

MARYLAND FORM 510/511D PASS-THROUGH ENTITY DECLARATION OF ESTIMATED INCOME TAX



2023

23510D099

OR FISCAL YEAR BEGINNING [ ] 2023, ENDING [ ]

[ ] Federal Employer Identification Number (9 digits)

Name [ ]

Current Mailing Address Line 1 (Street No. and Street Name or PO Box) [ ]

Current Mailing Address Line 2 (Apt No., Suite No., Floor No.) [ ]

City or town [ ] State [ ] ZIP Code [ ] +4 [ ]

Foreign Country Name [ ]

Foreign Province/State/County [ ]

Foreign Postal Code [ ]

For Office Use Only
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USE THIS FORM TO REMIT ANY ESTIMATED PAYMENT DUE AT THIS TIME. IF FORMS ARE NEEDED TO MAKE ADDITIONAL INSTALLMENTS OF THE CURRENT TAX YEAR, SEE THE INSTRUCTIONS FOR MORE INFORMATION.

TYPE OF ENTITY - Check the applicable box. ▶

- [ ] S Corporation [ ] Partnership [ ] Limited Liability Company [ ] Business Trust

IMPORTANT: Review the instructions before completing this form. If you are using this form for subsequent estimated payments, you do not need to complete this worksheet if you previously have calculated the amount you need to pay each quarter.

[ ] Check here if you are a first time filer or your mailing address has changed.

[ ] Check here if PTE has made the irrevocable election for Tax Year 2023 to remit tax with respect to all members' shares.


ESTIMATED TAX WORKSHEET

Table with 12 rows for tax calculations and 2 columns for amounts. Includes items like 'Taxable income of nonresident individual members' and 'Estimated tax due for the year'.

Estimated tax paid for 2023 with this declaration. ▶ \$ [ ]

**Purpose of Form** Form 510/511D is used by a pass-through entity (PTE) to declare and remit estimated tax for nonresidents. The PTE may elect to declare and remit estimated tax on behalf of resident members.

**Election to Pay Tax for All Members at the Entity Level** Effective July 1, 2021, PTEs may elect to pay tax for all members at the entity level. For electing PTEs, the tax is the top marginal state tax of 5.75% plus the lowest local income tax rate of 2.25% of members' pass-through entity taxable income. For entity members the tax is 8.25% of the electing PTEs taxable income.

 For tax years beginning after December 31, 2022, the election must be made, if at all, with the first estimated tax payment of the tax year. The election made with the first estimated payment is irrevocable. Once the election to remit tax at the entity level with respect to all members' shares is made for the tax year, this box must be checked with all subsequent declaration payments. For more information, see Administrative Release 6.

**General Requirements** PTEs are required to pay tax on behalf of all nonresident members. For nonresident members that are individuals or nonresident fiduciaries, the tax is 5.75% in addition to the special nonresident tax of 2.25% of the nonresident member's distributive or pro rata share of income. For nonresident entity members, the tax is 8.25% of the nonresident member's distributive or pro rata share of income. A nonresident entity is an entity that is not formed under the laws of Maryland; and is not qualified by, or registered with the Department of Assessments and Taxation to do business in Maryland. The amount of tax due may be limited based on the distributable cash flow limitation. The Distributable Cash Flow Limitation worksheet is available in our PTE income tax instructions, which can be downloaded at [www.marylandtaxes.gov](http://www.marylandtaxes.gov).

Certain PTEs meeting certain reporting requirements are exempt from the requirement to pay nonresident tax on behalf of their nonresident members. See instructions for Form 510 for more information.

When the tax is expected to exceed \$1,000 for the tax year, the PTE must make quarterly estimated payments. The total estimated tax payments for the year must be at least 90% of the tax developed for the current tax year or 110% of the tax that was developed for the prior tax year to avoid interest and penalty.

In the case of a short tax period, the total estimated tax required is the same as for a regular tax year: 90% of the tax that was developed for the current (short) tax year or 110% of the tax that was developed for the prior tax year. The minimum estimated tax for each of the installment due dates is the total estimated tax required divided by the number of installment due dates occurring during the short tax year. However, if the pass-through entity has a short tax period of less than 4 months, it does not have to pay estimated tax nor file Form 510/511D.

Maryland law provides for the accrual of interest and imposition of penalty for failure to pay any tax when due.

If it is necessary to amend the estimate, recalculate the amount of estimated tax required using the estimated tax worksheet provided. Adjust the amount of the next installment to reflect any previous underpayment or overpayment. The remaining installments must be at least 25% of the amended estimated tax due for the year.

The PTE must issue a statement (Maryland Schedule K-1 (510/511)) to each member showing the amount of tax paid for the members or on their behalf. Members must include the statement with their own income tax returns (Form 500, 502, 504, 505, 511, or 510) to claim credit for taxes paid.

**When to File** File Form 510/511D on or before the 15th day of the 4th, 6th, 9th and 12th months following the beginning of the tax year or period for S corporations or by the 4th, 6th, 9th and 13th months following the beginning of the tax year for partnerships, LLCs and business trusts.

**Tax Year or Period** The tax year is shown at the top of Form 510/511D. The form used for filing must reflect the pre-printed tax year in which the PTE's tax year begins.

If the tax year of the PTE is other than a calendar year, enter the beginning and ending dates of the fiscal year in the space provided at the top of Form 510/511D.

**Name, Address, and Other Information** Type or print the required information in the designated area.

Enter the exact PTE name with any "Trading As" (T/A) name if applicable.

Enter the Federal Employer Identification Number (FEIN). If the FEIN has not been secured, enter "APPLIED FOR" followed by the date of application. If a FEIN has not been applied for, do so immediately.

**Filing electronically using Modernized Electronic Filing method (MeF)** (software provider must be approved by the IRS and Revenue Administration Division). **If filed electronically, do not mail 510/511D; retain it with company's records.**

If you need to make additional payments for the current tax year you may file electronically or visit [www.marylandtaxes.gov](http://www.marylandtaxes.gov) and download another Form 510/511D.

**Payment Instructions** Include a check or money order made payable to **Comptroller of Maryland**. All payments must indicate the FEIN, type of tax and tax year beginning and ending dates. **DO NOT SEND CASH.**

**Mailing Instructions** Mail the completed Form 510/511D and payment to:

**Comptroller of Maryland  
Revenue Administration Division  
110 Carroll Street  
Annapolis, MD 21411-0001**