



Comptroller unveils new online services

Maryland takes the lead in offering two online options to streamline tax-paying

Comptroller Peter Franchot recently unveiled two new online customer service features on the agency's Web site designed to help streamline tax-paying. With these innovations, Maryland is now one of the first states in the country to offer online options for establishing direct debit payment plans for personal income tax liabilities as well as submitting hearing appeal requests.

"Our number one priority at the Comptroller's Office is to always provide the best customer service possible," said Comptroller Franchot. "Simplifying the payment process makes it easier on the taxpayer and creates more efficiency. I urge all eligible Maryland taxpayers to take advantage of these new initiatives."

Individuals who owe the state back personal income taxes can now set up an online direct debit payment agreement through the Comptroller's Web

site, www.marylandtaxes.com. To be eligible for this program, the taxpayer's liability must exceed \$100 and payment plans must be set up with a minimum payment of \$25 per month. Payment plans can last for no longer than 24 months.

Additionally, taxpayers who receive notices of assessment or denials of claims for refunds for taxes and fees administered by the Comptroller's office can now submit an online hearing appeal request based on their availability. By law, Maryland taxpayers have the right to file an appeal if they are assessed a tax, fee, interest and penalty charges, or if they are denied a refund.

Both of these new services can be accessed through the Comptroller's Online Service Center, available 24 hours a day and 7 days a week from any home, office or public access point at www.marylandtaxes.com.

From the desk of the Comptroller

As Marylanders, we are fortunate to enjoy a high quality of life that is unrivaled by all but a few states. While we have much to be proud of, we must address the immediate fiscal challenges that will determine the future course of our state. With many debating various remedies to these problems, it is sometimes easy to get lost in the complex, and confusing process of moving forward to reconcile Maryland's budget gap.

This will be a difficult process and its significance is further magnified as our national economy has experienced a cooling in recent months. As states have felt the effects of a collapsing housing market, Maryland too has not been spared. Despite these challenges, we are fortunate to live in a state with a diverse economy that can withstand the market strains that other states could not.

In moving forward with what should be an open and inclusive debate about how to best solve our state's structural deficit, I believe it is important for Maryland's leadership to keep the nation's economic uncertainties in mind before making any

budget decisions. All Marylanders have much at risk in the decisions that will be made in the near future.

With softer than anticipated revenue growth and a slowing job market raising the stakes of any outcome, I urge the Governor and legislature to act in a prudent and cautious manner.

Though doing the required homework will be difficult, completing it will help to ensure that we reconcile the budget gap without putting Maryland businesses at a competitive disadvantage. I am committed as Comptroller to providing the necessary data and thoughtful analysis needed to make this a well-informed debate - one in which I urge you to get involved in early.

As we continue to closely monitor our nation and state's economic performance in the coming months, it is my hope that we can come together to debate the important implications of getting our fiscal house back in order and preserving the quality of life that we as Marylanders have come to enjoy.



Caught in the Web

The Comptroller's Office recently added the names of 50 new tax scofflaws to its "Caught in the Web" campaign. The program, which aims to collect taxes from the state's worst tax delinquents, lists the top 25 businesses and 25 individuals owing millions on the agency's Web site. The most recent effort goes after more than \$6.1 million in unpaid taxes.

Since the program's inception in 2000, the agency has collected over \$20.3 million from 451 delinquent taxpayers. The current campaign has already netted \$1.5 million in back taxes from 32 delinquent taxpayers.

"Caught in the Web" was created to send a message to those who have ignored all attempts by the state to collect overdue taxes. The names of the 50 individuals and businesses owing the largest amounts in back taxes are listed on the agency's Web site until pay-



ment has been received or a payment plan has been set up.

A free brochure, entitled, *Delinquent Tax Collections and You*, is provided by the Comptroller's Office to fully explain how to resolve a delinquent tax matter and what to expect if overdue taxes are not paid. The brochure, along with the list of the 50 tax delinquents, can be downloaded from the agency's Web site, at www.marylandtaxes.com.

Federal Vendor Offset Program

Comptroller partners with United States Treasury

Department to stop delinquent vendors

The Comptroller's Office recently started a unique partnership with the U.S. Department of the Treasury's Financial Management Service to collect back taxes from delinquent vendors.

The first-of-its-kind program, which kicked off on June 11, allows Maryland to intercept federal vendor payments to satisfy state income tax liabilities. In the first week alone, the program brought in \$49,870 from 69 vendors for state coffers and is currently on track to collect more than \$2 million in its first year.

State officials estimate the total collected to grow as more federal agencies join the program and additional state liabilities are added from the Department of Labor, Licensing and Regulation and Central Collections Unit this Fall.

In addition to this new program, the Comptroller's Office already participates in a federal income tax refund intercept program. Through this initiative, federal income tax refunds are intercepted by the agency to satisfy individual state income tax liabilities and vice versa.

So far in this calendar year, Maryland took back more than \$19.7 million in back taxes from nearly 27,000 delinquent taxpayers. This represents almost a \$1 million increase compared to the same time last year. The average offset this year yielded \$727.



Two New Schedules for Form 504

The 2007 Maryland Tax Form 504, filed by fiduciary taxpayers, will soon have two added schedules to ensure better accuracy.

Mistakes made on Form 504 are often a result of errors in computing non-Maryland income or losses, as well as errors in computing the nonresident beneficiary deduction. The two new schedules will help address these issues.

Schedule NR, used to compute nonresident fiduciary modifications, will now be a required schedule for all nonresident fiduciaries who are filing Maryland Form 504.

The Comptroller's Office has also created a Maryland Modified Schedule K-1 to be used when the beneficiaries have Maryland modifications and/or Maryland tax credits. It is also used when the fiduciary has nonresident beneficiaries.

This schedule was created to clearly identify items related to Maryland and enhance the processing of tax forms. The Maryland Modified Schedule K-1 (Form 504) is used only by fiduciaries to provide beneficiary information, and submitted by beneficiaries when filing tax returns.

For more information about Maryland Tax Form 504 and its related schedules, or to get the latest news on Maryland taxes, visit www.marylandtaxes.com and search under "fiduciary."

Fiscal Year '07 Enforcement Stats - *Illegal alcohol, tobacco & motor fuel*

Comptroller Franchot announced the results of his office's efforts over the past year to get illegal alcohol, tobacco and motor fuel off Maryland streets.

For fiscal year 2007, which ended on July 1, agents confiscated a total of 50,392 packs of illegal cigarettes, valued at more than \$207,000, along with nearly \$175,000 worth of contraband alcohol. Agents also made 359 arrests for motor fuel violations, a nearly 60% increase in the number of arrests compared to last year. In addition, officials also netted over \$1.4 million in delinquent sales and use tax, all of which goes into the state's general fund.

In recent years, the Comptroller's Office has increased its enforcement efforts to crack down on



the sale of illegal cigarettes and alcohol. With a looming \$1.7 billion deficit, the Comptroller recently reaffirmed his commitment to working with local law enforcement officials to ensure that the state and local jurisdictions get the revenue they are due.

"Stricter enforcement of existing tax laws is one method that can help solve the structural deficit. These results are another example of how our office is committed to making sure that all Marylanders pay their fair share of taxes," said Comptroller Franchot.



Unclaimed Property Unit reunites owners with lost money and property

Nearly 900 owners claimed more than \$385,000 in property this summer

The Comptroller's Unclaimed Property Unit has been hard at work this summer helping reunite people with lost money or property.

In June, Comptroller Franchot returned a 2000 WNBA championship ring to Kelley Gibson, the assistant coach for the UMBC Retrievers women's basketball team, at a ceremony in his Baltimore office. The ring, held in her mother's safe-deposit box, was turned over to the Comptroller's Office in late 2006 after the bank's attempts to contact the owner went unanswered. Gibson's mother, Marcia Ritchie, relocated and neglected to pay the rent on the box.

"With all the traveling I was doing at the time, I thought the ring was best kept in a safe deposit box," Gibson said. "I didn't realize it was lost until the Comptroller's Office notified me. I'm happy to get it back."

In addition, the Comptroller's Office set up booths at various fairs throughout the state to help people

check its records for unclaimed property. Over the summer, nearly 900 people claimed more than \$385,000 in property, with the largest single claim netting almost \$50,000 for one taxpayer.

Banks, utilities, insurance companies and other corporations are required to report to the Comptroller any contents of safe deposit boxes, bank accounts, security deposits, wages and insurance benefits that have been unclaimed after three years. Funds remain the property of the owners or their legitimate heirs and can be claimed anytime.

The agency holds records on approximately 715,000 accounts dating back to the 1960s worth more than \$580 million. To see if you are owed any unclaimed property, visit the Comptroller's Web site or call 410-767-1700 from Central Maryland or toll-free at 1-800-782-7383.

\$\$\$ Reviews

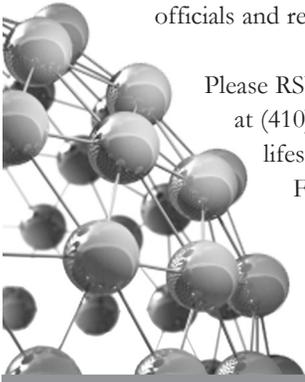
Life Sciences Summit

Help set the course for Maryland's global leadership in the knowledge-based economy

Mark your calendar for the Comptroller's Life Sciences Summit, set for Thursday, November 8, at the Columbia Sheraton.

Panel topics include: The Synergy between Maryland and the Federal Government, Tax Policy and Promoting Investment In Maryland, Life Sciences and the Economy, and From the Lab to the Market.

Audiences include: higher education personnel, business leaders, investors, biotechnology experts, government officials and research scientists.



Please RSVP by October 26, 2007,
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For more details, visit
www.marylandtaxes.com.

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