

## FREQUENTLY ASKED FORFEITURE QUESTIONS

### **What is forfeiture?**

Forfeiture is the process that allows the Department to remove inactive entities that have not legally terminated their authority to do business in Maryland or to notify active entities of an existing oversight in meeting legal filing requirements.

### **Why did this entity get the notice?**

If the Department's records indicate the entity has not filed a required annual report (Form 1) or owes a late filing penalty, a forfeiture notice will be sent to advise the entity of the non-filing.

### **The entity has not done any business in Maryland or did not have any personal property in Maryland last year. Why does it need to file an annual report?**

All entities are required to file an annual report (Form 1) by April 15th, if they existed as of January 1st. This report is due whether or not it owns property.

### **A notification was already sent to the Department of Assessments and Taxation that the business was closed. Why was this notice sent?**

We are required by statute to send notices to all entities unless it has been legally dissolved. Entities can only be dissolved by filing formal Articles of Dissolution, Cancellation or Termination with the Charter Division.

### **The entity does not want to remain active. What needs to be done?**

Nothing, if the entity did not own any personal property in Maryland. The forfeiture process is automatic. However, if the entity owned business personal property and had an assessment in the previous year, it **MUST** notify the Personal Property Division of the disposition of the personal property previously reported. Failure to do so will result in estimated assessments and tax bills, regardless of the forfeiture taking effect.

### **Can a personal property return that has not been filed be sent by fax or online?**

The Form 1 may not be faxed. Some entities may be able to file online through Maryland Business Express ([businessexpress.maryland.gov](http://businessexpress.maryland.gov)). Should you choose to mail your Form 1, it must be received by the due date. Postmark date will not be honored.

### **I think a report was already filed, but I am not certain it was for the correct year.**

The notice will indicate the report year that has not been filed. Be sure that:

- \* the specified year was filed
- \* the correct report was filed (Form 1)
- \* the correct Department ID number was used.

### **What period does the Form 1 cover?**

The Annual Report/Business Personal Property return is based on the date of finality (January 1). Property in Maryland as of January 1st must be reported regardless of the entity's fiscal year.

### **Is there any additional interest charged on unpaid late filing penalties?**

No, you will only need to pay the amount indicated on the notice, at this time. However, if a penalty remains unpaid, it will be referred to the State of Maryland Central Collection Unit, which will add on additional 17% to the amount due.