Maryland

Income Tax Letter of Intent

Tax Year 2021

September 2021

This form must be completed and submitted by December 15, 2021

Contacts:

eFile – efil@marylandtaxes.gov

Forms – mdsoftwaredevelopers@marylandtaxes.gov

2021 Tax Software Provider Comptroller of Maryland Letter of Intent

Welcome to the Income Tax Letter of Intent (LOI). If your software company intends to submit electronic and/or paper returns to the Comptroller of Maryland you will need to complete this form and submit it to the E-file Unit at efil@marylandtaxes.gov or Forms at mdsoftwaredevelopers@marylandtaxes.gov.

By submitting this Letter of Intent (LOI) to the Comptroller of Maryland, you agree to meet our standards for software provider registration, tax preparation software, and substitute forms. If you do not meet the standards and requirements explained in this LOI, we may deny your application or revoke your approved software provider status and reject all electronic and/or paper returns submitted using your products.

You must complete a separate LOI for each unique product your company offers. We may reject an incomplete Letter of Intent.

Note: If you are a new Software Provider who has not filed city/state income tax returns with any city or state agencies, you must have passed assurance testing with the IRS. Attach documentation from the IRS demonstrating you have successfully tested with the IRS.

Important dates

The Comptroller of Maryland has important key dates to ensure we are ready for the filing season and taxpayers can file an accurate and timely tax return. Please note the following key dates:
- Complete and submit this form by December 15, 2021.
- Forms need to be submitted by December 1st for review and approval.
- Assurance testing (ATS) - TBD.

Company information

List your company information.

Name of Company	Product Name	City/State Issued Software ID (if applicable)
DBA Name	NACTP Vendor ID	City/State Tax Account Number (if applicable)
Address	Product Address/URL	Company FEIN
City	State	Zip Code
If you have more than one product name, list your other product names here:		

IRS issued electronic identification numbers

List your IRS electronic identification numbers.

Test EFIN(s)	Test ETIN(s)
Production EFIN(s)	Production ETIN(s)

Contact information

List the contact information for each area identified.

Regulatory/Compliance Contact	Phone	Email Address
Primary Individual MeF Contact	Phone	Email Address
Secondary Individual MeF Contact	Phone	Email Address
Primary Business MeF Contact	Phone	Email Address
Secondary Business MeF Contact	Phone	Email Address
Primary Leads Reporting Contact	Phone	Email Address
Secondary Leads Reporting Contact	Phone	Email Address

Authorized access to the State Exchange System

On page 14 and 15, provide information for each employee you are authorizing for access to the State Exchange System.

Software products and tax types supported

Check all that apply.

Type of Software Product Supported	
DIY/Consumer (Web-Based)	☐
DIY/Consumer (Desktop)	☐
Professional/Paid Preparer (Web-Based)	☐
Professional/Paid Preparer (Desktop)	☐

Tax Types Supported				
Individual Income Tax	☐	Forms	☐	E-File
Corporate Tax	☐	Forms	☐	E-File
Pass-Through Entity Tax - LLCs/Partnerships/S-Corps	☐	Forms	☐	E-File
Estate/Trust/Fiduciary Tax	☐	Forms	☒	E-File
Sales and Use Tax	☐	Forms	☒	E-File
Withholding	☐	Forms	☒	E-File

Rebranded software products
Complete this section only if your product is rebranded.

For software to be considered rebranded, changes cannot be made to the software requirements and output(s). As the Software company selling and/or licensing your product to a third-party, it is your responsibility to make sure the rebranded product reflects the current software requirements and output(s). List each of your rebranded products below.

Use one of the following class codes for each product:

- **Class Code 1:** Software products sold/licensed to a third-party user and the third-party user can add their own logos and/or splash screens, but they **CANNOT** modify calculations in the program.

- **Class Code 2:** Software products sold/licensed to a third-party user and the third-party **can** modify calculations in the program.

Rebranded Product Name	Class Code	ETIN (if applicable)	Contact Person	Phone	Email Address
Rebranded Product Name	Class Code	ETIN (if applicable)	Contact Person	Phone	Email Address
Rebranded Product Name	Class Code	ETIN (if applicable)	Contact Person	Phone	Email Address
Rebranded Product Name	Class Code	ETIN (if applicable)	Contact Person	Phone	Email Address
Rebranded Product Name	Class Code	ETIN (if applicable)	Contact Person	Phone	Email Address

Attach additional sheets if needed.

For Rebranded Products, the Comptroller of Maryland has the following requirements:

- Rebranded Products [with class code 1] are not required to complete an abbreviated e-file ATS/paper form approval
- Rebranded Products [with class code 2] are required to complete the full e-file ATS/paper form approval process

Substitute forms registration

Complete this section only if your product will provide substitute forms.

Agency Substitute Forms Software Number		
Primary Individual Forms Contact	Phone	Email Address
Secondary Individual Forms Contact	Phone	Email Address
Primary Business Forms Contact	Phone	Email Address
Secondary Business Forms Contact	Phone	Email Address
Note: If you have separate contacts for each business tax type, please list them by tax type on a separate sheet and attach it to this submission.		

Forms and schedules supported (check all that apply)

Check the boxes of the forms and schedules your company supports. If there is a check in the "mandated for E-file" column, your company is required to submit these returns electronically.   Input the list of your available forms and schedules a company can support for your agency and put a check in the "E-file mandated" column if they are mandated for E-file.

Tax Type and Forms	E-file Mandated	Forms	E-File	E-File Amended
Individual Income Tax				
502 – Resident Income Tax Return	☑	☐	☐	☐
502AC – Subtraction for Contribution of Artwork	☒	☐	☒	☒
502AE – Subtraction for Income Derived within Arts and Entertainment District(s)	☒	☐	☒	☒
502B – Dependents' Information	☒	☐	☐	☐
502CR – Income Tax Credits for Individuals	☒	☐	☐	☐
502D – 2022 Declaration of Estimated Maryland Income Tax	☒	☒	☐	☒
502E – Application for Extension to File Personal Income Tax Return	☒	☒	☐	☒
502INJ – Injured Spouse Claim Form	☒	☐	☐	☐
502R – Retirement Income	☒	☐	☐	☐
502S – Heritage Structure Rehabilitation Tax Credit	☒	☐	☐	☐
502SU – Subtractions from Income	☒	☐	☐	☐
502TP – Computation of Tax Preference Income	☒	☐	☒	☒

Form				
502UP – Underpayment of Estimated Income by Individuals	☒	☐	☐	☐
502V – Use of Vehicle for Charitable Purposes	☒	☐	☐	☐
502X – Amended Resident Individual Tax Return	☒	☐	☐	☐
588 – Direct Deposit of Maryland Income Tax Refund to More than One Account	☒	☐	☐	☐
505 – Nonresident Income Tax Return	☒	☐	☐	☐
505NR – Nonresident Income Tax Calculation	☒	☐	☐	☐
505SU – Nonresident Subtractions from Income	☒	☐	☐	☐
505X – Nonresident Amended Tax Return	☒	☐	☐	☐
500CR – Business Income Tax Credits	☒	☐	☐	☐
500DM – Decoupling Modification	☒	☐	☐	☐
Maryland Schedule K-1 (510) – Maryland Pass-Through Member's Information	☒	☐	☐	☐
515 – Nonresident (Local Tax Only) Tax Return	☒	☐	☒	☒
1099-G – Unemployment Compensation	☒	☐	☐	☐
EL101 – Income Tax Declaration for Electronic Filing	☒	☐	☒	☒
PV – Personal Tax Payment Voucher for Form 502/505, Estimated Tax and Extensions	☒	☐	☒	☒
Binary Attachments/PDFs	☒	☒	☐	☐

Federal Forms Supported (check all that apply) **e-File only**

☐ Form W-2 - Wage and Tax Statement

☐ Form W-2G - Certain Gambling Winnings

☐ Form 1099R - Distributions from Pensions, Annuities, Retirement or Profit-Sharing Plans

☐ Form 1099MISC - Miscellaneous Income

☐ Form 1099B - Proceeds from Broker and Barter Exchange Transactions

☐ Form 1099DIV - Dividends and Distributions

☐ Form 1099INT - Interest Income

☐ Form 1099OID - Original Issue Discount

☐ Form 1099K - Payment Card and Third-Party Network Transactions

☐ Form 1099-NEC – Nonemployee Compensation

List Maryland E-File Limitations:

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Tax Type and Forms	E-File Mandated	E-File	Forms	E-File Amended
Corporate and Pass-Through Entity Tax				
500 – Corporation Income Tax Return	☒	☐	☐	☐
500CR – Business Income Tax Credits	☒	☐	☐	☐
500D – 2022 Corporation Declaration of Estimated Income Tax	☒	☐	☐	☐
500E – Application for an Extension to File Corporation Income Tax Return	☒	☐	☐	☐
500DM – Decoupling Modification	☒	☐	☐	☐
500UP – Underpayment of Estimated Income Tax by Corporations and Pass-Through Entities	☒	☐	☐	☐
502S – Heritage Structure Rehabilitation Tax Credit	☒	☐	☐	☐
510 – Pass-Through Entity Tax Return	☒	☐	☐	☐
511 – Pass-Through Entity Election Tax Return	☒	☐	☐	☐
510C - Composite Pass-Through Entity Income Tax Return	☒	☒	☐	☒
510D - 2022 Pass-Through Entity Declaration of Estimated Income Tax	☒	☐	☐	☐
510E - Application for Extension to File Pass-Through Entity Income Tax Return	☒	☐	☐	☐
Maryland Schedule K-1 (510) – Maryland Pass-Through Entity Member's Information	☒	☐	☐	☐
EL101B – E-File Declaration for Businesses Electronic Filing	☒	☐	☒	☒
EL102B – Income Tax Payment Voucher for Business Electronic Filers	☒	☐	☒	☒
Binary Attachments/PDFs	☒	☒	☐	☐

Tax Type and Forms	E-File Mandated	E-File	Forms	E-File Amended
Sales Tax and Withholding				
202/202F – Sales and Use Tax Return	☒	☒	☐	☒
CRA – Combined Registration Application	☒	☒	☐	☒
MW506 – 2022 Employer's Return of Income Tax Withheld	☒	☒	☐	☒
MW506A – 2022 Amended Employer's Return of Income Tax Withheld	☒	☒	☐	☒
MW506M – 2022 Employer's Return of Income Tax Withheld for Accelerated Filers	☒	☒	☐	☒
MW506AM – 2022 Amended Employer's Return of Income Tax Withheld for Accelerated Filers	☒	☒	☐	☒
MW508 – 2022 Annual Employer Withholding Reconciliation Return	☒	☒	☐	☒
MW508CR – 2022 Business Income Tax Credits (To be used by non-profit 501 c(3) organizations only)	☒	☒	☐	☒

Tax Type and Forms	E-file Mandated	Forms	E-File	E-File Amended
Fiduciary				
504 – Fiduciary Income Tax Return	☒	☐	☒	☒
504A – Fiduciary Income Tax Return Schedule A	☒	☐	☒	☒
504CR – Business Income Tax Credits for Fiduciaries	☒	☐	☒	☒
504D – 2022 Fiduciary Declaration of Estimated Income Tax	☒	☐	☒	☒
504E – Application for Extension to File Fiduciary Return	☒	☐	☒	☒
Maryland Schedule K-1 (504) – Fiduciary Beneficiary's Information	☒	☐	☒	☒
504NR – Fiduciary Nonresident Income Tax Calculation	☒	☐	☒	☒
504UP – Underpayment of Estimated Income Tax by Fiduciaries	☒	☐	☒	☒
Common/Shared Forms				
500CR - Business Income Tax Credits	☒	☐	☐	☐
500DM - Decoupling Modification	☒	☐	☐	☐
502S - Heritage Structure Rehabilitation Tax Credit	☒	☐	☐	☐
Maryland Schedule K-1 (510) - MD Pass-Through Entity Member's Information	☒	☐	☐	☐

504NBD – Fiduciary Nonresident Beneficiary Deduction Summary

EFT – Comptroller of Maryland Authorization Agreement for Electronic Funds Transfers

MW506AE - Application for Certificate of Full or Partial Exemption

MW506FR - Employer Withholding Final Return

MW506NRS - Maryland Return of Income Tax Withholding for Nonresident Sale of Real Property

MW507 - Employee's Maryland Withholding Exemption Certificate

MW507M - Exemption from Maryland Withholding Tax for Qualified Civilian Spouse of a U.S. Armed Forces Service Member

MW507P - Maryland Income Tax Withholding for Annuity, Sick Pay and Retirement Distributions

MW508A - Annual Employer Withholding Reconciliation Report - Amended

MW508NRS - Maryland Monthly Reconciliation Return for Sales of Real Property by Nonresidents

Agency requirements

This section identifies agency requirements and expectations of new and existing Software Providers and the software product.

Issue notification and resolution requirements

This section represents the Comptroller of Maryland issue notification and issue resolution standards.

Data breaches, security incidents, or other improper disclosures of taxpayer data that by law require reporting to the Maryland Office of Attorney General must also be reported to the Comptroller of Maryland.

If there is a Production problem, the Comptroller of Maryland must be notified by Software Vendor of the incident description, its date and time, how the incident was discovered, specific elements involved, how many returns are impacted, how it was communicated to the customers, what is the plan to correct the issue, when it will be fixed, and whether manual intervention is needed on the Maryland end. The notification e-mail should be sent to **efil@marylandtaxes.gov (e-File returns)** or **mdsoftwaredevelopers@marylandtaxes.gov (forms).**

Production return submission requirements

All returns generated from this software must be e-filed or printed from the approved software or a subsequent product update.

Product updates

Desktop product users who attempt to file 10 or more business days after a production release must be required to download and apply the product update.

Schemas

Your software must follow the schema requirements. Find the Comptroller of Maryland schema requirements on the FTA State Exchange site.

System security requirements

The Comptroller of Maryland does not prescribe the security requirements for your system. You are responsible for implementing appropriate security measures to protect taxpayers and their information in your system. You must apply security measures to protect taxpayer information in your system when it is on-line, off-line, at rest, and in transit.

Testing and submissions

All e-file ATS and substitute forms tests submitted during the approval process must be created in, and originate from, the actual software.

Validation of data elements

You must validate the following pre-populated data elements:

- State driver's license and state issued identification data elements
- Maryland Physical address on Resident income tax returns
- Bank account information
- Social Security numbers on W-2 forms (and ITIN returns)
- State withholding account numbers

Customer Notices

This section identifies information the Comptroller of Maryland is requiring the software providers to communicate with customers.

Disclosure and use of information language expectations
You must include the following consent language with electronic filing software.

> **For Do-It-Yourself software:**
> *By using a computer system and software to prepare and file my tax return(s) electronically, I consent to the transmission of my return(s) and to the disclosure of all information about my use of the system and software to the Comptroller of Maryland.*

> **For Tax Professional software:**
> *By using a computer system and software to prepare and file my client's return(s), I consent to the transmission of my client's return(s) and to the disclosure of all information about my use of the system and software to the* Comptroller of Maryland.

> **For Business software:**
> *By using a computer system and software to prepare and file this business tax return(s), I consent to the transmission of the return(s) and to the disclosure of all information about the use of the system and software* to the Comptroller of Maryland.

Driver's license/ID card expectations
The Comptroller of Maryland is providing the following expectations and information:

For e-file returns:
> The Comptroller of Maryland requests the DL/ID card be included with the tax return but will not reject if it is not included.

For printed/paper forms requesting the DL/ID Card information:
> The Comptroller of Maryland does not have the Driver's License or State Issued Identification (ID) information on the paper form(s).

> The Comptroller of Maryland is providing a URL and/or a statement for the DL/ID Card. All Do It Yourself (DIY) and Tax Professional software packages must include this information in your software. The message is expected to be displayed within the software in a way to maximize the likelihood the message is read.

URL: http://www.comp.state.md.us/new-tax-year-update.php.

Statement: Many state revenue agencies, including Maryland, are requesting additional information in an effort to combat stolen-identity tax fraud and to protect you and your tax refund. If you and your spouse have a driver's license or state issued identification card, please provide the requested information from it. The return will not be rejected if you do not provide a driver's license or state-issued identification. If you provide this information, it may help to identify you as the taxpayer.

Refund expectations

The Comptroller of Maryland is providing a URL and/or a statement about refund processing. You must include the URL and statement in all your products and show it to users within the software in the most prominent way possible.

URL: https://interactive.marylandtaxes.gov/INDIV/refundstatus/home.aspx.

Statement: Individual taxpayers can check the status of their refund by visiting www.marylandtaxes.gov and clicking on "Where's my refund?" or by calling the automated refund inquiry hotline, toll-free 1-800-218-8160 or 410-260-7701. Advise taxpayers to wait at least 10 days from acceptance of their return before calling Taxpayer Services Division at toll-free 1-800-638-2937 or 410-260-7980.

Taxes due expectations

The Comptroller of Maryland is providing a URL and/or a statement about taxes due, such as due dates and payment methods. You must include the URL and statement in all your products and show it to users within the software in the most prominent way possible.

URL: Individual taxpayers: https://www.marylandtaxes.gov/individual/tax-compliance/pay-it.php

  Business taxpayers: https://www.marylandtaxes.gov/business/index.php and choose Pay It/Dispute It

Statement:

Corporate Income tax Forms 500, 510, and 511 are due the 15th day of the 4th month following the close of the tax year or period.

Agency questions

1. Do you support unlinked jurisdictional returns?
    a. ☐ Yes
    b. ☐ No

2. What refund products or payment vehicles do you offer your customers? If you partner with an entity to provide refunds, please provide the name(s) and bank routing numbers (RTNs) of each company. Attach a separate sheet if necessary.

    Any software supporting Resident Individual Income Tax Returns electronically must offer the opportunity to register to vote through a link to the online voter registration

    https://voterservices.elections.maryland.gov/OnlineVoterRegistration/InstructionsStep1?val=comp

Acknowledgments and signature

I agree to provide true, accurate, current and complete information. By signing this agreement, my company agrees to all of the requirements listed in this document. The Comptroller of Maryland reserves the right to deny, suspend or terminate my company's ability to submit returns.

AUTHORIZED REPRESENTATIVE PRINTED NAME	AUTHORIZED REPRESENTATIVE EMAIL ADDRESS	
AUTHORIZED REPRESENTATIVE SIGNATURE	AUTHORIZED REPRESENTATIVE PHONE NUMBER	DATE

Complete this signature line if this is an amended Letter of Intent

AUTHORIZED REPRESENTATIVE SIGNATURE	AUTHORIZED REPRESENTATIVE PHONE NUMBER	AMENDED DATE

Authorized access to the State Exchange System

Access to the State Exchange System should be limited to those with a business need. **You are allowed up to 15 users.**

Provide information for each employee you are authorizing for access to the State Exchange System. The tax type box should include all the tax types individuals are authorized to access.

NOTE: Include all authorized individuals, even if listed previously on this form.

Company name	First and last name	Email address
Phone number	Authorized access ☐ Forms ☐ E-file	Tax types
Company name	First and last name	Email address
Phone number	Authorized access ☐ Forms ☐ E-file	Tax types
Company name	First and last name	Email address
Phone number	Authorized access ☐ Forms ☐ E-file	Tax types
Company name	First and last name	Email address
Phone number	Authorized access ☐ Forms ☐ E-file	Tax types
Company name	First and last name	Email address
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Company name	First and last name	Email address
Phone number	Authorized access ☐ Forms ☐ E-file	Tax types
Company name	First and last name	Email address

Phone number	Authorized access ☐Forms ☐E-file	Tax types
Company name	First and last name	Email address
Phone number	Authorized access ☐Forms ☐E-file	Tax types
Company name	First and last name	Email address
Phone number	Authorized access ☐Forms ☐E-file	Tax types
Company name	First and last name	Email address
Phone number	Authorized access ☐Forms ☐E-file	Tax types
Company name	First and last name	Email address
Phone number	Authorized access ☐Forms ☐E-file	Tax types
Company name	First and last name	Email address
Phone number	Authorized access ☐Forms ☐E-file	Tax types