



FORM 1 INSTRUCTIONS 2018

ANNUAL REPORT AND PERSONAL PROPERTY TAX RETURN

An Annual Report must be filed by all business entities formed, qualified or registered to do business in the State of Maryland, as of January 1st.

• WHO MUST FILE THE ANNUAL REPORT

The Annual Report is a required filing for all business entities, regardless of whether the business owns property, generates income or has conducted business activity in Maryland during the preceding year. This includes the following entity types, both Domestic and Foreign:

- ✓ Stock, Tax Exempt Non-Stock, Non-Stock, Religious, Close, Benefit and Professional Corporations,
- ✓ Limited Liability Companies & Benefit LLCs,
- ✓ Limited Liability Partnerships, Limited Partnerships & Limited Liability Limited Partnerships,
- ✓ Statutory (Business Trusts), Real Estate Investment Trusts

Failure to file the Annual Report may result in the forfeiture of the entity's right to conduct business in the State of Maryland.

REMINDER: To ensure proper filing, include your **SDAT Department ID** on your report, where requested, and on all communications with SDAT. Annual Reports filed without a **Department ID** will be not be accepted, causing delays and possible late fees.

• WHEN TO FILE

The deadline to file for 2018 is April 16th. (April 15th falls on a Sunday this year.) Annual Reports that are postmarked by COB on April 16th will be considered timely.

You may request a 60 day extension of the filing deadline, at no cost, by visiting <http://pprextensions.dat.maryland.gov/> Extension requests must be made before April 16th.

• WHERE TO FILE

We have expanded the types of entities that can file online this year through **Maryland Business Express**. Please visit the website to learn more: (<https://egov.maryland.gov/BusinessExpress>) Filings may be submitted in person by visiting our Public Services Center at our Headquarters in Baltimore. The address is:

**State of Maryland - State Center
301 W. Preston Street, Room 801
Baltimore, Maryland 21201**

Filings may also be submitted by mail. Be sure to sign the Annual Report and include a check or money order for the full amount of any required filing fee. Send the completed package to:

**Maryland Dept. of Assessments and Taxation
Annual Report
PO Box 17052
Baltimore, Maryland 21297-1052**

All other correspondence, including Amended Annual Reports, should be sent to:

**Maryland Dept. of Assessments and Taxation
Charter/Legal Division
301 W. Preston Street, Room 808
Baltimore, Maryland 21201-2395**

• FILING FEES

The filing fee for most business entities is \$300. The fee must accompany the Annual Report in order for the report to be accepted by SDAT. Failure to include the filing fee will result in SDAT not accepting the report which may cause delays and/or late filing fees.

• **FILING FEES (con't)**

<u>Types of Business</u>	<u>ID # Prefix</u>	<u>Filing Fee</u>
Domestic Stock Corporation	D	\$300
Foreign Stock Corporation	F	\$300
Domestic Non-Stock Corporation	D	\$0
Foreign Non-Stock Corporation	F	\$0
Foreign Insurance Corporation	F	\$300
Foreign Interstate Corporation	F	\$0
Domestic Limited Liability Company	W	\$300
Foreign Limited Liability Company	Z	\$300
Domestic Limited Partnership	M	\$300
Foreign Limited Partnership	P	\$300
Domestic Limited Liability Partnership	A	\$300
Foreign Limited Liability Partnership	E	\$300
Domestic Statutory Trust	A	\$300
Foreign Statutory Trust	S	\$300
Real Estate Investment Trust	D	\$300
SDAT Certified Family Farm	A,D,M,W	\$100
Amended Returns	ALL	\$0

The filing fee must be paid regardless of whether the business owns property in Maryland, generates any income in Maryland or conducts any business in Maryland.

Checks and money orders should be made payable to "SDAT" and include the business' SDAT Department ID.

Corporations not authorized to issue capital stock are not required to pay a filing fee.

The filing fee for SDAT Certified Family Farms is \$100 beginning the year *following* its election to become a Family Farm.

• **LATE FILING PENALTIES**

If the business files their Annual Report *after* the deadline, it may be subject to late filing penalties. The penalties cannot be prepaid and can only be calculated after the Personal Property Tax Return is filed. If the business is assessed any late filing penalties, it will be notified by mail after the assessment is complete. The following minimum and maximum initial (base) penalty amounts apply:

Days Late	Minimum	Maximum
01-15	\$30	\$500
16-30	\$40	\$500
31 or more	\$50	\$500

A business which files the **Form 1** after the April 16th due date (June 15 for those with approved extensions).will receive an initial penalty of 1/10 of one percent of the county assessment, or the base penalty, whichever is greater. Interest will accrue at the rate of 2% of the initial penalty amount for each thirty (30) day period, or part thereof, that the **Form 1** is late.

• **WHAT ADDRESS TO USE**

For the purpose of the Annual Report and Personal Property Tax Return, use the business' mailing address in **Section I** of the form.

The business' mailing address may also be changed when submitting the Annual Report. Insert the new mailing address in the address fields in **Section I**, and check the box to indicate that this is "a change of mailing address."

A business' mailing address may be any US Post Office recognized address, including non-Maryland addresses, addresses in foreign countries and post office boxes.

• **PERIOD COVERED BY ANNUAL REPORT AND PERSONAL PROPERTY TAX RETURN**

All reports cover the **calendar year** regardless of the business' fiscal year.

All information required to be reported shall be as of January 1 of the filing year, except for items which specifically ask for information from prior years.

INFORMATION AND ASSISTANCE

PERSONAL PROPERTY UNIT

- Internet Site www.dat.maryland.gov
- Form preparation and assessment procedures: Corporations, LLCs, LLPs, Business Trusts, REITs (410) 767-1170
- Extensions www.dat.maryland.gov
- E-mail Address SDAT.PersProp@Maryland.gov
- Toll Free within Maryland (888)-246-5941
- MRS 1-800-735-2258 TT/VOICE
(Maryland Relay Service for speech And hearing impairment)

CHARTER UNIT

- Internet Site www.dat.maryland.gov
- Charter Information (410) 767-1330
- Incorporated, Qualifications, Revivals & Dissolutions (410) 767-1350
- E-mail Address SDAT.CharterHelp@Maryland.gov
- Toll Free within Maryland (888)-246-5941
- MRS 1-800-735-2258 TT/VOICE
(Maryland Relay Service for speech And hearing impairment)

COMPLETING THE ANNUAL REPORT

To start your Annual Report (**Form 1**), check the appropriate box for the business type at the top of the form and note the associated filing fee for your business type.

• SECTION I

All business entities must complete this section. If any item is inapplicable, leave that item blank or insert "N/A."

- Insert the full, legal name of the business entity, including any tails. (**Required**)
- Insert the SDAT Department ID. If you do not know your Department ID, you can look it up on Maryland Business Express: (<https://egov.maryland.gov/BusinessExpress/EntitySearch>.) (**Required**)
- Insert the entity's FEIN (federal tax identification number obtained from the IRS).
- Insert the name of the State or jurisdiction where the business was formed.
- Insert the business entity's Federal Principal Business Code (obtained from the IRS.) (**Required**)
- Insert the trading-as-name (DBA) that the business uses, if any.
- Insert the complete mailing address for the business. If this is a new mailing address, check the box to the left.

*You cannot change the **Principal Office** or **Resident Agent** address using this method. Please consult website for instructions on how to do that.*

- Insert an email address in order to receive important reminders from SDAT.

• SECTION II

Only complete this section if the business entity is a corporation (domestic or foreign). If the business entity is not a corporation, skip this section and proceed to **Section III**.

- Provide the names and mailing addresses of all corporate officers. All domestic corporations must have a President, Secretary and Treasurer. Attach additional pages if necessary.
- Provide the names of all corporate directors. All Maryland corporations (except close corporations) must have at least one director. Religious corporations should list the names of all Trustees here. Attach additional pages if necessary.

• SECTION III

All business entities must complete this section. If the answer to both questions is "No", only the Annual Report must be filed with SDAT. If the answer to either question is "Yes," the business must also complete the Personal Property Tax Return.

- Check "Yes" if the business entity owns, leases or uses any property other than real estate, intellectual property or vehicles registered with the MVA, and that property is located in the State of Maryland. Here, the term "Personal Property" is used as a term of art and specifically includes property owned by the business, leased by the business or used by business, even if that property is owned by another business or individual. "Personal property" includes computers, phones, cell phones, furniture, draperies, inventory, equipment, tools, machines, books, artwork, supplies and fixtures. Only check "No" if the company **does not** use, lease or own any property that is located in the State of Maryland.
- Check "Yes" if the business has or is required to have a Trader's License (sometimes called a business license) issued by the Circuit Court for the county or counties in which the business has locations.

• SECTION IV

This is the signature part of the form and all business entities must complete this section.

If you are mailing the form, original signatures are required. Photocopies, confirmed signatures, faxes, scans or any type of signature other than an original, ink signature are not acceptable. This form is signed under oath and subject to the penalties of perjury.

Please review it carefully for accuracy before you sign and submit it!

- Only complete this item if you are preparing the return for, or on behalf of, the business entity, and are not a constituent of the business. Generally, this item is for accountants, tax preparers and attorneys.
- This item must be completed by all business entities. **If this item is not completed, the Annual Report will not be accepted.** Print the name of person signing on behalf of the business. The date should be the date the form is signed. Include a phone number and email address so that we can contact you to resolve any potential discrepancies or errors quickly.



ABOUT THE PERSONAL PROPERTY TAX RETURN

• WHAT MUST BE REPORTED

Generally, all tangible personal property owned, leased, consigned or used by the business, and located within the State of Maryland on January 1, 2018, must be reported. Property not in use must still be reported. All fully depreciated and expensed personal property must also be reported. 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 in this State (other than operating property of Railroads and public Utilities) falls into two subclasses:

I. Stock in business or inventory is 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 cost or market value, whichever is lower. LIFO method of valuation is prohibited.

II. All other personal property includes all personal property, other than inventory, and is assessed at full cash value.

Taxpayers shall report such property which has been acquired by purchase at cost in the year of acquisition. Taxpayers shall report such property which has been acquired other than by purchase (including property manufactured by the taxpayer) at fair market value. To assess "all other personal property" the Department generally applies a 10% rate of depreciation per annum to the reported property. Exceptions to the 10% rate can be found on the Depreciation Rate Chart on page six (6). Normally, property will not be depreciated below 25% of the original cost.

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.**

• REPORTING COST OF PERSONAL PROPERTY

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

COMPLETING THE PERSONAL PROPERTY TAX RETURN

At the top of the Personal Property Tax Return, copy the complete legal name of the business and the **Department ID** from the first page to the spaces provided.

• SECTION V

Must be completed by any business entity that responded "Yes" to either question in **Section III**.

- A. Check "Yes" if this business entity has not filed an Annual Report or Personal Property Tax Return using this **Department ID**. Otherwise, check "No."
- B. Check "Yes" if this business entity succeeds a business entity by way of merger, conversion or other similar transactions, such as a sole proprietorship or general partnership that has chosen to do business as a legally separate business entity. Otherwise, check "No."

If the answer to both A and B is "Yes," identify the predecessor business entity in the box. Be sure to include the **Department ID** of the previous business.

• SECTION VI

Must be completed by any business entity that responded "Yes" to either question in **Section III**.

- A. Check "Yes" if the business operates in Maryland. If the business does not operate in Maryland, check "No" and proceed to item C.
- B. Provide the date that the business began operating in Maryland.
- C. Provide a short description of the activity of the business (i.e., "restaurant" or "construction," etc.)
- D. If the business operates on a fiscal year, provide the start and end dates of the fiscal year. If the business does not operate on a fiscal year, leave this item blank and proceed to item E.
- E. Insert the total gross sales generated from business transacted in the State of Maryland for the calendar year 2017.
- F. If the business does not own, lease, or use any tangible personal property in Maryland, but has generated any amount of gross sale, please provide an explanation of how the business operates in Maryland without any tangible personal property. If the business is using the personal property of another business entity, provide the name, Department ID, and address of that business.

• **SECTION VII**

SPECIAL INSTRUCTIONS FOR ITEM A-K

Must be completed by any business entity that responded "Yes" to either question in **Section III**.

A. Location Information

Exact Location

Since local tax rates and exemptions differ in each county and in each incorporated town, the physical location of the tangible business personal property within Maryland as of January 1st must be clearly indicated by the business. 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 attached current list of counties and 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 VII** Line Item C.

Multiple Physical Locations

If property is located in two or more locations, please supply a breakdown per location by completing copies of the **Additional Locations Worksheet** (for up to 5 locations.) A copy of this worksheet, as well as additional information on businesses with more than 5 locations, can be found on our website (www.dat.maryland.gov.)

For ease in reporting, entities may now upload additional schedules up to 50MB when filing through **Maryland Business Express**. All uploaded files must be in PDF format when filing through **Maryland Business Express**.

B. 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. All property is to be reported under Category A unless specifically listed in another category.

Refer to the Depreciation Rate List below to determine where property owned by the business should be reported (See, **Example**, below.)

Property reported in columns B through G requires a detailed description (e.g., Column C- Copiers, Fax, etc.). Failure to provide the required detail will result in the reported property being assessed at 10% rate of depreciation.

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 and property expensed under IRS rules.

Depreciation Rate List

*Category A: 10% per annum**

All property not specifically listed below. SPECIAL DEPRECIATION RATES (The rates below apply only to the items specifically listed. Use Category A for other assets.)

*Category B: 20% per annum**

Mainframe computers originally costing \$500,000 or more.

*Category C: 20% per annum**

Autos (unlicensed), 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), vending machines, x-ray equipment.

*Category D: 30% per annum***

Data processing equipment, canned software.

*Category 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.

*Category F: 50% per annum**

Pinball machines, rental tuxedos, rental uniforms, video games.

*Category G: 5% per annum**

Boats, ships, 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.

• **EXAMPLE**

ORIGINAL COST BY YEAR OF ACQUISITION

Year Acquired	A	B	C	D	E	F	G	Total Cost
2017	1150				12600			13750
2016	3104				8400			11504
2015	1500			5261				6761
2014								0
2013								0
2012			2500					2500
2011	9127							9127
2010 & prior								0
Total Cost in Columns A-G								43642

Describe property identified in B - G above: Category C - 2012 - Fax \$500. Vending Machine \$2,000. Category D - 2015 Personal Computer. Category E - 2017 Rental DVD's. Category E - 2016 Drapery & Blinds

C. 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. **LIFO method of valuation is prohibited.**

Business entities that need a Trader's License must report commercial inventory!

D. Supplies

Supplies are consumable items not held for sale (e.g., contractor's supplies, office supplies, etc.). Report the average cost.

E. Manufacturing/Research and Development (R&D)

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 item C 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.

F. 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.

G. Vehicles

Itemize motor vehicles with Interchangeable Registrations and vehicles that are unregistered (unlicensed).

Vehicles registered in Maryland and classified A-P are exempt and should not be reported on the Personal Property Tax return. Vehicles registered outside Maryland may also be exempt. Exempt vehicles include those registered in another taxing jurisdiction and of a classification (A-P) described in Title 13, Subtitle 9, Part II of the Maryland Transportation Article.

Interchangeable Registrations include: dealer plates (Class 1A, 1B, 1C); recycler plates (Class 2); finance company plates (Class 3); special mobile equipment plates (Class 4); and transporter plates (Class 5).

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.

Motor vehicles with Interchangeable Registrations and unregistered/unlicensed vehicles are not exempt and will be assessed as Category C property at 20% per annum (subject to a minimum assessment of 25% of the original cost).

H. Non-farming Livestock

Report book value and market value.

I. Other Tangible Personal Property

Include other tangible personal property not reported elsewhere on this return. Report total cost on the return and supply a separate schedule including a description, the original acquisition cost, and the date of acquisition of the property. Please see additional instruction under **Other Personal Property Assessment Exemptions**.

J. Property Owned by Others and Used 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.

File separate schedule showing names and addresses of owners, lease number, description of property, installation date and separate cost in each cost.

K. Property Owned by the Business and Used or Held by Others

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.

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 Item A.
- ✓ Schedule may be filed electronically.

• **SECTION VIII**

All Businesses must complete A-C

- A. Does the business own any fully depreciated and/or expensed personal property in Maryland? Although it may be common practice with the Federal Income Tax Return to not report fully depreciated and/or expensed personal property, such personal property should be reported on the Personal Property Return.
- B. If the business owns any fully depreciated and/or expensed personal property, is the personal property reported in **Section VII**? If the personal property is not reported in **Section VII**, please upload a schedule to include: a detailed description of the personal property;

the original cost, and; the year of acquisition.

- C. Has the business disposed of any assets, or transferred any assets, in or out of Maryland during the prior year?

If the business has disposed of or transferred assets in to or out of Maryland during the prior year, please provide the cost of the disposed/transferred property, the manner of disposal, and to whom the property was transferred (sales agreements, settlement sheets or other supporting documentation.)

• **TRANSFER OF PROPERTY**

If a business transfers, sells, or disposes of all personal property on or after January 1, 2018, but before July 1, 2018, the Department must be notified in writing on or before October 1, 2018. The notification must contain 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, and a copy of the sales agreement (if available). Upon proper notification and 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 1, 2018 and has not filed Articles of Dissolution (Domestic Corporations), an Application for Termination (Foreign Corporations), a Certificate of Cancellation (LLC) or a Withdrawal Notice (LLP, LP) with the Department's Charter Division, 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 will result in an estimated assessment being made against the business.

Businesses that have not filed Articles of Dissolution, an Application for Termination, a Certificate of Cancellation or a Withdrawal Notice are legally active until they do so, or until their charters are forfeited (Domestic Corporations), or their authority to do business is forfeited (Foreign Corporations, LLCs, LLPs, LPs, statutory trusts (formerly business trusts), and REITs).

• **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.

- **AMENDED TAX RETURNS**

Amended Personal Property Tax Returns can be filed to correct reporting errors or claim a missed exemption (except for missed manufacturing exemptions) within 3 years of the April 15th date that the return was originally due. Amended returns must be accompanied by information explaining why the personal property tax return is being amended and reconciling the differences with the original tax return. Please write AMENDED across the top of page 1 of the personal property tax return. Do not send \$300 filing fee with an amended tax return. Amended tax returns should be mailed to:

**Maryland Dept. of Assessments and Taxation
Personal Property Division
301 W. Preston Street
Baltimore, Maryland 21201-2395**

- **EXEMPTIONS**

Personal 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. The following are examples of two of the more common personal property tax exemptions.

**Manufacturing and Research and Development,
Tax Property Article § 7-225**

For manufacturing exemption requests, an application must be submitted on or before September 1, 2018 or within 6 months after the date of the first assessment notice for the taxable year that includes the manufacturing personal property, in order to qualify for the current tax year. Please see www.dat.maryland.gov for the Manufacturing Exemption Application. Section 7-104 of the Tax-Property Article of the Annotated Code of Maryland has been revised to include subsection (d) that 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. If the application is approved, the exemption shall be granted for the taxable year. The exception to the September 1 deadline is applicable to taxable years beginning after June 30, 2009. No manufacturing exemption can be granted unless a timely application is filed.

Once the exemption is granted to an entity, no additional manufacturing applications are required in subsequent years. It will be necessary however, to include the letter from the Department, granting your entity the **Manufacturing/R&D Exemption**. 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.

Other personal property assessment exemptions:

All personal property owned by certain organizations, including religious groups, government, non-profit hospitals, cemetery and mausoleum companies, and certain other organizations, or groups which meet certain "strict use" criteria are exempt. These are referred to as exempt organizations and are fully exempt throughout Maryland from any assessment and taxation.

This property should be reported in **Section VII, Item I**. The property should be described as exempt along with the reason why. In the cases of exempt entities under **Tax Property Article 7-202**, please include the approved exemption letter from the Department.

Charitable or Educational Purposes, Tax-Property Article § 7-202

Non-stock educational or charitable exemptions are also obtained by filing an application. An organization must submit written information detailing its operation in the form of the Department's Charitable Application. www.dat.maryland.gov

If the organization is required to file an **IRS Form 990**, it should be included with the written information. Please note that because the laws differ, organizations granted exempt status by the Internal Revenue Service are not necessarily exempt from personal property taxation in Maryland. 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.).

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

COUNTIES AND INCORPORATED TOWNS IN MARYLAND

ALLEGANY

Barton
Cumberland
Frostburg
Lonaconing
Luke
Midland
Westernport

ANNE ARUNDEL

Annapolis
Highland Beach

BALTIMORE CITY

*No incorporated cities
or towns*

BALTIMORE COUNTY

*No incorporated cities
or towns*

CALVERT

Chesapeake Beach
North Beach

CAROLINE

Denton
Federalsburg
Goldsboro
Greensboro
Henderson
Hillsboro
Marydel
Preston
Ridgely
Templeville

CARROLL

Hampstead
Manchester
Mount Airy
New Windsor
Sykesville
Taneytown
Union Bridge
Westminster

CECIL

Cecilton
Charleston
Chesapeake City
Elkton
North East
Perryville
Port Deposit
Rising Sun

CHARLES

Indian Head
La Plata
Port Tobacco

DORCHESTER

Brookview
Cambridge
Church Creek
East New Market
Eldorado
Galestown
Hurlock
Secretary
Vienna

FREDERICK

Brunswick
Burkittsville
Emmitsburg
Frederick
Middletown
Mount Airy
Myersville
New Market
Rosemont
Thurmont
Walkersville
Woodsboro

GARRETT

Accident
Deer Park
Friendsville
Grantsville
Kitzmilller
Loch Lynn Heights
Mountain Lake Park
Oakland

HARFORD

Aberdeen
Bel Air
Havre de Grace

HOWARD

*No incorporated cities
or towns*

KENT

Betterton
Chestertown
Galena
Millington
Rock Hall

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

PRINCE GEORGE'S

Berwyn Heights
Blandensburg
Bowie
Brentwood
Capital 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

QUEEN ANNE'S

Barclay
Centreville
Church Hill
Millington
Queen Anne
Queenstown
Sudlersville
Templeville

ST. MARY'S

Leonardtwn

SOMERSET

Crisfield
Princess Anne

TALBOT

Easton
Oxford
Queen Anne
St. Michael's
Trappe

WASHINGTON

Boonsboro
Clear Spring
Funkstown
Hagerstown
Hancock
Keedysville
Sharpsburg
Smithsburg
Williamsport

WICOMICO

Delmar
Fruitland
Hebron
Mardela Springs
Pittsville
Salisbury
Sharpstown
Willards

WORCESTER

Berlin
Ocean City
Pocomoke City