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 forfeiture of the entity’s right to conduct business in the State of Maryland.

WHEN TO FILE

The deadline to file is April 15th. Should April 15th fall on a weekend, the due date is the Monday immediately following. Annual Reports that are postmarked by close of business (COB) on the Monday following will be considered timely.

You may request a 60 day extension of the filing deadline, at no cost, by visiting the Personal Property Extension site at http://pprextensions.dat.maryland.gov/ Extension requests must be made on or before April 15th. Increased use of this site is anticipated as April 15th approaches, so SDAT suggests you apply for an extension as soon as the site opens in December. Paper extensions are no longer accepted by the department.

HOW & WHERE TO FILE

You may file online through the Maryland Business Express system, https://egov.maryland.gov/BusinessExpress

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, such as Amended Annual Reports, or certified/return receipts, should be sent to:

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

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 may not be accepted, causing delays and possible late fees.

INFORMATION and ASSISTANCE

PERSONAL PROPERTY UNIT
General information: 410-767-1170
Form preparation and assessment information
Online Extensions: http://pprextensions.dat.maryland.gov/
E-mail Address: SDAT.PersProp@Maryland.gov

CHARTER UNIT
Charter Information: 410-767-1330
Incorporated, Qualifications, Revivals & Dissolutions: 410-767-1350
E-mail Address: SDAT.CharterHelp@Maryland.gov

Department Website: https://dat.maryland.gov
Toll Free within Maryland: 1-888-246-5941
Maryland Relay Service (MRS): 1-800-735-2258 TT/VOICE (MRS for speech and hearing impairment)

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 may result in SDAT not accepting the report which may cause delays and/or late filing fees.
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, also known as the date of finality, except for items which specifically ask for information from prior years.

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 does not apply, leave that item blank or insert “N/A.”

Provide the full, legal name of the business entity, including any tails or endings such as Inc. or LLC. (Required)

Provide 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.

Provide 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.) The ID number is necessary to ensure proper credit to your account.

Provide the entity’s FEIN (federal tax identification number obtained from the IRS).

Provide the nature of business.

Provide the trading-as-name (DBA) that the business uses, if any.

Provide 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 all questions is “No”, only the Annual Report must be filed with SDAT. Please proceed to Section IV, SIGN, and return this Annual Report, with fee if applicable, to the Department:

Department of Assessments and Taxation, Charter Unit
P.O. Box 17052, Baltimore, MD 21297-1052

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. The term “Personal Property” 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.

If you answered yes, but the personal property your entity owns is exempt (religious groups, charitable or educational organizations), please complete Form SD1. The Business Personal Property Tax Return will have to be completed if the entity leases personal property from others.

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.

If the business had gross sales in Maryland please provide the amount of business transacted in MD.

If you answered yes to any of the questions and the Form SD1 does not apply, the Business Personal Property Tax Return may be required.

See NOTES at the end of these instructions for important information regarding the Form SD1.

ABOUT THE BUSINESS 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 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

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

All other personal property includes all personal property, other than inventory, and is reported 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 BUSINESS PERSONAL PROPERTY TAX RETURN

At the top of the Business Personal Property Tax Return, copy the complete legal name of the business and the Department ID from the first page in the spaces provided. This is required to correctly credit your account.
**SECTION V**

All business entities complete. It is necessary to provide the business name and Department ID # so that proper credit may be made to your account. Questions A through F must be completed by any business entity that responded "Yes" to either question in Section III.

Provide the correct mailing address. Be sure it is the same address you provided on the Form 1, Annual Report. Provide a current email address so that you can receive important assessment updates from the Department.

Indicate whether or not business is conducted in Maryland. Provide the date business began in Maryland.

Provide a short description of the activity of the business (i.e., “restaurant” or “construction,” etc.) If the business operates on a fiscal year provide the start and end date. If it operates on a calendar year, you may leave this item blank.

Provide the total gross sales generated from business transacted in the State of Maryland for the calendar year preceding the date of finality. If the business does not own, lease, or use any tangible personal property in Maryland, but has generated any amount of gross sales, 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. Use the REMARKS section to provide any additional applicable information.

**SECTION VI**

**SPECIAL INSTRUCTIONS FOR ITEMS 1-10**

Must be completed by any business entity that responded “Yes” to questions in Section III.

**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 Question 2.

**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. The additional locations worksheet can be found on our website https://dat.maryland.gov/Pages/sdatforms.aspx

For ease in reporting, entities may 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.

For businesses that currently provide excel worksheets and would prefer to continue, please email your data to sdat.persprop@maryland.gov

Always include the complete name of the entity and the Department ID number.

1. **Furniture, Fixtures, Tools, Machinery and Equipment not used for Manufacturing or Research and Development**

This property shall be reported at original cost by year of acquisition without depreciation, investment credit, or trade-in of previously owned property. Include all fully depreciated and property expensed under IRS rules.

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. 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.

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

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.

**Example:**

<table>
<thead>
<tr>
<th>ORIGINAL COST BY YEAR OF ACQUISITION</th>
<th>SPECIAL DEPRECIATION RATES B-G (See chart)</th>
<th>TOTAL COST</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>B</td>
<td>C</td>
</tr>
<tr>
<td>2014</td>
<td></td>
<td></td>
</tr>
<tr>
<td>2013</td>
<td>1150</td>
<td></td>
</tr>
<tr>
<td>2012</td>
<td>3104</td>
<td></td>
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<tr>
<td>2011</td>
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<td></td>
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<tr>
<td>2008</td>
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<td>500</td>
</tr>
<tr>
<td>2007 &amp; prior</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Totals</td>
<td>14881</td>
<td>3000</td>
</tr>
</tbody>
</table>

Describe property identified in B - G above: Category D-2011 Personal Computer; Category E-2012,2013 Rental DVDs, Video Tapes, 2008 Vending Machine; Category C - 2009 Copier $2,000, Fax $500

2. **Commercial Inventory**

**Commercial Inventory** is merchandise and stock in trade available for sale. This includes manufactured products sold at retail by the manufacturer. An average of twelve (12) monthly inventories should be reported. 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 (retail sales) must report commercial inventory!**
3. Supplies

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

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

Manufacturing/Research and Development (R&D) Supplies

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 in item 2 Commercial Inventory.

An average of twelve (12) monthly inventories should be reported. Book inventories may be used for months when physical inventories were not taken. Values are to be reported at cost or market value.

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

Exemption Application Requirements: If the exemption is claimed for the first time, an Exemption Application for Manufacturing and Research & Development must be submitted within 6 months after the date of the first assessment notice for the taxable year that includes the manufacturing personal property, or September 1 of the affected assessment year, before the exemption can be granted.

For more information as well as the application form, visit the Department's website at https://dat.maryland.gov. Proceed to the Businesses section, Business Personal Property and then Quick References. Reporting property on this line item is not a substitute for a manufacturing application.

6. 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 or 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% depreciation per annum (subject to a minimum assessment of 25% of the original cost).

7. Non-farming Livestock

Report book value and market value.

8. 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.

9. 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 cost of each leased asset.

10. 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. Providing the physical street address of lessees. Post Office Box numbers are not acceptable.

Excel spreadsheets of leasing data may be submitted. Verify that the entity name and ID number are prominent on the schedule. Schedule may be filed electronically and submitted to sdat.persprop@maryland.gov

SECTION VII

All Businesses must complete A-C

A. If this is the entity’s first Maryland business personal property return, state whether or not it succeeds an established business and provide the name of the business.

B. Although it may be common practice not to report fully depreciated and/or expensed property on the Federal Income Tax Return, it should be reported on the Business Personal Property Return and is subject to assessment. If the business owns any fully depreciated and/or expensed personal property, and it is not reported in Section VII, please complete Form SD1. It may be necessary to include a schedule that contains detailed description of the personal property, the original cost, and the year of acquisition.

C. If the business has disposed of or transferred assets in or out of Maryland during the prior year, please complete Form SD1 and provide the cost of the disposed/transferred property, the manner of disposal, and to whom the property was transferred. Please provide 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, but before July 1, the Department must be notified in writing on or before October 1. 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). See Form 21 as you may be required to complete and submit it to the Department.

OUT OF BUSINESS
If a business discontinues operations or goes out of business prior to January 1, 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 may result in an estimated assessment being made against the business and the business not having good standing status.

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). See website Charter Business Services for frequently asked questions.

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 Business 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 and in the REMARKS section, along with a brief explanation for the amended personal property tax return. You may also wish to provide additional detail for an amended return by making use of the Form SD1. Again, please verify that your entity name and Department ID number figure prominently. 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 of the assessment year in order to qualify for the current tax year. Please see https://dat.maryland.gov for the Manufacturing and R&D 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. This 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. Manufacturing assets acquired after the exemption is granted will need to be described as well as the role the assets play in the manufacturing process. If this information is not provided, the assets will likely be subject to assessment.

It will be necessary to provide the letter from the Department granting your entity the Manufacturing/R&D Exemption, to any companies that lease manufacturing equipment to your entity so that the leased equipment can qualify for the 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 is exempt. These are referred to as exempt organizations and are fully exempt throughout Maryland from any assessment and taxation. In section V, F or in Remarks, please give a brief explanation or reason for the exemption.

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. If the organization is required to file an IRS Form 990, it should be included with the application. Also, submit a copy of the 501(c)(3) certification from the IRS. 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. The exemption applies to the assessment.

Entities that are granted an exemption under Tax Property Article 7-202, are still required to file the Form 1.

Exemption applications may be emailed to sdat.ppaudit@maryland.gov.

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.

Tax Property Article § 7-245
A person’s (any business entity’s) personal property is not subject to valuation or to property tax if ALL of the person’s personal property statewide has a total original cost less than $2500. This exemption shall take effect July 1, 2018, and shall be applicable to all taxable years beginning after December 31, 2018.

NOTES:
Mail the completed return to:
Maryland Department of Assessments and Taxation
Business Personal Property
PO Box 17052
Baltimore, Maryland 21297-1052

All other correspondence, including Amended Returns, should be sent to:
Maryland Dept. of Assessments and Taxation
Business Personal Property
301 W. Preston Street
Baltimore, Maryland 21201-2395

Form SD1 is a supplemental detail form and may not apply to all entities. It may not be necessary for you to complete one. It may only be required under certain circumstances such as the following:
- Disposals and transfers
- Expensed property
- Exempt property/Exempt organizations
- Amended returns

The form can be found online at https://dat.maryland.gov/Pages/sdatforms.aspx

HELPFUL LINKS
SDAT ONLINE FORMS:
https://dat.maryland.gov/Pages/sdatforms.aspx

DEPARTMENT ID NUMBER SEARCH:
https://egov.maryland.gov/BusinessExpress/EntitySearch

REQUEST A PERSONAL PROPERTY EXTENSION:
http://pprextensions.dat.maryland.gov/

FILE CURRENT & PRIOR YEARS PERSONAL PROPERTY RETURNS ONLINE: To use this system you must create an account
https://egov.maryland.gov/BusinessExpress/Account/LogOn?ReturnUrl=%2fBusinessExpress%2fUserRegistration

FEDERAL EMPLOYER IDENTIFICATION NUMBER LOOKUP:

FEDERAL PRINCIPAL BUSINESS CODES LOOKUP:
(See pages C-16 and C-17 of IRS Publication Schedule C Instructions)

DEPRECIATION RATE CHART

STANDARD DEPRECIATION RATE
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, car wash 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.
MARYLAND COUNTIES AND INCORPORATED TOWNS

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

<table>
<thead>
<tr>
<th>ALLEGANY</th>
<th>CECIL</th>
<th>GARRETT</th>
<th>PRINCE GEORGE'S</th>
<th>ST. MARY'S</th>
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<tr>
<td>Barton</td>
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<td>Accident</td>
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FORM 1 – FREQUENT FILING MISTAKES

Avoid these common errors to help ensure the efficient filing and processing of your personal property return.

Location Reporting Errors
- Not providing a breakdown of property by multiple locations.
- Inaccurate or missing address information, especially regarding towns.
- Reporting the mailing address instead of the actual property location in Section VI, A of Form 1, Business Personal Property Tax Return.
- Reporting property not located in Maryland.

Property Reporting Errors
- Property reported in wrong depreciation category; or failing to describe assets reported in categories B through G.
- Failure to report commercial inventory which may cause problems with business license renewals.
- Reporting certain exempt registered vehicles as taxable in Section VI, under line item 1 or 6. Some registered vehicles are taxable, such as those with interchangeable registrations.
- Failure to meet the September 1st deadline for manufacturing applications. Please see specific instructions under Manufacturing Exemptions.
- Failure to notify the Department by October 1st when a transfer/sale/disposal of all personal property occurs between January 1st and June 30th. See website for Form 21, Report of Sale or Transfer.

Annual Report and Other Errors
- Filing under the wrong Department ID#, especially after a merger, dissolution or when several entities under the same management or ownership are involved.
- Filing the Form 1 for the incorrect year resulting in rejection or duplicate receipts.
- Filing fee check missing, made out for incorrect amount, or made out to the Comptroller.
- Attempting to pre-pay an anticipated late filing penalty. These penalties are billed at the time the assessment is made.
- Forms not signed by officer/principal.
- Officers/directors names omitted from corporate return.
- Incorrect page 1 information (old address, wrong officers/directors, etc.), especially when software is used to prepare the return.
- Remitting business personal property tax payments to the Department instead of the county/town finance offices that generated the bill.