

**STATE OF MARYLAND  
DEPARTMENT OF ASSESSMENTS AND TAXATION  
FRANCHISE TAX UNIT  
301 WEST PRESTON STREET  
BALTIMORE, MARYLAND 21201-2395**

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**2020  
PUBLIC SERVICE COMPANY  
FRANCHISE TAX  
RETURNS**

**NEW FILING DEADLINE**

**BEGINNING AFTER DECEMBER 31, 2018, THE FORMS 11 AND 11T ARE DUE ON OR BEFORE APRIL 15.**

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## THIS BOOKLET CONTAINS:

- General Instructions
  - Two Public Service Company Franchise Tax Returns (Form 11)
  - Two Public Service Company Franchise Tax Returns (Form 11T)
  - Two Business Tax Credit Forms (AT3-74)
  - Instructions for Completing the Business Tax Credit Form AT3-74
  - Two Estimated Franchise Tax Worksheets (Form 29EW)
  - Two Sets of Four Payment Vouchers (Form 29E)
  - Two Authorization Agreements for Electronic Funds Transfer (Form SDAT EFT-1)
  - Electronic Funds Transfer Instructions
  - Application form for calendar year 2020 Tax Credit for Maryland-mined Coal
  - Title 18, Subtitle 08 - Public Service Company Franchise Tax Regulations
  - Title 18, Subtitle 11 - EFT Regulations
- 

## GENERAL INSTRUCTIONS

Electric and gas companies that are subject to public service company franchise tax file Form 11, 29EW, 29E and AT3-74. Telephone companies that are subject to public service company franchise tax file Form 11T, 29EW, 29E, and AT3-74. Form AT3-74 is used by public service company franchise taxpayers to claim allowable business tax credits. These credits include Employment Opportunity Tax Credit, Job Creation Tax Credit, Maryland Disability Employment Tax Credit, Community Investment Tax Credit and Employer Provided Long-Term Care Insurance Tax Credit.

All public service company franchise taxpayers must also file the public utility operating property return Form 17 which is not a part of this booklet.

## SPECIAL NOTICE

For all tax years beginning after December 31, 2006, the amount of Maryland-mined coal credit allowed against the public service company franchise tax and the State income tax must be certified by the Department of Assessments and Taxation. The application form to claim the credit for calendar year 2020 is included in this booklet. **No credit may be claimed for Maryland-mined coal purchased in a calendar year beginning after December 31, 2020.**

For further information concerning this credit, please contact the State Department of Assessments and Taxation, 301 West Preston St., Baltimore MD 21201, (410) 767-1940.

### Important reminders:

- Payments of \$10,000 or more are required to be remitted by electronic funds transfer (Please refer to regulations and detailed instructions which are part of this booklet).
- Enter the Department Identification Number and the Federal Identification Number (FEIN) on all forms, payments and correspondence.
- Attach copies of financial statements and a copy of the company's annual report as submitted to the appropriate regulatory authorities. **FAILURE TO FILE THE REQUIRED SUPPORTING DOCUMENTS WILL CAUSE THE RETURN TO BE INCOMPLETE.** (Please refer to the regulation on the Title 18, Subtitle 08 of this booklet).
- Sign and date the return.

Please visit our webpage at [www.dat.maryland.gov/Pages/franchise-and-public-utilities.aspx](http://www.dat.maryland.gov/Pages/franchise-and-public-utilities.aspx)

PUBLIC SERVICE COMPANY FRANCHISE TAX RETURN  
ELECTRIC AND GAS COMPANIES  
Report for the Calendar Year 2020  
(File this report on or before April 15, 2021)  
This date may not be extended

2020  
MARYLAND  
FORM  
No. 11

Date Received  
by Department

1. Name of Taxpayer \_\_\_\_\_  
2. Mailing Address \_\_\_\_\_ Zip Code \_\_\_\_\_  
3. State & Year of Incorporation (if Incorporated) \_\_\_\_\_  
4. Department I.D. # \_\_\_\_\_ Federal I.D. # \_\_\_\_\_  
(Required)

5. Franchise Tax Computation: As part of this return, attach financial statements and a copy of the entity's annual report as submitted to the regulatory authorities. **FAILURE TO FILE THE REQUIRED SUPPORTING DOCUMENTS WILL CAUSE THE RETURN TO BE INCOMPLETE.**

**PUBLIC SERVICE COMPANY - ELECTRIC**

A-I. Gross Receipts:

1. Total Electric Operating Revenues .....  
2. Less: Gross charges from the sale of electricity .....  
3. Less: Other Exclusion (Attach detailed schedule) .....  
4. Total Operating Revenues excluded from gross receipts (Add lines 2 & 3) .....  
5. Total Electric Operating Revenues subject to Franchise Tax (Subtract line 4 from line 1) .....  
6. Franchise Tax Rate ..... x ..... 2%  
7. **Franchise Tax based on Gross Receipts** (Multiply line 5 by line 6) .....

A-II. Delivery:

8. Number of kilowatt hours of electricity delivered for final consumption in Maryland .....  
9. Franchise Tax Rate for each kWh ..... x ..... .00062  
10. Franchise Tax Due based on Delivery (Multiply line 8 by line 9) .....  
**Credit for electricity delivered for final consumption to a single industrial customer for use in a production activity at the same location in the State**  
11a. .00002 per kWh in excess of 500 million up to 1,500 million kWh .....  
b. .000455 per kWh in excess of 1,500 million kWh .....  
c. Total credit (Add lines 11a and 11b) .....  
12. **Franchise Tax Due after Credit based on Delivery** (Subtract line 11c from line 10) .....

A-III. Total Franchise Tax Due:

13. Franchise Tax Due based on Gross Receipts (Enter line 7) .....  
14. Franchise Tax Due based on Delivery (Enter line 12) .....  
15. **Total Franchise Tax Due-Electric** (Add lines 13 & 14) .....

**PUBLIC SERVICE COMPANY - NATURAL GAS**

B-I. Gross Receipts:

1. Total Natural Gas Operating Revenues .....  
2. Less: Gross charges from sale of natural gas .....  
3. Less: Other Exclusion (Attach detailed schedule) .....  
4. Total Operating Revenues excluded from gross receipts (Add lines 2 & 3) .....  
5. Total Natural Gas Operating Revenues subject to Franchise Tax (Subtract line 4 from line 1) .....  
6. Franchise Tax Rate ..... x ..... 2%  
7. **Franchise Tax based on Gross Receipts** (Multiply line 5 by line 6) .....

B-II. Delivery:

8. Number of therms of natural gas delivered for final consumption in Maryland .....  
9. Franchise Tax Rate for each therm ..... x .00402  
10. Franchise Tax Due based on Delivery (Multiply line 8 by line 9) .....  
11. **Credit for natural gas delivered for final consumption to an industrial customer for use in a production activity in the State** (Multiply number of therms by .00402) .....  
12. **Franchise Tax Due after Credit based on Delivery** (Subtract line 11 from line 10) .....

B-III. Total Franchise Tax Due:

13. Franchise Tax Due based on Gross Receipts (Enter line 7) .....  
14. Franchise Tax Due based on Delivery (Enter line 12) .....  
15. **Total Franchise Tax Due-Natural Gas** (Add lines 13 & 14).....

C. FRANCHISE TAX COMPUTATION SUMMARY

1. Total Franchise Tax Due - Electric (Enter line 15 of A-III) .....  
2. Total Franchise Tax Due - Natural Gas (Enter line 15 of B-III) .....  
3. **Total Franchise Due - Electric & Natural Gas** (Add lines 1 & 2) .....

PAYMENTS AND CREDITS:

4a. 2020 Estimated Franchise Tax Payments .....  
b. Maryland-Mined Coal Credit (Attach required certification from SDAT).....  
c. Business Tax Credits as Computed on Form AT3-74, Part E, line 11 .....  
d. **Total Payments and Credits** (Add lines 4a through 4c) .....  
5. **Balance of Franchise Tax Due** (If line 3 exceeds line 4d, enter the difference) .....  
6. **Overpayment** (If line 4d exceeds Line 3, enter the difference) **Indicate if overpayment should be applied to estimated tax for 2021** ☐ **or be refunded** ☐

I declare under the penalties of perjury that this return, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct, and complete return.

Officer's (print name) .....	Preparer's Signature .....	Date .....
Officer's Signature .....	.....	.....
Date .....	.....	.....
Title .....	.....	.....

Firm's Name, address, e-mail address and phone number .....

**Make Checks Payable to Department of Assessments and Taxation**  
**Tax Payments of \$10,000 or more must be remitted by Electronic Funds Transfer**  
**If payment is made through EFT, check this box** ☐

**Please use the bank account number as indicated in the ACH credit tax payment instructions**

**Mail this form with payment to:**  
**Department of Assessments and Taxation**  
**Franchise Tax Unit**  
**301 West Preston Street**  
**Baltimore, Maryland 21201-2395**

**FOR ASSISTANCE, CALL: (410) 767-1940**

FOR DEPARTMENT USE ONLY

REPORT RECEIVED	POSTED	AUDITED	TAX DEFICIENCY	INTEREST/PENALTY
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STATE OF MARYLAND  
DEPARTMENT OF ASSESSMENTS & TAXATION  
FRANCHISE TAX UNIT  
301 West Preston Street  
Baltimore, Maryland 21201-2395

PUBLIC SERVICE COMPANY FRANCHISE TAX RETURN  
TELEPHONE COMPANIES  
Report for the Calendar Year 2020  
(File this report on or before April 15, 2021)  
This date may not be extended

2020  
MARYLAND  
FORM  
NO. 11T

Date Received  
by Department

1. Name of Taxpayer \_\_\_\_\_
2. Mailing Address \_\_\_\_\_ Zip Code \_\_\_\_\_
3. State & Year of Incorporation (if Incorporated) \_\_\_\_\_
4. Date Business Began in Maryland \_\_\_\_\_
5. Department I.D. # \_\_\_\_\_ Federal I.D. # \_\_\_\_\_  
Required)
6. Itemization of gross receipts and apportionment to Maryland (see enclosed regulations):

CLASS OF RECEIPT	Column 1 TOTAL COMPANY RECEIPTS	Column 2 MARYLAND RECEIPTS
a. Local Network Service Revenues		
b. Network Access Service Revenues		
c. Message Toll Revenues		
d. WATS		
e. Toll Private Line Revenues		
f. Other Toll Revenues		
g. Other Operating Revenues		
h. Rent Revenue		
i. Other Non-regulated Revenues		
j. Total Receipts (Add Lines 6a through 6i)		

**Franchise Tax Computation:** As part of this return, attach financial statements and a copy of the entity's annual report as submitted to the regulatory authorities. **FAILURE TO FILE THE REQUIRED SUPPORTING DOCUMENTS WILL CAUSE THE RETURN TO BE INCOMPLETE.**

7. Total Maryland Receipts (Enter line 6j, column 2).....
8. Deduct Exclusions from Gross Receipts:
- a. Net Uncollectible operating revenues .....
- b. Other Exclusions (Attach detailed description and computation).....
- c. Total Exclusions from Gross Receipts .....
9. Taxable Maryland Receipts (Subtract line 8c from line 7) .....
10. Tax (Multiply line 9 by 2%) .....

**Payments and Credits**

- 11a. 2020 Estimated Franchise Tax Payments.....
- b. Telephone Lifeline Credit (This credit may not exceed line 10 and may not be carried over; attach detailed computation and schedule) .....
- c. Business Tax Credits as Computed on Form AT3-74, Part E, line 11 .....
- d. Maryland - Mined Coal Credit (Attach required certification from SDAT) .....
- e. Total Payments and Credits (Add line 11a through 11d) .....

12. Balance of Franchise Tax Due (If line 10 exceeds line 11e, enter the difference) .....
13. Overpayment (If line 11e exceeds line 10, enter the difference)  
**Indicate if overpayment should be applied to estimated for 2021 or be refunded** .....
14. Does the taxpayer conduct business in more than one state?                      Yes                      No
15. Identify the amount of Taxable Maryland Gross Receipts (Line 9) that are attributable to interstate revenues \$ .....

**I declare under the penalties of perjury that this return, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct, and complete return.**

Officer's (print name) .....

Preparer's Signature .....

Officer's Signature .....

Date .....

Title .....

.....

Firm's Name, address, e-mail address and phone number .....

**Make Checks Payable to Department of Assessments and Taxation**  
**Tax Payments of \$10,000 or more must be remitted by Electronic Funds Transfer**  
**If payment is made through EFT, check this box**      ☐

**Please use the bank account number as indicated in the ACH credit tax payment instructions**

**Mail this form with payment to:**  
**Department of Assessments and Taxation**  
**Franchise Tax Unit**  
**301 West Preston Street**  
**Baltimore, Maryland 21201-2395**

**FOR ASSISTANCE, CALL: (410) 767-1940**

**FOR DEPARTMENT USE ONLY**

REPORT RECEIVED	POSTED	AUDITED	TAX DEFICIENCY	INTEREST/PENALTY

# BUSINESS TAX CREDITS For Calendar Year 2020

Name of Taxpayer \_\_\_\_\_

Department ID # \_\_\_\_\_ Federal ID # \_\_\_\_\_  
(required)

## SEE INSTRUCTIONS

### PART A: JOB CREATION TAX CREDIT \*\*Must Include Required Certification

1. Total number of qualified positions for the current year	
2. Multiply line 1 by \$1,000	
3. Enter 2.5 % of wages paid to each position on line 1	

### PART B: MARYLAND DISABILITY EMPLOYMENT TAX CREDIT

#### B-I: Credit for Employees with a Disability

1. Number of qualified employees first-year credit	
2. Number of qualified employees second-year credit	
3. Credit for first year ( 30% of first \$9,000.00 of wages paid to each employee)	
4. Credit for second year (30% of first \$9,000.00 of wages paid to each employee)	
5. Total (Add lines 3 and 4)	

#### B-II: Credit for Child Care and Transportation Expenses

6. Number of employees eligible for first-year credit	
7. Number of employees eligible for second-year credit	
8. Credit for first year (limited to a combined total of \$900 in child care and transportation expenses incurred for each qualified employee with a disability)	
9. Credit for second year (limited to a combined total of \$900 in child care and transportation expenses incurred for each qualified employee with a disability)	
10. Total (Add lines 8 and 9)	

**PART B: Summary**

11. Total Maryland Disability Employment Tax Credit for the current tax year (Add lines 5 and 10)	
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**PART C: COMMUNITY INVESTMENT TAX CREDIT \*\*Must Include Required Certification**

1. Amount of approved contributions	
2. Enter 50% of line 1	
3. Enter the amount from line 2 or \$250,000, whichever is less	

**PART D: EMPLOYER PROVIDED LONG-TERM CARE INSURANCE TAX CREDIT**

1. Enter 5% of long-term care insurance costs	
2. Multiply the number of eligible employees _____ by \$100	
3. Enter the lesser of line 1 or line 2	
4. Enter the lesser of line 3 or \$5,000	

**PART E: BUSINESS TAX CREDIT SUMMARY**

1. Total Job Creation Tax Credit from Part A, line 3	
2. Total Maryland Disability Employment Tax Credit from Part B, line 11	
3. Total Community Investment Tax Credit from Part C, line 3	
4. Total Employer Provided Long-Term Care Insurance Tax Credit from Part D line 4	
5. Total of current year credits (Add lines 1 through 4)	
6. Carry over of excess credits from previous year (Attach computation)	
7. Tentative credit (Add lines 5 and 6)	
8. Enter amount of any credit recapture (See instructions for Part A)	
9. Tentative credit after recapture (Subtract line 8 from line 7) If less than 0, enter negative amount.	
10. Enter tax from line C.3 of Form 11 or line 10 of Form 11T. If less than 0, enter 0.	
11. Allowable credit (Line 9 or 10, whichever is less). Also, enter this amount on, line C.4c of Form 11 or line 11c of Form 11T.	



**PART F: EXCESS CREDIT CARRYOVER CALCULATION**

**(If line 9 is less than or equal to line 10 of Part E, do not complete this section.)**

1. Enter amount from line 10 of Part E	
2. Enter amount from line 9 of Part E	
3. Excess credit carryover (Subtract line 1 from line 2)	

## BUSINESS TAX CREDITS

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### GENERAL INSTRUCTIONS

**Purpose of form.** Form AT3-74 is used by a public service company to claim credits against the franchise tax.

The tax credits available to be recorded on this form are: Job Creation Tax Credit, Maryland Disability Employment Tax Credit, Community Investment Tax Credit, and Employer Provided Long-Term Care Insurance Tax Credit.

### PART A - JOB CREATION TAX CREDIT

**General Requirements.** Certain businesses that create new qualified positions in Maryland may be eligible for tax credits based on the number of qualified positions created.

The business facility must be certified as having created at least 60 qualified positions, 25 qualified positions if the business facility established or expanded is in a State Priority Funding Area, or 10 qualified positions in a county with an annual average employment that is less than 75,000 or a median household income that is less than two-thirds of the statewide median household income.

A qualified position is a full-time position which pays at least 120% of the State minimum wage, is located in Maryland, is newly created as a result of the establishment or expansion of a business facility in a single location in the State and is filled. Qualified business entities are those that are certified as such by the Maryland Department of Commerce. A qualified employee is an employee filling a qualified position.

This credit is not refundable and is applied only against the Maryland State franchise tax. To the extent the credit is earned in any year and it exceeds the State franchise tax, the business is entitled to an excess carryover of the credit until it is used, or the expiration of five years after the credit is was earned, whichever comes first.

**Note: For credits certified prior to January 1, 2018, enter on line 12, Part D, 50% of the amount of the credits from the prior year.**

**Recapture Provision.** If, at any time during the three tax years after the year the credit was earned, the average number of qualified positions falls more than 5% below the average number of qualified positions during the year in which the credit was earned, a portion of the credit will be recaptured for the tax year in which this occurs.

The amount to be recaptured is the amount originally claimed multiplied by the percentage reduction in the number of qualified employees. The credit to be recaptured is reported on line 8, Part E of form AT3-74.

Certification of must be included with the Form AT3-74 when claiming this credit.

For certification or for information on the standards which businesses must meet to qualify, contact:

Maryland Department of Commerce  
Office of Finance Programs, Tax Incentives Group 401  
E. Pratt St., 17th Fl. Baltimore, MD 21202  
410-767-7234

### Specific Requirements.

#### Part Job Creation Tax Credit \*\*Must Include Required Certification

The amount of the approved credit is entered onto line 1, Part A.

**For credits certified prior to January 1, 2018 only,** enter on line 2, Part A, 50% of the amount of credits from the prior year . Add lines 1 and 2 to obtain the amount of Job Creation Tax Credits that may be claimed this year. Enter the result on line 3, Part A.

**No credits may be earned for any tax year beginning on or after January 1, 2022.**

### PART B - MARYLAND DISABILITY EMPLOYMENT TAX CREDIT.

**General Requirements.** Businesses that employ persons with disabilities as determined by the Division of Rehabilitation Services (DORS) in the Maryland State Department of Education and/or by the Maryland Department of Labor, Licensing and Regulation (DLLR) may be eligible for tax credits for wages paid to, and for child care expenses and transportation expenses paid on behalf of, the qualified employees. Qualifying employees with a disability are those who are certified as such by the DORS (or by the DLLR for a disabled veteran). A copy of the DORS or DLLR certification must be included with your tax return when claiming this tax credit.

For certification or for additional information, contact  
Maryland State Department of Education  
Division of Rehabilitation Services,  
Darlene Peregoy  
2301 Argonne Drive, Baltimore, MD 21218  
1-888-554-0334 or 410-554-9408

www.dors.maryland.gov  
or,  
Maryland Department of Labor 1100 N. Eutaw St., Room  
201 Baltimore, MD 21201  
410-767-2047.

A "Qualified Employee" with a disability means an individual who:

1. Meets the definition of an individual with a disability as defined by the Americans with Disabilities Act;
2. Has a disability that presently constitutes an impediment to obtaining, or maintaining employment or to transitioning from school to work; and,
3. Is ready for employment; or,
4. Is a veteran who has been discharged or released from active duty by the American Armed Forces for a service-connected disability.

An employee must not have been hired to replace a laid off employee or to replace an employee who is on strike or for whom the business simultaneously receives federal or state employment training benefits.

Qualifying child care expenses are those expenses incurred by a business to enable a qualified employee with a disability to be gainfully employed.

Transportation expenses are those expenses incurred by a business entity to enable a qualified employee with a disability to travel to and from work.

**Specific Requirements.**

**Part B-I Credit for employees with a disability hired.**

A credit is allowed for each new employee with a disability for a two-year period beginning with the year the employee was qualified. The credit for each disabled employee hired is equal to 30% of the first \$9,000 of qualified first year wages and 30% of the first \$9,000 of qualified second year wages.

The employer is not entitled to claim the credit until employment has continued for at least one full year unless the employee:

- (a) Voluntary leaves the employer;
- (b) Becomes further disabled or death occurs; or,
- (c) Is terminated for cause. The credit must be prorated for the portion of the year the employee worked unless the employee voluntarily left to take another job.

On line 1, Part B-1, enter the number of qualified employees in their "First Year" of employment. On line 2, Part B-1 Enter the number of qualified employees in their "Second Year" of employment.

On line 3, Part B-I, enter the credit equal to 30% of the first \$9,000 of wages paid to each first year qualified employee.

One line 4, Part B-1, enter the credit equal to 30% of the first \$9,000 of wages paid to each second year qualified employee.

On line 5, Part B-1, enter the sum of lines 3 and 4.

**Part B-II Credit for Qualified Care and Transportation Expenses.**

An additional credit is allowed for expenses incurred by the employer for approved day care services for a child or children of a qualified employee, or for transportation expenses that are incurred to enable a qualified employee to travel to and from work.

A credit of up to \$900 is allowed for the first year of employment and up to \$900 for the second year. To verify if a child care center qualifies as an approved provider, contact the Department of Human Resources, Child Care Administrator for the county or city in which the child care center is located.

On line 6, Part B-II, enter the number of qualified employees in their first year of employment on the "First Year" line. On line 7, Part B-II, enter the number of qualified employees in their second year of employment on the "Second Year" line.

On line 8, Part B-II, enter the credit equal to a combined total of \$900 in child care and transportation expenses per each "First Year" qualified employee with a disability.

On line 9, Part B-II enter the credit equal to a combined total of \$900 in child care and transportation expenses per each second year qualified employee with a disability.

On line 10, Part B-II, enter the sum of lines 8 and 9.

**Part B - Summary**

On line 11 Part B, enter the sum of lines 5 and 10.

Also the amount on line 11, Part B, becomes an addition modification. Whenever this credit is claimed against the franchise tax, an addition modification must be made in the amount of the credit claimed.

This credit is not refundable and applied only against the Maryland State franchise tax. To the extent the credit is earned in any year and it exceeds the State

franchise tax, the business is entitled to an excess carryover of the credit until it is used, or the expiration of five years, whichever comes first.

**PART C – COMMUNITY INVESTMENT TAX CREDIT**

Businesses or individuals who contribute to approved Community Investment Programs may be eligible for a credit against the Maryland State franchise tax. Contributions must be made to a nonprofit organization approved by the Department of Housing and Community Development (DHCD). The taxpayer must apply to and receive approval by the DHCD for each contribution for which a credit is claimed. The credit is limited to 50% of the approved contributions (including real property) not to exceed \$250,000.

**Note:** A copy of the required approval from the DHCD must be included with Form AT3-74.

**Specific Instructions**

Enter the amount of approved contributions on line 1, Part C.

Enter 50% of line 1 on line 2, Part C.

On line 3, enter the lesser of line 2 of \$250,000.

Also, enter this amount on line 3, Part E.

This credit is not refundable and is applied only against the Maryland State franchise Tax. To the extent the credit is earned in any year and it exceeds the State franchise tax, the individual or business is entitled to an excess carryover of the credit until it is used, or it expires five years after the credit was earned, whichever comes first.

For more information contact:

Department of Housing and Community Development  
Division of Neighborhood Revitalization

2 N. Charles St., Suite 450

Baltimore MD 21201

410-209-5817 or 410-290-5843

Melissa.Carter1@maryland.gov

barbara.kearney@maryland.gov

**PART D - EMPLOYER PROVIDED LONG-TERM CARE INSURANCE TAX CREDIT**

A credit is allowed for premiums paid by employers to provide long-term care insurance to their employees as part of their benefits package. The employer may claim a credit of 5% of the premiums paid during the tax year, or \$100 for each Maryland employee covered by long-term care insurance provided, whichever is less, but cannot be more than \$5,000.

**Specific Instructions**

On line 1, Part D, enter 5% of the long-term care insurance premiums paid as part of an employee benefit package.

On line 2, Part D, enter the number of employees within Maryland covered under the employee benefit package on the line provided.

Multiply this by \$100 and enter the result on line 2.

On line 3, Part D, enter the lesser of line 1 or line 2.

On line 4, Part D, enter the lesser of line 3 or \$5,000.

Also enter the amount from line 4, Part D, on line 4, Part E.

This credit is not refundable and is applied only against the Maryland State franchise tax. To the extent the credit is earned in any year and it exceeds the State franchise tax, the business is entitled to an excess carryover of the credit until it is used, or the expiration of five years after the credit is earned, whichever comes first.

State Department of Assessments and Taxation

301 West Preston Street

Baltimore, MD 21201-2395

410-767-1191

**PART E - BUSINESS TAX CREDIT SUMMARY**

This part is to summarize all available nonrefundable tax credits reported on this form. If the total credits available in a particular tax year exceed the State franchise tax developed for that year, the excess may not be refunded.

Enter on line 5, the total of the credits listed on lines 1 through 4.

Enter on line 6, the carryover of excess credits unable to be used on last year's return. This amount comes from line 3, Part F, from 2017 Form AT3-74

Add lines 5 and 6 and enter the result on line 7. This is the tentative tax credit.

On Line 8, enter the amount of recaptured tax credits (See Instructions for Part A).

Subtract line 8 from line 7 and enter the result on line 9.

On line 10, Part E, enter the franchise tax from your return. Public service companies will enter line C.3 of the MD Form 11 or line 10 of Form 11T on line 10, Part E.

On line 11, enter the lesser of line 9 or 10

An addition to income is required for credits from Part B.

These additions are comprised of line 2, from Part E. The totals of these amounts are included on line 4c

of Form 11, and Line 11c of Form 11T.

#### **PART F – EXCESS CREDIT CARRYOVER CALCULATION**

Most credits may not exceed the Maryland State franchise tax liability, but may be carried forward for a specified number of successive tax years or until fully applied. It is your responsibility to maintain a record of credits for which you qualify, credits that have been taken in prior years, and the amount of each credit that may be carried forward.

**2021**  
**DECLARATION OF ESTIMATED FRANCHISE TAX**  
**TELEPHONE, ELECTRIC, AND GAS COMPANIES**  
**FOR CALENDAR YEAR 2021**

Name of Taxpayer: \_\_\_\_\_

Address: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Department I.D.: \_\_\_\_\_ Federal I.D.: \_\_\_\_\_  
(Required)

ALL PUBLIC SERVICE COMPANY TAXPAYERS OF RECORD MUST USE THE DECLARATION OF ESTIMATED FRANCHISE TAX PREPRINTED VOUCHERS (FORM NO. 29E) TO SUBMIT QUARTERLY INSTALLMENTS. **SEE INSTRUCTIONS FOR COMPLETING THE DECLARATION OF ESTIMATED FRANCHISE TAX ON THE NEXT PAGE.**

**ESTIMATED FRANCHISE TAX WORKSHEET (Complete this worksheet to compute the estimated franchise tax due.)**

**A. PUBLIC SERVICE COMPANY-TELEPHONE**

1. Estimated Maryland Gross Receipts \_\_\_\_\_
2. Estimated Franchise Tax due for the year (Multiply line 1 by 2%)\* \_\_\_\_\_
3. Estimated Tax due per quarter (Multiply line 2 x 25%) \_\_\_\_\_

**B. PUBLIC SERVICE COMPANY- ELECTRIC AND GAS**

1. Estimated Maryland Gross Receipts \_\_\_\_\_
2. Estimated Franchise Tax due for the year (Multiply line 1 by 2%)\* \_\_\_\_\_
3. Estimated KWH of electricity delivered for final consumption in Maryland \_\_\_\_\_
4. Estimated franchise tax due for the year (Multiply line 3 by .00062)\* \_\_\_\_\_
5. Estimated THERMS of natural gas delivered for final consumption in Maryland \_\_\_\_\_
6. Estimated franchise tax due for the year (Multiply line 5 by .00402)\* \_\_\_\_\_
7. Total estimated franchise tax due for the year  
(Add lines 2, 4 and 6) \_\_\_\_\_
8. Estimated tax due per quarter (Multiply line 7 by 25%) \_\_\_\_\_

\*Estimated tax net of credits

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**RECORD OF INSTALLMENT PAYMENTS (Complete this record for your files)**

1. PRIOR YEAR (2020 OVERPAYMENT applied as a credit to estimated tax for 2021) \_\_\_\_\_

Date Due	Date Paid	Payment Document/ Check No.	
2. 15th day of the 4th month	_____	_____	_____
3. 15th day of the 6th month	_____	_____	_____
4. 15th day of the 9th month	_____	_____	_____
5. 15th day of the 12th month	_____	_____	_____
6. Total estimated tax payments for 2021 (Add lines 1 through 5). Claim this amount on line C.4a of Form 11, or line 11a of Form 11T.			_____

**ATTACH A COPY OF THIS WORKSHEET WITH THE FIRST QUARTERLY REMITTANCE OF THE TAX.**

**INSTRUCTIONS FOR COMPLETING THE DECLARATION OF ESTIMATED  
PUBLIC SERVICE COMPANY FRANCHISE TAX**

1. Sections 8-402 and 8-402.1 of the Tax General Article of the Maryland Code imposes a franchise tax on each public service company doing business in Maryland. A "public service company" means a person (a) engaged in a telephone business in Maryland; or (b) engaged in the transmission, distribution, or delivery of electricity or natural gas in Maryland. Please refer to the Department's regulations Title 18, Subtitle 8 Public Service Company Franchise Tax.
2. Each public service company that reasonably expects its franchise tax to exceed \$1,000 for the taxable year must make estimated tax payments. The total estimated tax payments for the year must be at least 90% of the tax developed for the current taxable year or 110% of the tax paid for the prior taxable year.
3. The declaration of estimated tax must be filed with the Department of Assessments and Taxation on or before the 15th day of the 4th, 6th, 9th, and 12th months following the beginning of the taxable year.
4. Each public service company required to file a declaration of estimated franchise tax shall remit by each of the four installment due dates at least 25% of the total estimated tax.
5. Maryland law provides for the accrual of interest and imposition of penalty for failure to pay any tax when due.
6. Franchise tax payments of \$10,000 or more must be remitted by electronic funds transfer. Please refer to the Department's regulations Title 18, Subtitle 11 Tax Payments.
7. Maryland law provides for the accrual of interest and imposition of penalty for failure to remit the tax by electronic funds transfer as required by the regulations.

Department of Assessments and Taxation  
Franchise Tax Unit  
301 West Preston Street  
Baltimore, Maryland 21201-2395  
For assistance, call: (410) 767-1940



**MARYLAND STATE DEPARTMENT OF ASSESSMENTS AND TAXATION  
DECLARATION OF ESTIMATED FRANCHISE TAX FOR  
TELEPHONE, ELECTRIC, AND GAS COMPANIES**

**FOR CALENDAR YEAR 2021**

<b>2021</b>	<b>PAYMENT VOUCHER 1</b>  <b>DUE APRIL 15, 2021</b>	<b>MARYLAND</b> <b>FORM 29E</b>
Federal I.D. Number _____  Department I. D. Number _____ <div style="text-align: right;">(Required)</div>	Enter Amount of Total Estimated Tax for the Year \$ _____  Enter Total Credit Carryover for the Year \$ _____	
<b>NAME</b>	1. Amount of this Installment \$ _____	
<b>ADDRESS</b>	2. Unused Credit Applied to this Installment \$ _____	
CITY OR TOWN                  STATE                  ZIP CODE	3. Amount of this Installment Payment \$ _____	
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">                 _____  <b>PRINT NAME OF OFFICER OR AGENT</b> </div> <div style="width: 45%;">                 _____  <b>E-MAIL ADDRESS</b> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;">                 _____  <b>SIGNATURE OF OFFICER OR AGENT</b> </div> <div style="width: 45%;">                 _____  <b>DATE</b> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;">                 _____  <b>TITLE</b> </div> <div style="width: 45%;">                 _____  <b>PHONE NUMBER</b> </div> </div>		
<b><u>RETURN THIS PAYMENT VOUCHER WITH REMITTANCE TO:</u></b> Department of Assessments and Taxation Franchise Tax Unit 301 West Preston Street Baltimore, Maryland 21201-2395		
Tax payments of \$10,000 or more must be remitted by electronic funds transfer. [    ] If remittance is made through EFT, mark the box and return this payment voucher to the Department.		
<b><u>Please use the bank account number as indicated in the ACH credit tax payment instructions</u></b>		

**MARYLAND STATE DEPARTMENT OF ASSESSMENTS AND TAXATION  
DECLARATION OF ESTIMATED FRANCHISE TAX FOR  
TELEPHONE, ELECTRIC, AND GAS COMPANIES**

**FOR CALENDAR YEAR 2021**

<b>2021</b>	<b>PAYMENT VOUCHER 2 DUE JUNE 15, 2021</b>	<b>MARYLAND FORM 29E</b>						
Federal I.D. Number _____  Department I. D. Number _____ <div style="text-align: right;">(Required)</div>	Enter Amount of Total Estimated Tax for the Year \$ _____  Enter Total Credit Carryover for the Year \$ _____							
<b>NAME</b>	1. Amount of this Installment \$ _____							
<b>ADDRESS</b>	2. Unused Credit Applied to this Installment \$ _____							
CITY OR TOWN                  STATE                  ZIP CODE	3. Amount of this Installment Payment \$ _____							
<table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border-top: 1px solid black; border-bottom: 1px solid black; padding: 10px 0;">PRINT NAME OF OFFICER OR AGENT</td> <td style="width: 50%; border-top: 1px solid black; border-bottom: 1px solid black; padding: 10px 0;">E-MAIL ADDRESS</td> </tr> <tr> <td style="border-top: 1px solid black; border-bottom: 1px solid black; padding: 10px 0;">SIGNATURE OF OFFICER OR AGENT</td> <td style="border-top: 1px solid black; border-bottom: 1px solid black; padding: 10px 0;">DATE</td> </tr> <tr> <td style="border-top: 1px solid black; border-bottom: 1px solid black; padding: 10px 0;">TITLE</td> <td style="border-top: 1px solid black; border-bottom: 1px solid black; padding: 10px 0;">PHONE NUMBER</td> </tr> </table>			PRINT NAME OF OFFICER OR AGENT	E-MAIL ADDRESS	SIGNATURE OF OFFICER OR AGENT	DATE	TITLE	PHONE NUMBER
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SIGNATURE OF OFFICER OR AGENT	DATE							
TITLE	PHONE NUMBER							
<p style="text-align: center;"><b><u>RETURN THIS PAYMENT VOUCHER WITH REMITTANCE TO:</u></b>            Department of Assessments and Taxation            Franchise Tax Unit            301 West Preston Street            Baltimore, Maryland 21201-2395</p> <p>Tax payments of \$10,000 or more must be remitted by electronic funds transfer. [    ]            If remittance is made through EFT, mark the box and return this payment voucher to the            Department.</p> <p><b><u>Please use the bank account number as indicated in the ACH credit tax payment instructions</u></b></p>								

**MARYLAND STATE DEPARTMENT OF ASSESSMENTS AND TAXATION  
DECLARATION OF ESTIMATED FRANCHISE TAX FOR  
TELEPHONE, ELECTRIC, AND GAS COMPANIES**

**FOR CALENDAR YEAR 2021**

<b>2021</b>	<b>PAYMENT VOUCHER 3 DUE SEPTEMBER 15, 2021</b>	<b>MARYLAND FORM 29E</b>						
Federal I.D. Number _____  Department I. D. Number _____ <div style="text-align: right;">(Required)</div>	Enter Amount of Total Estimated Tax for the Year \$ _____  Enter Total Credit Carryover for the Year \$ _____							
<b>NAME</b>	1. Amount of this Installment \$ _____							
<b>ADDRESS</b>	2. Unused Credit Applied to this Installment \$ _____							
CITY OR TOWN                  STATE                  ZIP CODE	3. Amount of this Installment Payment \$ _____							
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TITLE	PHONE NUMBER							
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**MARYLAND STATE DEPARTMENT OF ASSESSMENTS AND TAXATION  
DECLARATION OF ESTIMATED FRANCHISE TAX FOR  
TELEPHONE, ELECTRIC, AND GAS COMPANIES**

**FOR CALENDAR YEAR 2021**

<b>2021</b>	<b>PAYMENT VOUCHER 4</b> <b>DUE DECEMBER 15, 2021</b>	<b>MARYLAND FORM 29E</b>
Federal I.D. Number _____  Department I. D. Number _____ <div style="text-align: right;">(Required)</div>	Enter Amount of Total Estimated Tax for the Year \$ _____  Enter Total Credit Carryover for the Year \$ _____	
<b>NAME</b>	1. Amount of this Installment \$ _____	
<b>ADDRESS</b>	2. Unused Credit Applied to this Installment \$ _____	
CITY OR TOWN                  STATE                  ZIP CODE	3. Amount of this Installment Payment \$ _____	
<div style="display: flex; justify-content: space-between;"> <div style="width: 45%;">                 _____  <b>PRINT NAME OF OFFICER OR AGENT</b> </div> <div style="width: 45%;">                 _____  <b>E-MAIL ADDRESS</b> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;">                 _____  <b>SIGNATURE OF OFFICER OR AGENT</b> </div> <div style="width: 45%;">                 _____  <b>DATE</b> </div> </div> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%;">                 _____  <b>TITLE</b> </div> <div style="width: 45%;">                 _____  <b>PHONE NUMBER</b> </div> </div>		
<b><u>RETURN THIS PAYMENT VOUCHER WITH REMITTANCE TO:</u></b> Department of Assessments and Taxation Franchise Tax Unit 301 West Preston Street Baltimore, Maryland 21201-2395		
Tax payments of \$10,000 or more must be remitted by electronic funds transfer. [    ] If remittance is made through EFT, mark the box and return this payment voucher to the Department.		
<b><u>Please use the bank account number as indicated in the ACH credit tax payment instructions</u></b>		

## **ACH CREDIT OPTION**

To use the ACH Credit option, you must first contact your bank to determine if your bank offers ACH origination. Please have your bank complete the specific portion of the Authorization Agreement (Form EFT-1) as verification that your bank can conform to these standards. Also, please complete the contact person information before returning the form to the Franchise Tax Unit of the Department.

Supplemental filing information must be sent with your payment using the ACH standard CCD+ format and the TXP addenda record. The Cash Concentration or Disbursement (CCD) is the most basic form of ACH payment. The CCD format can be processed by all ACH-member banks. The TXP addenda record allows the format to carry additional characters of payment-related data. The TXP will be used for Department identification number, tax type code, tax period end date.

You will initiate the credit transaction through your bank to the state's bank account for the amount of your tax payment.

An ACH origination charge from your bank will be incurred by you if you select the ACH Credit option.

Important characteristics of the ACH Credit transactions are:

- \* Credit transactions require you to enter all payments related data in the standard CCD+TXP.
- \* The costs of the ACH Credit transactions are incurred by you.
- \* You are responsible for your own proof of payment.

## **ACH DEBIT OPTION**

To use the ACH Debit option, please have your bank complete the specific portion of the Authorization Agreement Form (EFT-1) as verification that your bank can conform to these standards. Also, please complete the contact person information before returning the form to the Franchise Tax Unit of the Department.

After we receive the Authorization Agreement, the State's service bureau will mail you specific instructions on the initiation of Electronic Funds Transfer. Using a telephone, you authorize each payment amount to be transferred from your bank account to the State's bank.

After completing the call, the Department of Assessments and Taxation is responsible for the successful completion of the transaction. The State's service bureau will provide you with a verification code indicating that you have completed the necessary steps for the initiation of the Electronic Funds Transfer.

Important characteristics of the ACH Debit transactions are:

It's easy - Just place a toll free call to make your tax payment.

It's predictable - Only the amount you specify will be transferred to the State's bank account and on the date specified.

It's accurate - The service bureau will provide a verification code as your proof of payment.

It's secure - Only you will have the password required to initiate a payment.

It's flexible - Extensive editing and correction data can be performed before the transaction is completed. This means that transactions are virtually error free.

It's inexpensive - Cost for an ACH Debit are primarily borne by the state. Your bank may have a nominal fee for processing the debit, but it is generally the same cost as a check or less.

# INSTRUCTIONS FOR SDAT EFT-1

**Section A - This section must be completed by ALL taxpayers.**

- **EFT contact person:** The primary contact person should be someone within your company who will be directly involved in all phases of the EFT registration process, systems implementation and the payment of the tax. You should also designate a secondary contact person.
- **Address:** Indicate the mailing address to be used for correspondence regarding electronic funds transfer.
- **Telephone number:** Indicate the telephone number(s) for the EFT contact persons.
- **Signature of officer:** Authorized signature of officer of the company.

**Section B - Complete this section only if you are choosing the ACH Debit option.**

- **Bank name:** Name of the bank you will be using for electronic funds transfer.
- **Bank address:** Indicate the address of the bank branch you will be using.
- **Bank account number:** The account number from which the State will draw debit entries.
- **Bank routing transit number:** Your bank's nine digit routing/transit number.
- **Printed name and signature of bank representative:** Include your bank representative's telephone number. You must have a bank representative confirm your bank account number and routing/transit number.
- **Signature of officer:** Authorized signature of officer of the company. This signature will authorize the Maryland Department of Assessments and Taxation Office to present debit entries.

**Section C - Complete this section only if you are choosing the ACH Credit option.**

- **Name and address of bank:** Provide the name and address of the bank you will be using for electronic fund transfers.
- **Printed name and signature of bank representative (include bank representative's telephone number).** You must have a bank representative sign this form to confirm that you and your bank are capable of initiating ACH Credit transactions in the CCD+TXP format. You cannot use the ACH Credit option unless your bank can initiate transactions in this form.

**Mail this completed form to:**

Department of Assessments and Taxation  
Franchise Tax Unit  
301 W. Preston Street  
Baltimore, Maryland 21201-2395

**FORM  
SDAT EFT-1****Department of Assessments and Taxation  
Authorization Agreement for Electronic Funds Transfer****Tax Type: Public Service Company Franchise Tax****Name of Corporation:****Department I.D. Number:**

THIS SECTION MUST BE COMPLETED BY ALL TAXPAYERS

<b>A</b>	<b>C O N T A C T  P E R S O N (S)</b>	Primary EFT contact person _____
		Address _____
		City _____ State _____ Zip _____ Telephone Number _____
		Secondary EFT contact Person _____
		Address _____
		City _____ State _____ Zip _____ Telephone Number _____
		Signature of officer _____ Title _____ Date _____

**CHOOSE ONLY ONE OF THE TWO PAYMENT OPTIONS BELOW**

<b>B</b>	<b>A C H  D E B I T</b>	<b><u>This section to be completed only if you choose the ACH DEBIT OPTION</u></b>
		If ACH Debit is chosen you authorize the Department of Assessments and Taxation to present debit entries to your bank for the tax identified above. Only you can initiate a debit by calling the state's service bureau and indicating the amount of tax to be paid by electronic funds transfer. An AUTHORIZED REPRESENTATIVE of your bank must complete this section of the form.
		Bank Name _____
		Bank Address _____
		City _____ State _____ Zip _____
		Bank account number _____ Bank routing/transfer number _____
		Printed name of bank representative _____ Telephone Number _____
		Signature of bank representative (optional) _____ Date _____
		Signature of Officer _____

<b>C</b>	<b>A C H  C R E D I T</b>	<b><u>This section to be completed only if you choose the ACH CREDIT OPTION</u></b>
		An AUTHORIZED REPRESENTATIVE of your bank must complete and sign this section confirming that you and your bank are capable of initiating ACH CREDITS in the required CCD+ TXP format.
		Bank Name _____
		Bank Address _____
		City _____ State _____ Zip _____
		Printed name of bank representative (optional) _____ Telephone Number _____
		Signature of bank representative _____ Date _____

## **MARYLAND ACH CREDIT TAX PAYMENT INSTRUCTIONS PUBLIC SERVICE COMPANY FRANCHISE TAX**

The Department provides for the payment of franchise taxes by means of Electronic Funds Transfer. Tax payments may be made by sending an Automated Clearing House (ACH) CCD+ record to:

Routing/Transit #1210000248	- Wells Fargo Bank, N.A.
Bank Account # 4104095823	- Maryland Department of Assessments & Taxation

The Automated Clearing House (ACH) CCD+ record should include the following information in the receiver defined "individual name" field of the entry detail record,

240300 ASSESS TAX

and a TXP addendum convention in the addendum record "Payment Related Information" field. An example of the TXP addendum convention is attached.

### **PLEASE NOTE:**

- (1) TXPO1 field must contain the nine digit Department identification number assigned by the Department of Assessments and Taxation.
- (2) TXPO2 field must contain "04600" for a public service company franchise tax payment.
- (3) TXPO3 field must contain the ending date of the tax period in YYMMDD format.
- (4) TXPO4 field must contain "T".
- (5) TXPO5 field must contain the amount of taxes due as reported for this period. Amounts are to be positive and entered without dollar signs, commas or decimal points.

Each field, even blank fields, must be separated by an \* and the entire record must be followed by \.

Any questions concerning these instructions or the record layout should be directed to the Department of Assessments and Taxation at (410) 767-1940.



EXAMPLE OF AN ACH CREDIT RECORD LAYOUT

Name of Taxpayer: ABC Telephone, Inc.  
Account Number: F01234567  
Type of Tax: Public Service Company Franchise Tax (04600)  
Amount Due: \$10,000.00

CODES

M - Mandatory  
O - Optional  
C - Conditional

For Tax Period Ending: December 31, 2021

ENTRY DETAIL RECORD

DATA ELEMENT NAME	RECORD TYPE CODE	TRANSACTION CODE	RECEIVING DPI IDENTIFICATION	CHECK DIGIT	DPI ACCOUNT NUMBER	AMOUNT	INDIVIDUAL IDENTIFICATION NUMBER	INDIVIDUAL NAME	DISCRETIONARY DATA	ADDENDA RECORD INDICATOR	TRACE NUMBER
Field Requirement	M	M	M	M	M	M	O	M	O	M	M
Contents	6	22	1210000248	3	4104095823	1000000		240300 Assess Tax		1	
Length	1	2	8	1	17	10	15	22	2	1	15
Position	01-01	02-03	04-11	12-12	13-29	30-39	40-54	55-76	77-78	79-79	80-94

ADDENDUM RECORD

DATA ELEMENT NAME	RECORD TYPE CODE	ADDENDA TYPE CODE	PAYMENT RELATED INFORMATION	SPECIAL ADDENDA SEQUENCE NUMBER	ENTRY DETAIL SEQUENCE NUMBER
Field Requirements	M	M	M	M	M
Contents	7	05	TXP*F01234567*04600*211231*T*1000000* * * * * \	1	
Length	1	2	80	4	7
Position	01-01	02-03	04-83	84-87	88-94

**MARYLAND**  
**Electronic Funds Transfer**  
**ACH DEBIT OPTION OF PUBLIC SERVICE COMPANY FRANCHISE TAX**

=====

**IMPORTANT: TO BE CONSIDERED TIMELY, YOUR CALL MUST BE COMPLETED BY 2:00 P.M. (EST/EDT) ON THE LAST BANKING DAY PRIOR TO THE DUE DATE. Operators are available 24 hours per day 365 days per year to take your payment information.** We encourage you to call in advance of the final day to avoid last minute delays. Your account will not be debited until the date you designate as the debit date.

Before calling to report your tax payment, be sure to have the following information readily available:

**\*MARYLAND DEPARTMENT IDENTIFICATION NUMBER**

“MD” followed by the 9 nine digit Department identification number assigned by the Department of Assessments and Taxation

**\*PASSWORD**

A temporary password of 0000 has been assigned. You must change this code at the time you report your first tax payment. The new code must consist of four numeric characters.

**\*TAX TYPE CODE**

The tax Type Code for a Public Service Company Franchise payment is “04600”

**\*TAX PERIOD ENDING DATE**

MMDDYY Format.  
(E.g., December 31, 2021 would be 123121)

**\*TAX PAYMENT**

Amount of Public Service Company franchise taxes being paid.

**\*DEBIT DATE**

The exact date you wish your account to be debited in MMDDYY format.

**\*VERIFICATION CODE**

This 2-digit code is a calculation you must report to ensure the Tax Payment amount is communicated correctly. The calculation will also be computed by the system. The verification code you report must match the system-generated code for the transaction to continue.

Example: Assume a total payment of \$20,215.17

- A. Total all digits:  
 $2+0+2+1+5+1+7=18$
  - B. Count the number of digits:  
 $2,0,2,1,5,1,7=7$
  - C. Add A and B:  $(18+7=\text{verification code of } 25)$
- NOTE:** The verification code for \$0.00 is 01

When you have the above information.....**CALL 1-800-228-1177 OR 1-800-234-5653.**

## VOICE ENTRY INSTRUCTIONS

1. Operator: "This is operator # \_\_\_\_\_. May I help you?"  
Caller: "I have a tax payment to report. My Maryland Department identification number is MD\_\_\_\_\_."
2. Operator: "Welcome to Maryland's Electronic Funds Transfer Program. May I have your **PASSWORD** please?"  
Caller: "MY PASSWORD IS \_\_\_\_\_."
3. Operator: "What is your **TAX TYPE CODE**?"  
Caller: "MY TAX TYPE CODE IS 04600."
4. Operator: "Is this a **PAYMENT, CANCELLATION or INQUIRY**?"  
Caller: "Payment."
5. Operator: "What is your **Tax Period Ending Date**?"  
Caller: "MY TAX PERIOD ENDING DATE IS \_\_\_\_\_.(MMDDYY)"
6. Operator: "What is the date your bank account is to be debited?"  
Caller: "MY ACCOUNT IS TO BE DEBITED ON \_\_\_\_\_.(MMDDYY)"
7. Operator: "What is your **TAX PAYMENT** amount?"  
Caller: "MY TAX PAYMENT AMOUNT IS \_\_\_\_ dollars and cents."
8. Operator: "What is your **VERIFICATION CODE**?"  
Caller: "MY VERIFICATION CODE IS \_\_\_\_\_." (2-DIGITS)
9. Operator: "Your **REFERENCE NUMBER** IS \_\_\_\_\_."

**NOTE:** Please record this number for your records. It is proof of the call and is required if you need to cancel the payment information up until the day prior to the debit date.

10. Operator: "Do you have another Maryland tax transaction?"  
Caller: "Yes" or "No".

**NOTE:** If **NO**, the call is ended. If **YES**, you have the option of performing another function (payment, cancellation or inquiry) on the same I.D. or any other Tax I.D. Please follow the VOICE ENTRY INSTRUCTIONS for that particular tax type.

**MARYLAND**  
**Electronic Funds Transfer**  
**INQUIRIES/CANCELLATIONS FOR ACH DEBIT OPTION OF**  
**PUBLIC SERVICE COMPANY FRANCHISE TAX**

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**NOTE: ONLY PAYMENT TRANSACTIONS THAT HAVE NOT BEEN TRANSMITTED WILL BE AVAILABLE FOR INQUIRY AND/OR CANCELLATION.**

**AN INQUIRY AND/OR CANCELLATION CAN BE MADE IN THE SAME PHONE CALL AS A TAX PAYMENT OR AS A SEPARATE CALL.**

Before calling, please have the following information readily available:

**\*MARYLAND DEPARTMENT IDENTIFICATION NUMBER:**

“MD” followed by the 9 nine digit Department identification number assigned by the Department of Assessments and Taxation

**\*PASSWORD**

Your 4 digit password.

**\*REFERENCE NUMBER:**

If performing a cancellation, the five-digit reference number corresponding to the transaction in question is required. (If unavailable, request an inquiry to obtain the particular reference number.)

**\*PAYMENT AMOUNT/INFORMATION:**

Payment amount and all information reported for the payment transaction.

**INQUIRIES**

**CALL 1-800-234-5653 or 1-800-228-1177**

1.     Operator:             “This is operator# \_\_\_\_\_. May I help you?”  
       **Caller:**             **“I would like to perform an inquiry on a tax report.  
My MARYLAND Department identification number is MD.”**
2.     Operator:             “Welcome to Maryland’s Electronic Funds Transfer Program.  
May I have your PASSWORD please?”  
       **Caller:**             **“MY PASSWORD IS \_\_\_\_\_.”**
3.     Operator:             “What is your **TAX TYPE CODE?**”  
       **Caller:**             **“04600”**
4.     The operator may reconfirm the desired function by asking, “Is this a **PAYMENT, CANCELLATION, or INQUIRY?**”  
       **Caller:**             **“INQUIRY.”**
5.     The operator will read the recorded payment that has not been transmitted. If multiple payments were captured, the operator will read the most recent information, then respond with, “Do you wish to see the previous payment?”.
6.     Caller:                “Yes.” (When you wish to continue your inquiry.)  
                                “No.” (When you wish to end the call)

## CANCELLATIONS

**NOTE:** Any type of change requires a complete cancellation of the transaction in question and a re-entry of the corrected information. A cancellation and re-entry must be completed by 2:00 P.M. EST/EDT on the last banking day prior to the debit date specified. If the debit date falls on a weekend or legal holiday, your call must be completed by 2:00 P.M. EST/EDT on the last day prior to the weekend or holiday.

**CALL 1-800-228-1177 or 1-800-234-5653**

### **VOICE ENTRY INSTRUCTIONS**

1.     Operator:             "This is operator # \_\_\_\_\_. May I help you?"  
       **Caller:**             **"I would like to cancel a tax report.  
                                  My identification number is MD\_\_\_\_\_."**
2.     Operator:             "Welcome to Maryland's Electronic Funds Transfer Program.  
                                  May I have your **PASSWORD** please?"  
       **Caller:**             **"MY PASSWORD IS \_\_\_\_\_."**
3.     Operator:             "What is your **TAX TYPE CODE**?"  
       **Caller:**             **"04600".**
4.     The operator may reconfirm the desired function by asking, "Is this a **PAYMENT,**  
                                  **CANCELLATION, or INQUIRY?**"  
       **Caller:**             **"CANCELLATION."**
5.     Operator:             "What is the **REFERENCE NUMBER** of the tax report you wish  
                                  to cancel?"  
       **Caller:**             **"MY REFERENCE NUMBER IS \_\_\_\_\_."**
6.     Operator:             "Are you sure you want to **CANCEL** this transaction?"  
       **Caller:**             **"Yes" or "No."**

**NOTE:** The operator will repeat the information to be canceled upon request.

7.     Operator:             "Do you have **ANOTHER** Maryland tax transaction?"  
       **Caller:**             **"Yes" or "No."**

**NOTE:** If **YES**, you have the option of performing another transaction for the same ID and TAX TYPE, or an entirely different ID. If you wish to perform a transaction on another ID, please use the VOICE ENTRY INSTRUCTIONS for that tax type. If **NO**, the call is ended.

**REMINDER:** Upon cancellation of a payment, the corrected information must be re-entered.

**TAX CREDIT FOR MARYLAND-MINED COAL**  
**APPLICATION FORM**  
**For Calendar Year 2020**  
(File this application form by January 15, 2021)

**2020**

**General Information:**

Legal Entity Name \_\_\_\_\_

Mailing Address \_\_\_\_\_

Department ID Number \_\_\_\_\_ Federal Tax ID Number \_\_\_\_\_

State the class of utility service furnished by the entity \_\_\_\_\_

Telephone Number \_\_\_\_\_

E-mail Address \_\_\_\_\_

Name & phone number/e-mail address of contact person regarding this application: \_\_\_\_\_

Check the tax you intend to use this credit against. (Choose only one tax).

☐ Public service company franchise tax

☐ State corporate income tax

Tax year by (check one): ☐ Calendar year or ☐ Fiscal year from \_\_\_\_\_ to \_\_\_\_\_

**Specific Information:**

**1. Number of tons of Maryland-mined coal purchased in the calendar year** \_\_\_\_\_

**2. Total tax credit claimed (multiply line 1 by \$ 3.00)** \$ \_\_\_\_\_

**3. Number of tons on line 1 that was used by a facility in Maryland** \_\_\_\_\_

**4. Portion of tax credit claimed under line 2 for the purchase of coal and used in a Maryland facility (multiply line 3 by \$ 3.00)** \$ \_\_\_\_\_

Along with this application form, please submit documentations as evidence that the coal was purchased from a mine that extracted the coal from a location in Maryland. These include the following information:

- a. the name(s) of the coal producer from whom the coal was purchased,
- b. non-transferable certification from the coal producer that the coal was mined in Maryland,
- c. copy of the original invoice(s) showing the tonnage of Maryland-mined coal purchased in the calendar year,
- d. summary, by tonnage and amount, of coal purchased in the calendar year and used in a facility in Maryland, as well as of coal purchased and brokered to others.

**I declare under the penalties of perjury that this application and all attachments have been examined by me and to the best of my knowledge and belief are true and accurate.**

**By:** \_\_\_\_\_  
(Signature) (Print name and title) (Date)

**Title 18**  
**DEPARTMENT OF ASSESSMENTS AND TAXATION**

**Subtitle 08 PUBLIC SERVICE COMPANY FRANCHISE TAX**

**Chapter 01 Administration**

Authority: Tax-Property Article, §2-201; Tax-General Article §§8-402,  
8-402.1, and 8-408;  
Annotated Code of Maryland  
Chapter 792. Acts of 1988

**.01 Definitions**

- A. In these regulations the following terms have the meanings indicated.  
B. Terms Defined.

(1) "Company" means a person engaged in electric, gas, or telephone business in this State. "Company" includes an individual, partnership, corporation, receiver or other entity.

(2) "Department" means the State Department of Assessments and Taxation.

(3) "Electric company" means a company engaged in the transmission, distribution, or delivery of electricity in the State.

(4) "Gas company" means a company engaged in the transmission, distribution or delivery, of natural gas in the State.

(5) Gross Receipts.

(a) "Gross receipts" means the total receipts that occur as a result of the company doing business in the state as an electric, gas, or telephone company during the calendar year. For gas and electric companies, "gross receipts" means all revenues included in the operating revenue accounts as prescribed by the Federal Energy Regulatory Commission, unless otherwise specified by Maryland law or regulation.

(b) For a telephone company providing interstate long distance telecommunications service, gross receipts are computed based on services charged to a Maryland address. The revenues include the gross charges from the sale of long distance telecommunications service that originates or terminates in Maryland and for which a charge is made to a service address located in the State, regardless of where the amount is billed or paid.

(c) Gross receipts includes all surcharges imposed on customers, including the environmental surcharge and surcharges to recover State or local taxes imposed on the company.

(d) Exclusions from gross receipts are as provided in Tax-General Article, §8-401(c) Annotated Code of Maryland.

(6) "State" means:

- (a) A state, possession or territory of the United States;
- (b) The District of Columbia; or
- (c) The Commonwealth of Puerto Rico.

(7) "Tax" means the public service company franchise tax imposed under Tax-General Article, §§8-402 and 8-402.1, Annotated Code of Maryland.

(8) Telecommunications service.

(a) "Telecommunications service" means the:

(i) Transmission of any interactive electromagnetic communications, including voice, image, data, and any other information, by means of wire, cable, fiber optics, laser, microwave, radio wave, satellite, or other facility, or any combination of these media; or

(ii) Provision of facilities and services for the transmission of any interactive electromagnetic communications.

(b) "Telecommunications service" includes:

- (i) Basic telephone service, including any facility or service provided in connection with basic telephone service;
- (ii) Toll telephone service and teletypewriter or computer exchange service;
- (iii) Business service; and
- (iv) Directory assistance.

(9) Telephone Company.

(a) "Telephone company" means a company that owns lines for the reception, transmission, or communication of messages by telephone or teletype, or that lets, licenses, or sells telecommunications service.

(b) "Telephone company" includes companies operating as local exchange carriers, inter exchange carriers, or resellers of telecommunications service.

(c) "Telephone company" does not include a radio common carrier, a person that owns a customer-owned coin operated telephone, or a company that owns and operates lines for telecommunications service exclusively for its own use.

**.02 Companies Subject to the Tax**

- A. The tax has two parts:

(1) A gross receipts tax on electric, gas, and telephone companies; and

(2) For electric and gas companies, a tax based on the kilowatt hours of electricity or therms of natural gas delivered by the company for final consumption in the State.

B. County and municipal utilities and nonprofit electric cooperatives are not subject to the gross receipts tax, but are subject to the tax based on kilowatt hours of electricity delivered. County and municipal utilities are not subject to the tax based on therms of natural gas delivered.

C. An interstate natural gas pipeline is subject to both the gross receipts tax and the tax based on therms of natural gas delivered if the company delivers natural gas for final consumption to a customer in this State.

**.03 Inter-Company Transactions.**

A. The incidence of the gross receipts tax is intended to fall on a company providing services to the ultimate retail consumer. Therefore, in order to avoid taxing the same transaction more than once, any revenues received by a company for services that will later be resold may not be considered gross receipts as long as the reseller is subject to the tax on those revenues in this State or any other state. For example:

(1) Network access, billing, or other revenues derived from the provision of exchange access or other services to an inter exchange carrier are not considered gross receipts for a local exchange carrier;

(2) Revenues derived from the transmission of gas or electricity to another gas or electric company for the purpose of resale are not considered gross receipts.

B. The amount and type of all revenues excluded from gross receipts shall be clearly identified in the filing of the annual tax return. The information necessary to support the amount of the exclusions shall be retained and made available to the Department upon request or audit.

**.04 Filing Forms and Additional Information.**

A. Forms shall be filed with the Department at the locations specified on the form.

B. Each report, application, or response filed for the tax shall be made under oath with a declaration preceding the signature of the author that it is made under penalties of perjury.

C. A company that anticipates a total tax liability of at least \$1,000 for a taxable year shall file a declaration of estimated tax with the Department by April 15 of the taxable year. The company shall pay the Department an amount equal to at least 25 percent of the tax liability for the full taxable year on April 15, June 15, September 15, and December 15.

D. On or before March 15 annually, each company shall file with the Department a return detailing all operating and non-operating revenues for the preceding calendar year.

(1) A check made payable to the Department for the remaining tax due for the period covered by the return; and

(2) Financial statements and a copy of the company's annual report as submitted to the appropriate regulatory authorities.

E. If a company fails to file the return as required under this regulation, the Department will mail to the company a notice and demand for the return. If the return is not filed within 30 days of the mailing of the notice, the Department will estimate the company's operating revenues and assess an additional penalty of up to 25 percent of the estimated tax liability.

F. Returns Filed Without Supporting Documents.

(1) If a company files a return but fails to include financial statements and a copy of the company's annual report as required in §D(2) of this regulation, the Department will mail to the company a notice and demand for the supporting documents. If the supporting documents are not filed within 30 days of the mailing of the notice, the Department will estimate the company's operating revenues and assess an additional penalty of up to 25 percent of the estimated tax liability.

(2) If, at the time of filing a return, a company's annual report has not been submitted to the appropriate regulatory authorities, the company shall furnish to the Department the date that it is due to be submitted. If the company's annual report is not filed with the Department within 30 days of the date that it is due to be submitted, the Department will mail to the company a notice and demand for the annual report. If the annual report is not filed within 30 days of the mailing of the notice, the Department will estimate the company's operating revenues and assess an additional penalty of up to 25 percent of the estimated tax liability.

G. A company claiming tax credits shall include with the annual return information detailing the basis for the calculation of the credit. In order to qualify for a Maryland-mined coal tax credit, a company must be able to document that the coal was directly purchased from a mine that extracted the coal from a location in Maryland.

H. A long distance telephone company shall be allowed a credit for the amount paid, not to exceed the Maryland tax due, upon proof that it has paid a properly due excise, sales and use, or gross receipts tax in another state on a sale from which the gross receipts are subject to Maryland tax.

**.05 Assessments, Appeals, and Penalties.**

A. If, after an audit of the tax return, the Department determines that the tax is more than the amount shown on the return; the Department will mail to the company a deficiency assessment for taxes due.

B. Interest and penalty shall be imposed if a company fails to pay an installment when due, or estimates a tax that is less than 90 percent of the amount due for the current taxable year and less than 110% of the tax paid for the prior taxable year.

C. Failure to file a return or pay the tax when due will result in the imposition of interest and penalty.

D. A company may appeal an assessment within 30 days of the date of mailing of the assessment by applying in writing to the Department for a revision or abatement of amounts due. The company may request an informal hearing on the issue. Following the application or hearing, the Department will take appropriate action and issue a final assessment to the company.

E. A company may appeal a final assessment to the Maryland Tax Court within 30 days after the date of mailing of the final assessment.

**Title 18**  
**DEPARTMENT OF ASSESSMENTS AND TAXATION**

**Subtitle 11 TAX PAYMENTS**

**Chapter 01 Tax Payments - Immediately Available Funds**

Authority: Tax-Property Article, §2-201; Tax-General Article §13-104,  
Annotated Code of Maryland

**.01 Definitions.**

- A. In this chapter, the following terms have the meanings indicated.  
B. Terms Defined.

(1) "ACH credit" means a transaction in which a taxpayer, through the taxpayer's bank and an automated clearing house, originates an entry crediting the State's bank account and debiting the taxpayer's bank account for the amount of the payment due.

(2) "ACH debit" means a transaction in which the Treasurer through a designated depository bank and an automated clearing house, originates an ACH transaction debiting the taxpayer's bank account and crediting the State's bank account for the amount of the payment due.

(3) "Automated clearing house (ACH)" means a central clearing facility operated by:

(a) A federal reserve bank; or

(b) An organization established by agreement with the National Automated Clearing House Association (NACHA) which:

(i) Operates as a clearing house for transmitting or receiving entries between banks and bank accounts, and

(ii) Authorizes an electronic transfer of funds between banks or bank accounts.

(4) "Business day" means the hours between 8 a.m. and 5 p.m. prevailing Eastern time, on a day other than a Saturday, Sunday or any holiday as defined in Tax-General Article, §1-201(a), Annotated Code of Maryland.

(5) "Department" means the State Department of Assessments and Taxation or its designee.

(6) "Immediately available funds" means an ACH credit, ACH debit, U.S. currency or wire transfer.

(7) "Person" means an individual, receiver, trustee, guardian, personal representative, fiduciary or representative of any kind, and any partnership, firm, association, corporation or other entity.

(8) "Tax" means financial institution franchise tax or public service company franchise tax, including any interest, penalty or fees.

(9) "Taxpayer" means any person required to pay a tax or file a return or a report.

(10) "TXP" means the tax payment addendum convention for use with the National Automated Clearing House Association's "CCD Plus" format application.

(11) "Wire transfer" means a transaction in which a taxpayer, through the taxpayer's bank, originates an entry which credits the State's bank account and debits the taxpayer's bank account on the same day the transaction is initiated.

**.02 Requirements for Payment by Immediately Available Funds.**

A. A taxpayer whose unpaid tax liability is \$10,000 or more shall remit payment by immediately available funds pursuant to the following:

(1) Except as provided in A(2) and (3) of this regulation, tax payment shall be made by using ACH credit;

(2) Tax payment by ACH debit may be used if the taxpayer receives prior approval from the Department;

(3) Tax payment by wire transfer may be used if the taxpayer:

(a) Initiates an ACH credit or authorizes an ACH debit transaction which fails,

(b) Receives prior approval from the Department, and

(c) Assumes all costs associated with the wire transfer transaction.

B. Additional instructions which may be provided by the Department shall be followed by the taxpayer.

C. A separate ACH credit, ACH debit, or wire transfer as allowed under §A of this regulation shall be made for each type of tax and for each period for which the tax is due.

D. A taxpayer may satisfy the obligation to remit payment in immediately available funds by physical delivery of U.S. currency, with the appropriate return, on or before 1 p.m. on the due date of the obligation, to the Department of Assessments and Taxation, 301 West Preston Street, Baltimore, Maryland 21201.

**.03 Registration.**

A person making a payment by ACH debit, or as an agent for a taxpayer, may be required to register with the Department before initiation of an ACH tax payment.

**.04 Use of ACH Payments.**

A. General. A taxpayer using the ACH payment method shall make the appropriate arrangements to initiate the payment so that the transfer is executed on the date payment is due.

B. ACH Debit.

(1) A taxpayer shall furnish to the Department the banking information necessary to generate ACH debits against the taxpayer's designated account.

(2) When a taxpayer's information used to generate ACH debit against the taxpayer's account changes, the taxpayer shall provide the new banking information to the Department 30 days before initiating an ACH transaction.

C. ACH Credit.

(1) A taxpayer using the ACH credit payment method shall initiate each payment of tax by contacting its own financial institution and requesting the institution to transfer both the appropriate identifying information and payment to the State's depository bank via an ACH credit.

(2) The taxpayer shall remit an ACH credit transaction with an addendum record formatted in accordance with the appropriate TXP convention.

**.05 Miscellaneous Filing and Reporting Provisions.**

A. The Department may require persons remitting taxes by ACH credit, ACH debit or wire transfer method to file an annual reconciliation report.

B. A taxpayer who remits taxes by ACH credit, ACH debit or wire transfer method shall indicate that fact on all tax returns required to be filed for that period for which tax payment is being made.



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