

2024 Summary of Form Changes

Tax Legislation:

1. 2024 new tax provisions

- **Credits:**

- (1) Venison Donation Income Tax Credit: For up to \$75 per deer (\$300 maximum) in expenses incurred to butcher and process an antlerless deer for human consumption if harvested and donated to an IRC §501(c)(3) nonprofit organization. The total annual credit may exceed \$300 if the individual has a deer management permit. **Affected form:** 502CR Form and instructions. See Part G, 502CR instructions.
- (2) Catalytic Revitalization Project Tax Credit: The credit certificate may now be issued in one of two ways:
 - i. for a project issued a single tax credit on completion, the taxpayer may claim a credit of 20% of the amount stated on the certificate for 5 consecutive years, and
 - ii. for a phased project issued on completion of a phase, the taxpayer may claim 100% of the amount stated on the certificate. **Affected forms:** See Part G, Form 500CR instructions; and Part CC, Line 5, Form 502CR.
- (3) Small Business Relief Tax Credit: Sunsets May 31, 2024; however, issued credits prior to the sunset are valid. **Affected form:** Part B, Form 500CR instructions.

- **Additions:** None

- **Subtractions**

- (1) New subtraction: Code letter "yd." benefit payment to family of person killed or injured by Francis Scott Key bridge collapse. **Affected forms:** 502SU and 505SU.
- (2) New subtraction: Code letter "ye." tuition assistance provided to a student who is an eligible dependent or surviving spouse of a fallen transportation worker. **Affected forms:** 502SU and 505SU.
- (3) Subtractions Code letter "va." for volunteer fire, rescue, or emergency medical services and "vb." for police auxiliary or reserve volunteers were combined into one code letter ("va."). **Affected forms:** 502SU and 505SU.

- (4) Expanded current subtraction Code letter "oo." for income earned by a law enforcement officer to any State law enforcement officer residing in a political subdivision in which the crime rate exceeds the State's crime rate. **Affected form:** 502SU.
- (5) Updated subtraction Code letter "aa." of the existing subtraction for a law enforcement officer includes payment from a pension system to the surviving spouse or other beneficiary of a law enforcement officer or firefighter who died in the line of duty. Previously, amounts paid to a deceased firefighter's family that were not paid from a pension were not eligible for the subtraction. The emergency bill expands the subtraction to include a payment of a death benefit under a collective bargaining agreement from a Maryland county or municipality to the beneficiary of a law enforcement officer or firefighter who has died in the line of duty. **Affected forms:** 502SU and 505SU.
- (6) Updated subtraction Code letter "uu." by removing the amount of gain recognized as a result of the direct or indirect transfer or conveyance of any property located or used at or within the Laurel Park site and the amount of income recognized as the result of any expenditure of funds directly or indirectly by the State, Baltimore City, or Anne Arundel County with respect to the Laurel Park site or Anne Arundel County with respect to the Pimlico site. **Affected forms:** 502SU and 505SU.
- (7) Updated subtraction Code letter "yb." by removing the term "medical" that was in Instruction 13 of the 2023 resident/nonresident booklets and replacing it with the term "registered" for cannabis business. **Affected forms:** 502SU and 505SU (see Instruction 13 of the 2024 resident/nonresident booklets).
- (8) Added subtraction Code letter "xx" (donations of certain disposable diapers, certain hygiene products and certain monetary gifts). **Affected forms:** 505SU and Nonresident instructions. **Note:** This subtraction is already present in Form 502SU and after Legal Team's revision, it was decided that this subtraction, applies to resident and nonresident taxpayer.
- Local income tax for TY 2025: Three local counties (Cecil's, Anne Arundel's, Calvert's, and St. Mary's) have updated their local tax rate (see page 46 of the 2024 resident booklet).

Additional Form Changes:

1. Clarification language added under resident instructions (502), instruction 10 to indicate who qualify to claim the additional \$ 1,000 for being over 65 and for blindness.
2. Clarification language added to Form 502UP under the section 'Exceptions' which avoid the underpayment interest (b) first page. "(1) 110% of last year's taxes, or (2) 90% of the current year's taxes."
3. Added language to Form 502B under DOB check box on each of the dependent's information. "You must provide the date of birth for the individual listed." This is for certain qualified dependents for the Maryland Child Tax Credit (see Line 8, Form 502CR).
4. New check box was added to the Form 505 (Line 44) and 505X (Line 16) asking the taxpayer if they are filing the return for the nonresident sale of real property.
5. Two new lines were added under Code letter ww. of Form 502SU.

ww1.- amount contributed to first time home buyers savings account without interest.
ww2.- amount of interest earned from first time home buyer savings account.
6. The language on Part A, Form 502CR was updated indicating the local progressive tax for Anne Arundel County and the fixed local tax rate for Frederick County. Taxpayer residents must refer to Instructions 19 of the 2024 resident booklet for the revised taxable net income to be entered on Line 3, Form 502CR.
7. Removing checkbox and language "Check here if electing to remit tax on all members' shares of income" of Form 500UP. It was present in TY2023 form but will not be present in TY 2024.