

# Maryland State Department of Assessments and Taxation

## Charter Filing for Maryland Businesses

### FAQs

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#### 1. Can I fax you my paperwork? What is your fax number?

- a. Effective 2/1/16, SDAT no longer accepts documents for filing by fax.
- b. SDAT no longer has a fax machine for receiving filings. Please mail or hand-deliver documents. Most formation documents can be filed online through **Maryland Business Express**, located here: <https://egov.maryland.gov/businessexpress>

#### 2. How long will it take to process my paperwork?

- a. Standard processing can take up to 8 weeks. Typically, standard processing takes about 4 weeks. There are times of year, however, that are busier than others, and documents may take longer to process during those times.
- b. Expedited processing is usually completed within 10 business days of receipt by SDAT, if delivered by mail.
  - i. Documents filed online will be processed within 3 business days.
  - ii. Documents that are hand delivered to our Baltimore office for expedited processing will be processed the same day, if you arrive by 4:00 p.m.
  - iii. You may elect to have your document processed within a guaranteed 2 hour window by delivering your document by 2:00 p.m. with the standard filing fee, plus a 2 hour expediting fee of \$425.

#### 3. Where can I find out the status of my filing?

- a. You will receive a letter once your filing has been processed. SDAT will not provide status updates before then, unless your filing is unusually late. If you want to make sure that we received your paperwork, request a Return Receipt from the post office, or check with your bank or credit card company to see if your payment has been processed. Another way to see if your document has been processed is to check the public record on our business entity search website, located here: <https://egov.maryland.gov/BusinessExpress/EntitySearch>
- b. Your filing will be considered unusually late;
  - i. Expedited mail - after 2 weeks have passed
  - ii. Non-Expedited mail - after 8 weeks have passed

#### 4. What is my SDAT Department ID?

- a. Every business registered with SDAT is issued a unique identifier called a **Department ID**. You will need this number in order to establish your tax accounts with the Office of the Comptroller,

licensing with the Department of Labor, Licensing and Regulation, and other Maryland State agencies and local businesses that provide resources for Maryland businesses.

- b. Your **Department ID** will be printed on the confirmation letter you received after you filed your formation document with SDAT. It will also be printed on your Certificate of Status, if you purchase one.
- c. If you need to look up your **Department ID**, you can use the [Business Entity Search](#) on the MBE website 24 hours a day. You can search by all or some of the company's name, and the **Department ID** will be displayed in your search results.

**5. Do you offer pre-clearance of filings? Can you make sure my document is right before I file it?**

- a. Yes. The fee for preclearance is \$275 for standard processing (up to 8 weeks) or \$325 for expedited processing.

*\*\*NOTE that pre-clearances are NOT binding on the Department. While we always aim for complete accuracy, if we notice an error in your filing after the document has been pre-cleared, we are required by law to reject the filing so that you can correct it.*

**6. So, can SDAT perform a pre-clearance on a 2-hour expedited basis?**

- a. Yes, the total fee for these services would be \$700.

**7. Your website says my business is "Not in Good Standing." Why? How can I fix it?**

- a. The MBE website will list the reason(s) the business is Not in Good Standing directly underneath the entry for status. Next to the entry for "Reason(s) for Status" will be an explanation of the reason the business is not in good standing. In many circumstances, this is due to missing or late Personal Property Returns. If this is the case, the listing will also provide the year(s) that are missing.
- b. In many cases, you will be able to correct these errors directly from the explanation. Starting in March, 2018, you will be able to file back-year Business Personal Property Returns through MBE. Or, you can download the appropriate forms from the SDAT website, located here: [download the appropriate form\(s\)](#) and either mail or hand deliver them to SDAT, along with the appropriate filing fee.
- c. If the reason is due to not having a resident agent, you can also appoint a Resident Agent using MBE, or download a Resolution form here: [Resolution form](#) and either mail or hand-deliver the completed form to SDAT.
- d. If the reason is that a penalty is due, you can send a check or money order to SDAT for the amount of the penalty, along with a brief note explaining that the payment is for a penalty. Please include your business' **Name, Department ID, and Mailing Address**, or screen-print the page from the website showing the penalty, and include that with your payment. Unfortunately, we do not have a way to accept penalty payments online or by phone.

## 8. My business has been forfeited. What does that mean and how do I fix it?

- a. Many times, a business has been forfeited because an issue that put it out of good standing has gone unresolved for too long (i.e., missing personal property return, unpaid penalty, etc.). In addition to correcting the underlying issue, you must file a document to reinstate (or revive) the business' existence or right to do business in Maryland. For a more detailed explanation, visit the following link: <http://dat.maryland.gov/businesses/Documents/entitystatus.pdf>

## 9. Can I file my documents online? What about my personal property return?

- a. Yes, some documents can be filed online, but currently only formation or initial registration documents can be filed online. Keep checking the website, however, as we are constantly expanding the services we offer via our website.
  - i. The following business entity types **cannot** use the online system:
    1. Professional Corporations
    2. Religious Corporations
    3. Ordinary Non-Stock Corporations
    4. Business Trusts
    5. Real Estate Investment Trusts
    6. Family Farms
    7. Foreign Non-Stock Corporations
  - ii. The following documents **cannot** be filed using the online system (for any business structure):
    1. Amendments
    2. Conversions of any type
    3. Mergers
    4. Reports of Transfer of Controlling Interest
    5. Articles of Transfer
    6. Cancellations, Dissolutions and other Terminations
    7. Articles Supplementary
    8. Articles of Amendment and Restatement
    9. Requalifications or Re-Registrations of foreign entities
    10. Revivals or Reinstatements
    11. Certificates of Conveyance
- b. At the present time, only the current year's Form 1 can be filed online. Most entities are eligible to file their Form 1 using MBE. Starting in March, 2018, we will be able to accept prior-year Personal Property Returns through MBE as well.

## 10. How much does it cost to file my document?

- a. Most filings are \$100 to file, plus \$50 for expedited processing.
  - i. Resolutions are \$25, or \$75 to have them expedited.
  - ii. Recording the name change of a foreign corporation is \$25 or \$75 to have it expedited.

- iii. Recording the name change of a foreign LLC, LP, LLP or statutory trust is \$100, or \$150 for expedited.
  - iv. Recording a foreign conversion or merger is \$25, or \$75 for expedited.
  - v. Articles of Incorporation are \$100 to file, but corporations must pay an additional fee called an "Organization and Capitalization Fee" that starts at \$20 and may be higher, depending upon the aggregate par value of the authorized shares of stock (\$120 to file, or \$170 for expedited, and up.)
  - vi. Tax exempt non-stock corporations must also pay an additional fee into the non-profit fund. (Total fees would be \$170, or \$220 for expedited.)
- b. Our full fee schedule is here: <http://dat.maryland.gov/businesses/Documents/FEES.pdf>

#### 11. What kind of payments does SDAT take?

- a. If you are filing by mail, we accept checks and money orders.
  - b. If you are filing online, we accept checks\*\*, credit cards, or PayPal.
- \*\* **NOTE:** *We are discontinuing the acceptance of checks through MBE starting in 2018.*
- c. If you file in person, we accept cash, checks, money orders, and all major credit cards.

#### 12. Is there a fee to use my credit card?

- a. Yes, there is a 3% processing fee on the total transaction amount.

#### 13. Can I pay over the phone or by email with my credit card?

- a. No. Our credit card processor requires us to physically swipe all credit cards.

#### 14. What is a resident agent? Can it be a company? Can I be the resident agent for my own company?

- a. A resident agent is a person designated to accept court papers if the company becomes involved in a lawsuit, or if someone is attempting to subpoena the company's records. The resident agent must be a resident of the State of Maryland. If you are appointing an individual, that person must be at least 18 years old.
- b. If you are appointing a company as the resident agent, that company must be a Maryland corporation or a Maryland LLC and you must use the full, legal name of the company on your documents. A person must sign the resident agent consent on behalf of the appointed company and recite their name as well as their title with the appointed company.
- c. If you are at least 18 years old, are a Maryland citizen and sign the resident agent consent, then Yes, you can be the resident agent for your own company.

#### 15. I do not see a form on your website for what I want to file. Can you mail it me?

- a. Unfortunately, we do not have a form for every conceivable transaction; if the form is not on our website, we do not have a form for that particular transaction. Specifically, we **DO NOT** have forms for Mergers or Conversions. You must either draft the document yourself or hire a professional,

such as an attorney, to do this. SDAT cannot assist you in drafting your documents, nor provide any legal advice on the sufficiency of your documents.

- b. This Department does not mail forms. All of the forms we have are available on the SDAT website.

## 16. Where do I send my paperwork? What is your address?

- a. Filings should be mailed to our Baltimore office at the following address:

### **SDAT Charter Filings**

301 West Preston Street, Room 801,  
Baltimore, Maryland 21201

- b. If you are only sending a Business Personal Property Return, please mail it to:

### **Taxpayer Services Division**

P.O. Box 17052  
Baltimore, MD 21297-1052

## 17. What phone number should I call if I still have questions?

- a. The phone number for Charter Legal is (410) 767-1006  
This number is for questions having to do with business filings made in the Charter Legal department. The following types of questions **cannot** be addressed by anyone at this number:
  1. Trade names
  2. Sole proprietorships
  3. General Partnerships
  4. Trademarks & Patents
  5. Income tax issues
  6. Issues concerning tax id numbers
  7. Licenses of any kind
  8. UCC filings
  9. Business Personal Property Returns

# Maryland Department of Assessments and Taxation

## Charter Filing for Non-Maryland Businesses

### FAQs

1. **The company I work for/own/represent was formed in another state/country. We want to do business in Maryland/bid on a contract with a Maryland agency/do work with the MGM National Harbor Casino. What form do I file? Can I do this online?**
  - a. The form you file will depend upon the structure of the business. The two most common forms of business are LLCs and corporations.
    - i. LLCs file the [Foreign LLC Registration](#)
    - ii. Corporations file the [Foreign Corporation Qualification](#)
  - b. Most business entities that have not previously registered with SDAT can file their registration document through the Maryland Business Express, here:  
<https://egov.maryland.gov/businessexpress>
  
2. **My business changed its name in our home state, what form do I file to record the change in Maryland?**
  - a. In Maryland, there is no form to record the name change of a foreign business entity. Instead, send the following to this Department:
    - i. **Certificate of Fact** issued by the home state of the business that evidences the name change (Not a copy or certified copy of the document filed to change the name, not a certificate of status).
    - ii. Filing fee, \$25 for corporations \$100 for all other business entities (include an additional \$50 for expedited processing if you wish).
      1. **For corporations only, if the document is being filed with SDAT more than 60 days after its effective date, there will be a late filing penalty equal to \$5 plus \$1 for every ten days after the initial 60 day period that the change is not recorded.**
  
3. **What's the process for recording a re-domestication, conversion or merger that does not involve a Maryland-chartered entity (i.e., all parties to the transaction are formed in another state)?**
  - a. Send a certificate of fact issued by the home state of the converting or merging entity along with a check or money order for \$25 (\$75 for expedited processing) us.
    - i. For mergers, you must include an affidavit, signed by an officer of the successor entity, stating whether the merged entity owns/owned real property in the State of Maryland. If the merged entity does own real property, you must also include a [Certificate of](#)

[Conveyance](#) and the \$25 filing fee and any taxes that may be due as a result of conveying the real property.

- ii. For conversions, if the resulting(converted) entity would like to continue to do business in the State of Maryland, it must register or qualify again under its new name, structure or domicile. This Department must assign the converted entity a new department identification number even though it is legally the same entity.

**4. My business is registered in Maryland but we do not have any property located there. Do we still have to file the Personal Property Return?**

- a. Yes. Unless your business is specifically exempted from having to file the return altogether (such as a federal credit union, for example), every business operating in Maryland must file a personal property return regardless of whether it has property in Maryland or whether it generates any revenue in Maryland. Failure to file the return will lead to this Department revoking the company's right to do business in Maryland.

**5. Does Maryland recognize Series LLCs? What about PLLCs?**

- a. No, we do not recognize either of these entity types.