

From the Desk of the
Comptroller



While many predicted 2011 would signal an uptick in the country's fiscal strength, the tea leaves were wrong. Our state and our nation continue to deal with this

crippling recession. In fact, experts now agree that the national economy has lost momentum in recent months and that a double-dip recession is far more possible now than it was six months ago.

While this picture remains bleak, I believe there is a solution to move Maryland into prosperity.

I propose a Four Point Prescription for creating jobs and investment:

- No new taxes, and no change to current taxes, for at least two years;
- Balance state and local budgets honestly and look for efficiencies;

- Redefine the relationship between state government and the businesses we serve by producing a fair and predictable tax and regulatory climate and being more responsive to their needs and
- Improve financial literacy among our next generation of Marylanders.

I recently launched a petition drive calling for a financial literacy graduation requirement for all Maryland students. We hope to collect 10,000 signatures to deliver to the Maryland General Assembly in 2012. If you are interested in showing your support for this issue, please visit <http://www.marylandtaxes.com/comptroller/initiatives/literacy>.

While the weight of our state's challenges may be great; the strength of our resiliency is far greater. With courage, conviction and a shared obligation toward the greater good, we will solve the challenges we face.

Use your smartphone to visit us online!



Going Green, Saving Green

The Comptroller's Revenue Administration Division is going green, while saving green. A priority of this initiative is to encourage all taxpayers and tax professionals to file electronically. Electronic filing reduces costs incurred by the state and increases

efficiency in the processing of returns, allowing the taxpayers to receive their refunds within three to five business days.

In 2009, the Comptroller's Office stopped printing and mailing the corporation, pass-

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REVENUES

Introducing...A New, Improved Electronic Filing System

During tax year 2010, the Comptroller's Office introduced an improved program for filing Maryland individual income tax returns via Modernized e-File (MeF). For tax year 2011, this program will be expanded to include resident and non-resident returns, supplemental forms and schedules, extensions and declarations via MeF.

This MeF system generates many benefits, including:

- Year-round submittal of tax returns except for a brief period at the end of the calendar year;

Receive Future 1099G Forms Electronically

The Comptroller's Office recently launched a campaign geared to encourage taxpayers to receive their Form 1099G electronically. The IRS requires the agency to mail a 1099G to every taxpayer who received a refund or credit from the state for the prior tax year and also itemized deductions. Currently, the agency sends out more than 1.3 million paper 1099G forms each year. However, this requirement can be waived if a taxpayer authorizes consent electronically to receive their 1099G electronically.

Currently, only iFile users with "enhanced registration" can view their 1099G form online and print it at their convenience.

In an effort to conserve paper and increase efficiency, the Comptroller's Office is urging all taxpayers to opt-in to receive their 1099G form electronically. More than 400,000 taxpayers who meet the following criteria will receive e-mails encouraging them to receive future 1099G forms electronically:

- Taxpayer has previously registered with the Comptroller of Maryland for online services (iFile) at some time in the past;
- Taxpayer has provided the Comptroller of Maryland with an email address;
- Taxpayer has not already visited the Comptroller of Maryland Website to consent or deny consent to receive future 1099G forms electronically.

For more information, please contact the Comptroller's taxpayer services unit at 410-260-7980 or visit <https://interactive.marylandtaxes.com/Individuals/paperless/1099g/default.asp>.

- Transmissions are processed upon receipt with acknowledgements generated 24 hours a day, seven days a week;
- If there is an error in the return, error messages will pinpoint the location of the error within the return and
- Supporting documents (especially in Adobe PDF format) can be scanned and submitted with the return.

MeF certainly gives preparers and taxpayers another reason to file electronically.

Use your smartphone to visit us online!



Board of Revenue Estimates' New Figures Reflect \$195M Increase

Last month, the Board of Revenue Estimates released the revised General Fund revenue estimates for fiscal year 2012, as well as the first official estimates for fiscal year 2013. In light of the most recent economic data and developments, as well as revenue collections for fiscal year 2011, the board released a revised estimate of more than \$14.1 billion for fiscal year 2012 and an estimate of nearly \$14.5 billion for fiscal year 2013.

The fiscal year 2012 estimate represents an increase of \$195 million over the March estimate, upon which the fiscal year 2012 budget was based. Officials revised the individual income tax upward, reflecting the unexpectedly strong performance in fiscal year 2011. Additionally, the board revised the sales tax, corporate income tax, and interest downward. General fund revenues are forecasted to increase 4.1% in fiscal year 2012, although adjusted for statutory changes, growth is 3.6%.

2011 Federal and State Tax Institutes

The 37th Annual Federal and State Tax Institutes will be held in November at four locations around Maryland.

Representatives from the IRS and Comptroller's Revenue Administration Division sponsor the clinics to provide an overview of information and updates, clarification and explanation of federal and state tax law reporting requirements and new tax law developments for tax preparers and practitioners.

Those who received a registration brochure for the 2010 institutes should have already received one for 2011 seminars. For those who would like to attend one of the institutes but did not receive a brochure, the brochure can be downloaded at http://taxpros.marylandtaxes.com/pdf/Tax_Institute_Registration_Form.pdf.

Registration cannot be completed over the phone or by e-mail. Those who wish to register must mail in the electronic or print version of the completed registration form to the address listed on the front of the brochure. Credit and debit cards will not be accepted.

Materials will be available online this year. Participants will be sent a link to the e-mail address you provide at the time of registration. Hard copies of the materials will be available for an additional charge of \$25, which can be added onto your registration fee.

In addition, professional accountants can earn a maximum of eight (8) Continuing Professional Education credits.

If you have any questions e-mail radtaxinstitute@comp.state.md.us.

Dates and locations for the 2011 Institutes:

Tuesday, November 1, 2011 - Easton
The Milestone (formerly Krystal Q Reception Hall & Catering)

Friday, November 4, 2011 - Frederick
Holiday Inn

Monday, November 7, 2011 - Greenbelt
Martin's Crosswinds

Tuesday, November 15, 2011 - Baltimore
Martin's West

Good News for Employers and Payroll Transmitters

As of October 1, employers with 25 or more W-2 forms are required to file either electronically or via magnetic media. The Comptroller's Revenue Administration Division is in the process of developing a program which will allow employers and payroll transmitters to electronically upload and send employee W-2 data directly to the Comptroller's Office.

The new program, which is expected to begin mid-January 2012, will use the same file format used to transmit W-2 data to the Social Security Administration in an effort to save time and effort.

Many Happy Returns

As the 2011 tax-filing season draws to a close, the Comptroller's Office reached a milestone reporting more than two million electronically-filed, current-year individual income tax returns received, representing a nearly 15% increase over last year.

Officials returned more than \$1.7 million in refunds to Maryland families within two days from the electronically-filed returns alone, of which over 75% was direct-deposited into taxpayers' bank accounts.

Electronic filing is fast, safe, secure and costs little to process, making it a winner for both the taxpayer and the state of Maryland.

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through entity and fiduciary tax booklets. In addition, officials discontinued the mailing of the employer withholding guide. Last year, the agency stopped printing and mailing non-resident tax booklets. The 2011 resident tax booklet will be the last to be printed and mailed directly to taxpayers.

Additionally, RAD has stopped mailing Sales and Use Tax, as well as Withholding Tax, coupon booklets to those who have chosen to utilize the Comptroller's bFile application.

Beginning January 2012, taxpayers can also opt to receive their 1099G form electronically. As a result of these efforts to "go green," the Comptroller's Office is not only striving to be environmentally conscious, but fiscally responsible as well.



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