application Requirements
 - If the exemption is claimed for the first time, an Exemption Application for Manufacturing and Research & Development must be submitted within 6 months after the date of the first assessment notice for the taxable year that includes the manufacturing personal property before the exemption can be granted.
 - For more information as well as the application form, visit the Department's website at www.dat.maryland.gov. Proceed to the Forms & Applications section, and the application is under the Business Personal Property section of the page.
 - Reporting property on this line item is not a substitute for a manufacturing application.

- Manufacturing
 - For manufacturing, the primary test for exemption requires substantially transforming, or a substantial step in the process of substantially transforming tangible personal property into a new and different article by use of labor or machinery.
 - The term manufacturing does not include products mainly intellectual, artistic or clerical in nature, services, public utility services, or property used primarily in administration, management, sales, storage, shipping, receiving or any other non-manufacturing activity.

- Research and Development (R&D)
 - Research & Development (R&D) means basic and applied research in the sciences and engineering, and the design, development and governmentally required pre-market testing of prototypes, products, and processes.
 - Research and development activities are exempt whether or not the company has a product for sale.
 - The following activities do not constitute research and development: market research; research in social sciences, psychology, or other nontechnical activities; routine product testing; service activities; sales; or research and development of a public utility.

- Reporting Tools, Machinery and Equipment used for Manufacturing or Research and Development (R&D)
 - This property shall be reported at original cost in the year of acquisition without deduction of depreciation, investment credit, or trade-in of previously owned property.
 - Include all fully depreciated personal property and property expensed under IRS rules.
 - If the business has multiple physical locations within Maryland that are being reported under one Maryland Department ID Number, see the instructions section for Part A Line Item 3: Multiple Physical Locations regarding how to report this line item.

SIGNATURE AND DATE

The Form AT3-51 Annual Report and Business Personal Property Return must be signed by an owner or partner in the designated signature section of the form.

- This signature must be an original not a copy.
- The date should reflect the date the return was signed by an owner or partner and sent to the Department.
- Please include the requested phone number and e-mail address to assist us in resolving

potential discrepancies.

- ***Returns submitted without the signature of an owner or partner of the business will be returned by the Department.***

If a tax preparer prepared the Form AT3-51 Annual Report and Business Personal Property Return for the business, please sign the return in the designated area within the form as well as include the requested phone number and e-mail address to assist us in resolving potential discrepancies.

A signature from a tax preparer is **not** a substitution for the signature of an owner or partner of the business.

RETURN SUBMISSION INSTRUCTIONS

Please refer to the mailing instructions listed within the General Information and Requirements Instructions regarding when and where to submit your Form AT3-51 Annual Report and Business Personal Property Return.

DEPRECIATION RATE CHART FOR PERSONAL PROPERTY

Please see the instructions for Part B Line Item 1 as well as the General Information and Requirements for additional information.