STATE OF MARYLAND
DEPARTMENT OF ASSESSMENTS AND TAXATION
FRANCHISE TAX UNIT
700 EAST PRATT STREET, SUITE 2700
BALTIMORE, MARYLAND 21202-6377

2025
PUBLIC SERVICE COMPANY
FRANCHISE TAX RETURNS

IMPORTANT TAX DOCUMENTS

THIS BOOKLET CONTAINS:

- General Instructions
- Public Service Company Franchise Tax Return (Form 11)
- Public Service Company Franchise Tax Return (Form 11T)
- Business Tax Credit Form (AT3-74)
- Instructions for Completing the Business Tax Credit Form AT3-74
- Estimated Franchise Tax Worksheet (Form 29EW)
- One set of Four Payment Vouchers (Form 29E)
- Authorization Agreement for Electronic Funds Transfer (Form SDAT EFT-1)
- Electronic Funds Transfer Instructions
- Title 18, Subtitle 08 - Public Service Company Franchise Tax Regulations
- Title 18, Subtitle 11 - EFT Regulations

GENERAL INSTRUCTIONS

Electric and gas companies that are subject to public service company franchise tax file Form 11, 29EW, 29E and AT3-74. Telephone companies that are subject to public service company franchise tax file Form 11T, 29EW, 29E, and AT3-74. Form AT3-74 is used by public service company franchise taxpayers to claim allowable business tax credits. These credits include Employment Opportunity Tax Credit, Job Creation Tax Credit, Maryland Disability Employment Tax Credit, Community Investment Tax Credit and Employer Provided Long-Term Care Insurance Tax Credit.

All public service company franchise taxpayers must also file the public utility operating property return Form 17 which is not a part of this booklet.

SPECIAL NOTICE

Important reminders:

- **New:** Effective immediately the new IVR System to do electronic funds transfer as an ACH/ Debit option payment is no longer available you must use the ACH/Credit option or Wire transfer. *The costs of the ACH Credit or Wire transfer transactions are incurred by you. *You are responsible for your own proof of payment. *If you have any further questions regarding your ACH payments please call 410-767-1170 and leave a message on the voice mail.

- Payments of $10,000 or more are required to be remitted by electronic funds transfer (Please refer to regulations and detailed instructions which are part of this booklet).

- Enter the Department Identification Number and the Federal Identification Number (FEIN) on all forms, payments and correspondence.

- Attach copies of financial statements and a copy of the company's annual report as submitted to the appropriate regulatory authorities. FAILURE TO FILE THE REQUIRED SUPPORTING DOCUMENTS WILL CAUSE THE RETURN TO BE INCOMPLETE. (Please refer to the regulation on the Title 18, Subtitle 08 of this booklet).

- Sign and date the return.

Please visit our webpage at www.dat.maryland.gov/Pages/franchise-and-public-utilities.aspx

STATE OF MARYLAND
DEPARTMENT OF ASSESSMENTS & TAXATION
FRANCHISE TAX UNIT
700 E. Pratt Street, Suite 2700
Baltimore, Maryland 21202-6377

PUBLIC SERVICE COMPANY FRANCHISE TAX RETURN
ELECTRIC AND GAS COMPANIES
Report for the Calendar Year 2025
(File this report on or before April 15, 2026)
This date may not be extended.

Date Received by Department

1. **Name of Taxpayer** _____
2. **Mailing Address** _____ **Zip Code** _____
3. **State & Year of Incorporation (if Incorporated)** _____
4. **Department I.D. #** _____ **Federal I.D. #** _____
   (Required

5. Franchise Tax Computation: As part of this return, attach financial statements and a copy of the entity's annual report as submitted to the regulatory authorities. FAILURE TO FILE THE REQUIRED SUPPORTING DOCUMENTS WILL CAUSE THE RETURN TO BE INCOMPLETE.

PUBLIC SERVICE COMPANY - ELECTRIC

A-I. Gross Receipts:

1. Total Electric Operating Revenues ..... _____
2. Less: Gross charges from the sale of electricity ..... _____
3. Less: Other Exclusion (Attach detailed schedule)..... _____
4. Total Operating Revenues excluded from gross receipts (Add lines 2 & 3)..... _____
5. Total Electric Operating Revenues subject to Franchise Tax (Subtract line 4 from line 1)..... _____
6. Franchise Tax Rate ..... x 2%
7. **Franchise Tax based on Gross Receipts** (Multiply line 5 by line 6)..... _____

A-II. Delivery:

8. Number of kilowatt hours of electricity delivered for final consumption in Maryland. ..... _____
9. Franchise Tax Rate for each kWh ..... x .00062
10. Franchise Tax Due based on Delivery (Multiply line 8 by line 9)..... _____

Credit for electricity delivered for final consumption to a single industrial customer for use in a production activity at the same location in the State.

11a. .00002 per kWh in excess of 500 million up to 1,500 million kWh..... _____
b. .000455 per kWh in excess of 1,500 million kWh..... _____
c. Total credit (Add lines 11a and 11b)..... _____

12. **Franchise Tax Due after Credit based on Delivery** (Subtract line 11c from line 10) ..... _____

A-III. Total Franchise Tax Due:

13. Franchise Tax Due based on Gross Receipts (Enter line 7)..... _____
14. Franchise Tax Due based on Delivery (Enter line 12)..... _____
15. **Total Franchise Tax Due-Electric** (Add lines 13 & 14)..... _____

PUBLIC SERVICE COMPANY - NATURAL GAS

B-I. Gross Receipts:

1. Total Natural Gas Operating Revenues..... _____
2. Less: Gross charges from sale of natural gas..... _____
3. Less: Other Exclusion (Attach detailed schedule)..... _____
4. Total Operating Revenues excluded from gross receipts (Add lines 2 & 3)..... _____
5. Total Natural Gas Operating Revenues subject to Franchise Tax (Subtract line 4 from line 1) ..... _____
6. Franchise Tax Rate ..... x 2%
7. **Franchise Tax based on Gross Receipts** (Multiply line 5 by line 6)..... _____

B-II. Delivery:

8. Number of therms of natural gas delivered for final consumption in Maryland. .....
9. Franchise Tax Rate for each therm ..... x .00402
10. Franchise Tax Due based on Delivery (Multiply line 8 by line 9).....
11. **Credit for natural gas delivered for final consumption to an industrial customer for use in a production activity in the State** (Multiply number of therms by .00402) .....
12. **Franchise Tax Due after Credit based on Delivery** (Subtract line 11 from line 10).....

B-III. Total Franchise Tax Due:

13. Franchise Tax Due based on Gross Receipts (Enter line 7).....
14. Franchise Tax Due based on Delivery (Enter line 12).....
15. **Total Franchise Tax Due-Natural Gas** (Add lines 13 & 14).....

C. FRANCHISE TAX COMPUTATION SUMMARY

1. Total Franchise Tax Due - Electric (Enter line 15 of A-III) .....
2. Total Franchise Tax Due - Natural Gas (Enter line 15 of B-III).....
3. **Total Franchise Due - Electric & Natural Gas** (Add lines 1 & 2) .....

PAYMENTS AND CREDITS:

4a. 2025 Estimated Franchise Tax Payments .....

b. Business Tax Credits as Computed on Form AT3-74, Part E, line 11. .....

c. **Total Payments and Credits** (Add lines 4a through 4c).....

5. **Balance of Franchise Tax Due** (If line 3 exceeds line 4d, enter the difference) .....
6. **Overpayment** (If line 4d exceeds Line 3, enter the difference) **Indicate if overpayment.**

should be applied to estimated tax for 2026 ☐ **or be refunded** ☐

I declare under the penalties of perjury that this return, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct, and complete return.

Officer's (print name)

Officer's Signature Date

Title

Preparer's Signature Date

Firm's Name, address, e-mail address and phone number

Make Checks Payable to Department of Assessments and Taxation
Tax Payments of $10,000 or more must be remitted by Electronic Funds Transfer
If payment is made through EFT, check this box ☐

Please use the bank account number as indicated in the ACH credit tax payment instructions.

Mail this form with payment to:
Department of Assessments and Taxation
Franchise Tax Unit
700 E. Pratt Street, Suite 2700
Baltimore, Maryland 21202-6377

FOR ASSISTANCE, CALL: (410) 767-1170

FOR DEPARTMENT USE ONLY

REPORT RECEIVED	POSTED	AUDITED	TAX DEFICIENCY	INTEREST/PENALTY

STATE OF MARYLAND
DEPARTMENT OF ASSESSMENTS & TAXATION
FRANCHISE TAX UNIT
700 E. Pratt Street, Suite 2700
Baltimore, Maryland 21202-6377

PUBLIC SERVICE COMPANY FRANCHISE TAX RETURN
TELEPHONE COMPANIES
Report for the Calendar Year 2025
(File this report on or before April 15, 2026)
This date may not be extended.

Date Received by Department

1. Name of Taxpayer _____

2. Mailing Address _____ **Zip Code** _____

3. State & Year of Incorporation (if Incorporated) _____

4. Date Business Began in Maryland _____

5. Department I.D. # _____ **Federal I.D. #** _____
Required)

6. Itemization of gross receipts and apportionment to Maryland (see enclosed regulations):

CLASS OF RECEIPT	Column 1 TOTAL COMPANY RECEIPTS	Column 2 MARYLAND RECEIPTS
a. Local Network Service Revenues		
b. Network Access Service Revenues		
c. Message Toll Revenues		
d. WATS		
e. Toll Private Line Revenues		
f. Other Toll Revenues		
g. Other Operating Revenues		
h. Rent Revenue		
i. Other Non-regulated Revenues		
j. Total Receipts (Add Lines 6a through 6i)		

Franchise Tax Computation: As part of this return, attach financial statements and a copy of the entity's annual report as submitted to the regulatory authorities. FAILURE TO FILE THE REQUIRED SUPPORTING DOCUMENTS WILL CAUSE THE RETURN TO BE INCOMPLETE.

7. Total Maryland Receipts (Enter line 6j, column 2)..... _____

8. Deduct Exclusions from Gross Receipts:
   a. Net Uncollectible operating revenues..... _____
   b. Other Exclusions (Attach detailed description and computation)..... _____
   c. Total Exclusions from Gross Receipts..... _____

9. Taxable Maryland Receipts (Subtract line 8c from line 7) ..... _____

10. Tax (Multiply line 9 by 2%)..... _____

Payments and Credits

11a. 2025 Estimated Franchise Tax Payments..... _____

b. Telephone Lifeline Credit (This credit may not exceed line 10 and may not be carried over; attach detailed computation and schedule) ..... _____

c. Business Tax Credits as Computed on Form AT3-74, Part E, line 11..... _____

d. Total Payments and Credits (Add line 11a through 11d)..... _____

12. Balance of Franchise Tax Due (If line 10 exceeds line 11e, enter the difference) .....

13. Overpayment (If line 11e exceeds line 10, enter the difference)

Indicate if overpayment should be applied to estimated for 2025 ☐ **or be refunded.** ☐

14. **Does the taxpayer conduct business in more than one state?** ☐ **Yes** ☐ **No**

15. Identify the amount of Taxable Maryland Gross Receipts (Line 9) that are attributable to interstate revenues $ _____

I declare under the penalties of perjury that this return, including any accompanying schedules and statements, has been examined by me and to the best of my knowledge and belief is a true, correct, and complete return.

Officer's (print name)

Officer's Signature Date

Title

Preparer's Signature Date

Firm's Name, address, e-mail address and phone number

Make Checks Payable to Department of Assessments and Taxation
Tax Payments of $10,000 or more must be remitted by Electronic Funds Transfer
If payment is made through EFT, check this box ☐

Please use the bank account number as indicated in the ACH credit tax payment instructions.

Mail this form with payment to: Department of Assessments and Taxation Franchise Tax Unit
700 E. Pratt Street, Suite 2700
Baltimore, Maryland 21202-6377

FOR ASSISTANCE, CALL: (410) 767-1170

FOR DEPARTMENT USE ONLY

REPORT RECEIVED	POSTED	AUDITED	TAX DEFICIENCY	INTEREST/PENALTY

2025
MARYLAND
FORM
AT3-74
111

ATTACH TO
MARYLAND FORM
11 OR 11T

BUSINESS TAX CREDITS
For Calendar Year 2025

Name of Taxpayer _____

Department ID # _____ **Federal ID #** _____
(required)

SEE INSTRUCTIONS

PART A: JOB CREATION TAX CREDIT **Must Include Required Certification

1. Credit (certified by the Maryland Department of Commerce)	

PART B: MARYLAND DISABILITY EMPLOYMENT TAX CREDIT

B-I: Credit for Employees with a Disability

1. Number of qualified employees first-year credit	
2. Number of qualified employees second-year credit	
3. Credit for first year (30% of first $15,000.00 of wages paid to each employee)	
4. Credit for second year (30% of first $15,000.00 of wages paid to each employee)	
5. Total (Add lines 3 and 4)	

B-II: Credit for Child Care and Transportation Expenses

6. Number of employees eligible for first-year credit	
7. Number of employees eligible for second-year credit	
8. Credit for first year (limited to a combined total of $1,500 in childcare and transportation expenses incurred for each qualified employee with a disability)	
9. Credit for second year (limited to a combined total of $1,500 in childcare and transportation expenses incurred for each qualified employee with a disability)	
10. Total (Add lines 8 and 9)	

PART B: Summary

11. Total Maryland Disability Employment Tax Credit for the current tax year (Add lines 5 and 10)	

PART C: COMMUNITY INVESTMENT TAX CREDIT **Must Include Required Certification

1. Amount of approved contributions	
2. Enter 50% of line 1	
3. Enter the amount from line 2 or $250,000, whichever is less	

PART D: EMPLOYER PROVIDED LONG-TERM CARE INSURANCE TAX CREDIT

1. Enter 5% of long-term care insurance costs	
2. Multiply the number of eligible employees _____ by $100	
3. Enter the lesser of line 1 or line 2	
4. Enter the lesser of line 3 or $5,000	

PART E: BUSINESS TAX CREDIT SUMMARY

1. Total Job Creation Tax Credit from Part A, line 1	
2. Total Maryland Disability Employment Tax Credit from Part B, line 11	
3. Total Community Investment Tax Credit from Part C, line 3	
4. Total Employer Provided Long-Term Care Insurance Tax Credit from Part D line 4	
5. Total of current year credits (Add lines 1 through 4)	
6. Carry over of excess credits from previous year (Attach computation)	
7. Tentative credit (Add lines 5 and 6)	
8. Enter amount of any credit recapture (See instructions for Part A)	
9. Tentative credit after recapture (Subtract line 8 from line 7) If less than 0, enter negative amount.	
10. Enter tax from line C.3 of Form 11 or line 10 of Form 11T. If less than 0, enter 0.	
11. Allowable credit (Line 9 or 10, whichever is less). Also, enter this amount on, line C.4c of Form 11 or line 11c of Form 11T.	

PART F: EXCESS CREDIT CARRYOVER CALCULATION
(If line 9 is less than or equal to line 10 of Part E, do not complete this section.)

1. Enter amount from line 10 of Part E	
2. Enter amount from line 9 of Part E	
3. Excess credit carryover (Subtract line 1 from line 2)	

INSTRUCTIONS FOR
MARYLAND FORM
AT3-74 2025

BUSINESS TAX CREDITS

GENERAL INSTRUCTIONS

Purpose of form. Form AT3-74 is used by a public service company to claim credits against the franchise tax.

The tax credits available to be recorded on this form are: Job Creation Tax Credit, Maryland Disability Employment Tax Credit, Community Investment Tax Credit, and Employer Provided Long-Term Care Insurance Tax Credit.

PART A - JOB CREATION TAX CREDIT

General Requirements. Certain businesses that create new qualified positions in Maryland may be eligible for tax credits based on the number of qualified positions created.

The business facility must be certified as having created at least 60 qualified positions, 25 qualified positions if the business facility established or expanded is in a State Priority Funding Area, or 10 qualified positions in a county with an annual average employment that is less than 75,000 or a median household income that is less than two-thirds of the statewide median household income.

A qualified position is a full-time position which pays at least 120% of the State minimum wage, is located in Maryland, is newly created as a result of the establishment or expansion of a business facility in a single location in the State and is filled. Small businesses that hire at least 1 qualified veteran employee for a full-time position in the state may apply for a credit. The credit amount is $2,500 multiplied by the number of qualified veteran employees, up to a maximum of 5 veteran employees. Qualified business entities are those that are certified as such by the Maryland Department of Commerce. A qualified employee is an employee filling a qualified position.

This credit is not refundable and is applied only against the Maryland State franchise tax. To the extent the credit is earned in any year and it exceeds the State franchise tax, the business is entitled to an excess carryover of the credit until it is used, or the expiration of five years after the credit is was earned, whichever comes first.

Recapture Provision. If, at any time during the three tax years after the year the credit was earned, the average number of qualified positions falls more than 5% below the average number of qualified positions during the year in which the credit was earned, a portion of the credit will be recaptured for the tax year in which this occurs.

The amount to be recaptured is the amount originally claimed multiplied by the percentage reduction in the number of qualified employees. The credit to be recaptured is reported on line 8, Part E of form AT3-74.

Certification of must be included with the Form AT3-74 when claiming this credit.

For certification or for information on the standards which businesses must meet to qualify, contact:

Maryland Department of Commerce
Email:taxincentives.commerce@maryland.gov

Specific Requirements.

Part Job Creation Tax Credit **Must Include Required Certification

The amount of the approved credit is entered onto line 1, Part A.

No credits may be earned for any tax year beginning on or after January 1, 2027.

PART B - MARYLAND DISABILITY EMPLOYMENT TAX CREDIT.

General Requirements. Businesses that employ persons with disabilities as determined by the Division of Rehabilitation Services (DORS) in the Maryland State Department of Education and/or by the Maryland Department of Labor, may be eligible for tax credits for wages paid to, and for child care expenses and transportation expenses paid on behalf of, the qualified employees.

Qualifying employees with a disability are those who are certified as such by the DORS (or by the Maryland Department of Labor if the employee is a disabled veteran). A copy of the DORS or Maryland Department of Labor certification must be included with your tax return when claiming this tax credit.

For certification or for additional information, contact:

Maryland State Department of Education
Division of Rehabilitation Services,
Darlene Peregoy
2301 Argonne Drive, Baltimore, MD 21218
1-888-554-0334 or 410-554-9408

Email: dors.maryland.gov

or,

Maryland Department of Labor
100 S. Street, Tower I
Baltimore, Md 21201
410-767-2047.

A “Qualified Employee” with a disability means an individual who:

1. Meets the definition of an individual with a disability as defined by the Americans with Disabilities Act;
2. Has a disability that presently constitutes an impediment to obtaining, or maintaining employment or to transitioning from school to work; and,
3. Is ready for employment; or,
4. Is a veteran who has been discharged or released from active duty by the American Armed Forces for a service-connected disability.

An employee must not have been hired to replace a laid-off employee or to replace an employee who is on strike or for whom the business simultaneously receives federal or state employment training benefits.

Qualifying child care expenses are those expenses incurred by a business to enable a qualified employee with a disability to be gainfully employed.

Transportation expenses are those expenses incurred by a business entity to enable a qualified employee with a disability to travel to and from work.

Specific Requirements.

Part B-I Credit for employees with a disability hired. A credit is allowed for each new employee with a disability for a two-year period beginning with the year the employee was qualified. The credit for each disabled employee hired is equal to 30% of the first $15,000 of qualified first year wages and 30% of the first $15,000 of qualified second year wages.

The employer is not entitled to claim the credit until employment has continued for at least one full year unless the employee:

(a) Voluntary leaves the employer;

(b) Becomes further disabled or death occurs; or,

(c) Is terminated for cause. The credit must be prorated for the portion of the year the employee worked unless the employee voluntary left to take another job.

On line 1, Part B-1, enter the number of qualified employees in their "First Year" of employment. On line 2, Part B-1 Enter the number of qualified employees in their "Second Year" of employment.

On line 3, Part B-I, enter the credit equal to 30% of the first $15,000 of wages paid to each first year qualified employee.

One line 4, Part B-1, enter the credit equal to 30% of the first $15,000 of wages paid to each second year qualified employee.

On line 5, Part B-1, enter the sum of lines 3 and 4.

Part B-II Credit for Child Care and Transportation Expenses.

An additional credit is allowed for expenses incurred by the employer for approved day care services for a child or children of a qualified employee, or for transportation expenses that are incurred to enable a qualified employee to travel to and from work.

A credit of up to $1,500 is allowed for the first year of employment and up to $1,500 for the second year. To verify if a child care center qualifies as an approved provider, contact the Department of Human Resources, Child Care Administrator for the county or city in which the child care center is located.

On line 6, Part B-II, enter the number of qualified employees in their first year of employment on the "First Year" line. On line 7, Part B-II, enter the number of qualified employees in their second year of employment on the "Second Year" line.

On line 8, Part B-II, enter the credit equal to a combined total of $1,500 in child care and transportation expenses per each "First Year" qualified employee with a disability.

On line 9, Part B-II enter the credit equal to a combined total of $1,500 in child care and transportation expenses per each second year qualified employee with a disability.

On line 10, Part B-II, enter the sum of lines 8 and 9.

Part B - Summary

On line 11 Part B, enter the sum of lines 5 and 10.

Also the amount on line 11, Part B, becomes an addition modification.

This credit is not refundable and applied only against the Maryland State franchise tax. To the extent the credit is earned in any year and it exceeds the State

franchise tax, the business is entitled to an excess carryover of the credit until it is used, or the expiration of five years, whichever comes first.

PART C – COMMUNITY INVESTMENT TAX CREDIT

Businesses or individuals who contribute to approved Community Investment Programs may be eligible for a credit against the Maryland State franchise tax. Contributions must be made to a nonprofit organization approved by the Department of Housing and Community Development (DHCD). The taxpayer must apply to and receive approval by the DHCD for each contribution for which a credit is claimed. The credit is limited to 50% of the approved contributions (including real property) not to exceed $250,000.

Businesses and PTE members who are eligible to claim the Community Investment Tax Credit must claim the credit on the Form AT3-74.

Note: A copy of the required approval from the DHCD must be included with Form AT3-74.

Specific Instructions

Enter the amount of approved to contributions on line 1, Part C.

Enter 50% of line 1 on line 2, Part C.

On line 3, enter the lesser of line 2 of $250,000.

Also, enter this amount on line 3, Part E.

This credit is not refundable and is applied only against the Maryland State franchise Tax. To the extent the credit is earned in any year and it exceeds the State franchise tax, the individual or business is entitled to an excess carryover of the credit until it is used, or it expires five years after the credit was earned, whichever comes first.

For more information contact:

Department of Housing and Community Development
Division of Neighborhood Revitalization
2 N. Charles St., Suite 450
Baltimore MD 21201

410-209-5817 or 410-290-5843
Email:citc.nr@mdhousing.org

PART D - EMPLOYER PROVIDED LONG-TERM CARE INSURANCE TAX CREDIT

A credit is allowed for premiums paid by employers to provide long-term care insurance to their employees as part of their benefits package. The employer may claim a credit of 5% of the premiums paid during the tax year, or $100 for each Maryland employee covered by long-term care insurance provided, whichever is less, but cannot be more than $5,000.

Specific Instructions

On line 1, Part D, enter 5% of the long-term care insurance premiums paid as part of an employee benefit package.

On line 2, Part D, enter the number of employees within Maryland covered under the employee benefit package on the line provided.

Multiply this by $100 and enter the result on line 2.

On line 3, Part D, enter the lesser of line 1 or line 2.

On line 4, Part D, enter the lesser of line 3 or $5,000.

Also enter the amount from line 4, Part D, on line 4, Part E.

This credit is not refundable and is applied only against the Maryland State franchise tax. To the extent the credit is earned in any year and it exceeds the State franchise tax, the business is entitled to an excess carryover of the credit until it is used, or the expiration of five years after the credit is earned, whichever comes first.

State Department of Assessments and Taxation
700 E. Pratt Street, Suite 2700
Baltimore, Maryland 21202-6377

410-767-1191

PART E - BUSINESS TAX CREDIT SUMMARY

This part is to summarize all available nonrefundable tax credits reported on this form. If the total credits available in a particular tax year exceed the State franchise tax developed for that year, the excess may not be refunded.

Enter on line 5, the total of the credits listed on lines 1 through 4.

Enter on line 6, the carryover of excess credits unable to be used on last year's return. This amount comes from line 3, Part F, from 2022 Form AT3-74

Add lines 5 and 6 and enter the result on line 7. This is the tentative tax credit.

On Line 8, enter the amount of recaptured tax credits (See Instructions for Part A).

Subtract line 8 from line 7 and enter the result on line 9.

On line 10, Part E, enter the franchise tax from your return. Public service companies will enter line C.3 of the MD Form 11 or line 10 of Form 11T on line 10, Part E.

On line 11, enter the lesser of line 9 or 10
An addition to income is required for credits from Part B. These additions are comprised of line 2, from Part E. The totals of these amounts are included on line 4c of Form 11, and Line 11c of Form 11T.

PART F – EXCESS CREDIT CARRYOVER CALCULATION

Most credits may not exceed the Maryland State franchise tax liability, but may be carried forward for a specified number of successive tax years or until fully applied. It is your responsibility to maintain a record of credits for which you qualify, credits that have been taken in prior years, and the amount of each credit that may be carried forward.

MARYLAND
FORM
NO. 29EW

2026
DECLARATION OF ESTIMATED FRANCHISE TAX
TELEPHONE, ELECTRIC, AND GAS COMPANIES
FOR CALENDAR YEAR 2026

Name of Taxpayer: _____

Address: _____ **Zip Code:** _____

Department I.D.: _____ **Federal I.D.:** _____

(Required)

ALL PUBLIC SERVICE COMPANY TAXPAYERS OF RECORD MUST USE THE DECLARATION OF ESTIMATED FRANCHISE TAX PREPRINTED VOUCHERS (FORM NO. 29E) TO SUBMIT QUARTERLY INSTALLMENTS. **SEE INSTRUCTIONS FOR COMPLETING THE DECLARATION OF ESTIMATED FRANCHISE TAX ON THE NEXT PAGE.**

ESTIMATED FRANCHISE TAX WORKSHEET (Complete this worksheet to compute the estimated franchise tax due.)

A. PUBLIC SERVICE COMPANY-TELEPHONE

1. Estimated Maryland Gross Receipts _____
2. Estimated Franchise Tax due for the year (Multiply line 1 by 2%)* _____
3. Estimated Tax due per quarter (Multiply line 2 x 25%) _____

B. PUBLIC SERVICE COMPANY- ELECTRIC AND GAS

1. Estimated Maryland Gross Receipts _____
2. Estimated Franchise Tax due for the year (Multiply line 1 by 2%)* _____
3. Estimated KWH of electricity delivered for final consumption in Maryland _____
4. Estimated franchise tax due for the year (Multiply line 3 by .00062)* _____
5. Estimated THERMS of natural gas delivered for final consumption in Maryland _____
6. Estimated franchise tax due for the year (Multiply line 5 by .00402)* _____
7. Total estimated franchise tax due for the year (Add lines 2, 4 and 6) _____
8. Estimated tax due per quarter (Multiply line 7 by 25%) _____

*Estimated tax net of credits

RECORD OF INSTALLMENT PAYMENTS (Complete this record for your files)

1. PRIOR YEAR (2025 OVERPAYMENT applied as a credit to estimated tax for 2026) _____

	Date Due	Date Paid	Payment Document/ Check No.	
2.	15th day of the 4th month	_____	_____	_____
3.	15th day of the 6th month	_____	_____	_____
4.	15th day of the 9th month	_____	_____	_____
5.	15th day of the 12th month	_____	_____	_____

6. Total estimated tax payments for 2025 (Add lines 1 through 5). Claim this amount on line C.4a of Form 11, or line 11a of Form 11T. _____

ATTACH A COPY OF THIS WORKSHEET WITH THE FIRST QUARTERLY REMITTANCE OF THE TAX.

INSTRUCTIONS FOR COMPLETING THE DECLARATION OF ESTIMATED PUBLIC SERVICE COMPANY FRANCHISE TAX

1. **Sections 8-402 and 8-402.1 of the Tax General Article of the Maryland Code imposes a franchise tax on each public service company doing business in Maryland. A "public service company" means a person (a) engaged in a telephone business in Maryland; or (b) engaged in the transmission, distribution, or delivery of electricity or natural gas in Maryland. Please refer to the Department's regulations Title 18, Subtitle 8 Public Service Company Franchise Tax.**

2. **Each public service company that reasonably expects its franchise tax to exceed $1,000 for the taxable year must make estimated tax payments. The total estimated tax payments for the year must be at least 90% of the tax developed for the current taxable year or 110% of the tax paid for the prior taxable year.**

3. **The declaration of estimated tax must be filed with the Department of Assessments and Taxation on or before the 15th day of the 4th, 6th, 9th, and 12th months following the beginning of the taxable year.**

4. **Each public service company required to file a declaration of estimated franchise tax shall remit by each of the four installment due dates at least 25% of the total estimated tax.**

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

6. **Franchise tax payments of $10,000 or more must be remitted by electronic funds transfer. Please refer to the Department's regulations Title 18, Subtitle 11 Tax Payments.**

7. **Maryland law provides for the accrual of interest and imposition of penalty for failure to remit the tax by electronic funds transfer as required by the regulations.**

Department of Assessments and Taxation
Public Utility & Franchise Tax Unit
700 E. Pratt Street Suite 2700
Baltimore, Maryland 21202
For assistance, call: (410) 767-1170

MARYLAND STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

DECLARATION OF ESTIMATED FRANCHISE TAX FOR TELEPHONE, ELECTRIC, AND GAS COMPANIES

FOR CALENDAR YEAR 2026

2026 | **PAYMENT VOUCHER 1** | **MARYLAND FORM 29E**

DUE APRIL 15, 2026

Federal I.D. Number _____ **Department I. D. Number** _____ **(Required)**	**Enter Amount of Total Estimated Tax for the Year $** _____ **Enter Total Credit Carryover for the Year $** _____
NAME	**1. Amount of this Installment $** _____
ADDRESS	**2. Unused Credit Applied to this Installment $** _____
CITY OR TOWN STATE ZIP CODE	**3. Amount of this Installment Payment $** _____

PRINT NAME OF OFFICER OR AGENT _____ **E-MAIL ADDRESS** _____

SIGNATURE OF OFFICER OR AGENT _____ **DATE** _____

TITLE _____ **PHONE NUMBER** _____

RETURN THIS PAYMENT VOUCHER WITH REMITTANCE TO:

Department of Assessments and Taxation
Franchise Tax Unit
700 E. Pratt Street, Suite 2700
Baltimore, Maryland 21202-6377

Tax payments of $10,000 or more must be remitted by electronic funds transfer. If remittance is made through EFT, mark the box and return this payment voucher to the Department. ☐

Please use the bank account number as indicated in the ACH credit tax payment instructions

MARYLAND STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

DECLARATION OF ESTIMATED FRANCHISE TAX FOR TELEPHONE, ELECTRIC, AND GAS COMPANIES

FOR CALENDAR YEAR 2026

2026 | **PAYMENT VOUCHER 2** | **MARYLAND FORM 29E**

DUE JUNE 15, 2026

Federal I.D. Number _____ **Department I. D. Number** _____ **(Required)**	**Enter Amount of Total Estimated Tax for the Year $** _____ **Enter Total Credit Carryover for the Year $** _____
NAME	**1. Amount of this Installment $** _____
ADDRESS	**2. Unused Credit Applied to this Installment $** _____
CITY OR TOWN STATE ZIP CODE	**3. Amount of this Installment Payment $** _____

_____ **PRINT NAME OF OFFICER OR AGENT**

_____ **E-MAIL ADDRESS**

_____ **SIGNATURE OF OFFICER OR AGENT**

_____ **DATE**

_____ **TITLE**

_____ **PHONE NUMBER**

RETURN THIS PAYMENT VOUCHER WITH REMITTANCE TO:

Department of Assessments and Taxation
Franchise Tax Unit
700 E. Pratt Street, Suite 2700
Baltimore, Maryland 21202-6377

Tax payments of $10,000 or more must be remitted by electronic funds transfer. If remittance is made through EFT, mark the box and return this payment voucher to the Department. ☐

Please use the bank account number as indicated in the ACH credit tax payment instructions

MARYLAND STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

DECLARATION OF ESTIMATED FRANCHISE TAX FOR TELEPHONE, ELECTRIC, AND GAS COMPANIES

FOR CALENDAR YEAR 2026

2026 | **PAYMENT VOUCHER 3** | **MARYLAND FORM 29E**

DUE SEPTEMBER 15, 2026

Federal I.D. Number_____ **Department I. D. Number**_____ (Required)	**Enter Amount of Total Estimated Tax for the Year $**_____ **Enter Total Credit Carryover for the Year $**_____
NAME	**1. Amount of this Installment $**_____
ADDRESS	**2. Unused Credit Applied to this Installment $**_____
CITY OR TOWN STATE ZIP CODE	**3. Amount of this Installment Payment $**_____

PRINT NAME OF OFFICER OR AGENT | **E-MAIL ADDRESS**

SIGNATURE OF OFFICER OR AGENT | **DATE**

TITLE | **PHONE NUMBER**

RETURN THIS PAYMENT VOUCHER WITH REMITTANCE TO:

Department of Assessments and Taxation
Franchise Tax Unit
700 E. Pratt Street, Suite 2700
Baltimore, Maryland 21202-6377

Tax payments of $10,000 or more must be remitted by electronic funds transfer. If remittance is made through EFT, mark the box and return this payment voucher to the Department. ☐

Please use the bank account number as indicated in the ACH credit tax payment instructions

MARYLAND STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

DECLARATION OF ESTIMATED FRANCHISE TAX FOR TELEPHONE, ELECTRIC, AND GAS COMPANIES

FOR CALENDAR YEAR 2026

2026 | **PAYMENT VOUCHER 4** | **MARYLAND FORM 29E**

DUE DECEMBER 15, 2026

Federal I.D. Number _____ **Department I. D. Number** _____ **(Required)**	**Enter Amount of Total Estimated Tax for the Year $** _____ **Enter Total Credit Carryover for the Year $** _____
NAME	**1. Amount of this Installment $** _____
ADDRESS	**2. Unused Credit Applied to this Installment $** _____
CITY OR TOWN STATE ZIP CODE	**3. Amount of this Installment Payment $** _____

PRINT NAME OF OFFICER OR AGENT _____ **E-MAIL ADDRESS** _____

SIGNATURE OF OFFICER OR AGENT _____ **DATE** _____

TITLE _____ **PHONE NUMBER** _____

RETURN THIS PAYMENT VOUCHER WITH REMITTANCE TO:

Department of Assessments and Taxation
Franchise Tax Unit
700 E. Pratt Street, Suite 2700
Baltimore, Maryland 21202-6377

Tax payments of $10,000 or more must be remitted by electronic funds transfer. If remittance is made through EFT, mark the box and return this payment voucher to the Department. ☐

Please use the bank account number as indicated in the ACH credit tax payment instructions

ACH CREDIT OPTION

To use the ACH Credit option, you must first contact your bank to determine if your bank offers ACH origination. Please have your bank complete the specific portion of the Authorization Agreement (Form EFT-1) as verification that your bank can conform to these standards. Also, please complete the contact person information before returning the form to the Franchise Tax Unit of the Department.

Supplemental filing information must be sent with your payment using the ACH standard CCD+ format and the TXP addenda record. The Cash Concentration or Disbursement (CCD) is the most basic form of ACH payment. The CCD format can be processed by all ACH-member banks. The TXP addenda record allows the format to carry additional characters of payment-related data. The TXP will be used for Department identification number, tax type code, tax period end date.

You will initiate the credit transaction through your bank to the state's bank account for the amount of your tax payment.

An ACH origination charge from your bank will be incurred by you if you select the ACH Credit option.

Important characteristics of the ACH Credit transactions are:

- **Credit transactions require you to enter all payments related data in the standard CCD+TXP.**
- **The costs of the ACH Credit transactions are incurred by you.**
- **You are responsible for your own proof of payment.**

ACH DEBIT OPTION

Effective immediately the interactive voice response (IVR) system to do electronic funds transfer as an ACH/ DEBIT option is no longer available. Please use the ACH/Credit option or Wire transfer.

***The costs of the ACH Credit or Wire transfer transactions are incurred by you. *You are responsible for your own proof of payment. If you have any further questions regarding your ACH payments please call and leave a message on 767-1170.**

INSTRUCTIONS FOR SDAT EFT-1

Section A - This section must be completed by ALL taxpayers.

- **EFT contact person: The primary contact person should be someone within your company who will be directly involved in all phases of the EFT registration process, systems implementation and the payment of the tax. You should also designate a secondary contact person.**
- **Address: Indicate the mailing address to be used for correspondence regarding electronic funds transfer.**
- **Telephone number: Indicate the telephone number(s) for the EFT contact persons.**
- **Signature of officer: Authorized signature of officer of the company.**

Section B - Complete this section only if you are choosing the ACH Credit option.

- **Name and address of bank: Provide the name and address of the bank you will be using for electronic fund transfers.**
- **Printed name and signature of bank representative (include bank representative's telephone number). You must have a bank representative sign this form to confirm that you and your bank are capable of initiating ACH Credit transactions in the CCD+TXP format. You cannot use the ACH Credit option unless your bank can initiate transactions in this form.**

Mail this completed form to:

Department of Assessments and Taxation
Franchise Tax Unit
700 E. Pratt Street, Suite 2700
Baltimore, Maryland 21202-6377

State of Maryland

FORM
SDAT EFT-1

Department of Assessments and Taxation
Authorization Agreement for Electronic Funds Transfer

Tax Type: Public Service Company Franchise Tax

Name of Corporation:

Department I.D. Number:

THIS SECTION MUST BE COMPLETED BY ALL TAXPAYERS

A CONTACT PERSON(S)

Primary EFT contact person_____

Address_____

City State Zip Telephone Number

Secondary EFT contact Person_____

Address_____

City State Zip Telephone Number

Signature of officer Title Date

B ACH CREDIT

This section to be completed only if you choose the ACH CREDIT OPTION

An AUTHORIZED REPRESENTATIVE of your bank must complete and sign this section confirming that you and your bank are capable of initiating ACH CREDITS in the required CCD+ TXP format.

Bank Name _____

Bank Address _____

City State Zip

Printed name of bank representative (optional) Telephone Number

Signature of bank representative Date

This form must be completed and mailed to: Dept. of Assessments & Taxation
Public Utilities & Franchise Tax Unit, 700 E. Pratt Street, Suite 2700, Baltimore, Maryland 21202

MARYLAND ACH CREDIT TAX PAYMENT INSTRUCTIONS
PUBLIC SERVICE COMPANY FRANCHISE TAX

The Department provides for the payment of franchise taxes by means of Electronic Funds Transfer. Tax payments may be made by sending an Automated Clearing House (ACH) CCD+ record to:

Routing/Transit #121000248 - Wells Fargo Bank, N.A.
Bank Account # 4104095823 - Maryland Department of Assessments & Taxation

The Automated Clearing House (ACH) CCD+ record should include the following information in the receiver defined "individual name" field of the entry detail record,

240300 ASSESS TAX

and a TXP addendum convention in the addendum record "Payment Related Information" field. An example of the TXP addendum convention is attached.

PLEASE NOTE:

(1) TXPO1 field must contain the nine digit Department identification number assigned by the Department of Assessments and Taxation.

(2) TXPO2 field must contain "04600" for a public service company franchise tax payment.

(3) TXPO3 field must contain the ending date of the tax period in YYMMDD format.

(4) TXPO4 field must contain "T".

(5) TXPO5 field must contain the amount of taxes due as reported for this period. Amounts are to be positive and entered without dollar signs, commas or decimal points.

Each field, even blank fields, must be separated by an * and the entire record must be followed by \.

Any questions concerning these instructions or the record layout should be directed to the Department of Assessments and Taxation at (410) 767-1170.

EXAMPLE OF AN ACH CREDIT RECORD LAYOUT

CODES

M - Mandatory
O - Optional
C - Conditional

Name of Taxpayer: ABC Telephone, Inc.
Account Number: F01234567
Type of Tax: Public Service Company Franchise Tax (04600)
Amount Due: $10,000.00

For Tax Period Ending: December 31, 2025

ENTRY DETAIL RECORD

DATA ELEMENT NAME	RECORD TYPE CODE	TRANSACTION CODE	RECEIVING DPI IDENTIFICATION	CHECK DIGIT	DPI ACCOUNT NUMBER	AMOUNT	INDIVIDUAL IDENTIFICATION NUMBER	INDIVIDUAL NAME	DISCRETIONARY DATA	ADDENDA RECORD INDICATOR	TRACE NUMBER
Field Requirement	**M**	**M**	**M**	**M**	**M**	**M**	**O**	**M**	**O**	**M**	**M**
Contents	**6**	**22**	**121000248**	**3**	**4104095823**	**1000000**		**240300 Assess Tax**		**1**	
Length	**1**	**2**	**8**	**1**	**17**	**10**	**15**	**22**	**2**	**1**	**15**
Position	**01-01**	**02-03**	**04-11**	**12-12**	**13-29**	**30-39**	**40-54**	**55-76**	**77-78**	**79-79**	**80-94**

ADDENDUM RECORD

DATA ELEMENT NAME	RECORD TYPE CODE	ADDENDA TYPE CODE	PAYMENT RELATED INFORMATION	SPECIAL ADDENDA SEQUENCE NUMBER	ENTRY DETAIL SEQUENCE NUMBER
Field Requirements	**M**	**M**	**M**	**M**	**M**
Contents	**7**	**05**	**TXP*F01234567*04600*251231*T*1000000* * * * * **	**1**	
Length	**1**	**2**	**80**	**4**	**7**
Position	**01-01**	**02-03**	**04-83**	**84-87**	**88-94**

Title 18
DEPARTMENT OF ASSESSMENTS AND TAXATION

Subtitle 08 PUBLIC SERVICE COMPANY FRANCHISE TAX

Chapter 01 Administration

Authority: Tax-Property Article, §2-201: Tax-General Article §§8-402, 8-402.1, and 8-408;
Annotated Code of Maryland
Chapter 792. Acts of 1988

.01 Definitions

A. In these regulations the following terms have the meanings indicated.

B. Terms Defined.

(1) "Company" means a person engaged in electric, gas, or telephone business in this State. "Company" includes an individual, partnership, corporation, receiver or other entity.

(2) "Department" means the State Department of Assessments and Taxation.

(3) "Electric company" means a company engaged in the transmission, distribution, or delivery of electricity in the State.

(4) "Gas company" means a company engaged in the transmission, distribution or delivery, of natural gas in the State.

(5) Gross Receipts.

(a) "Gross receipts" means the total receipts that occur as a result of the company doing business in the state as an electric, gas, or telephone company during the calendar year. For gas and electric companies, "gross receipts" means all revenues included in the operating revenue accounts as prescribed by the Federal Energy Regulatory Commission, unless otherwise specified by Maryland law or regulation.

(b) For a telephone company providing interstate long distance telecommunications service, gross receipts are computed based on services charged to a Maryland address. The revenues include the gross charges from the sale of long distance telecommunications service that originates or terminates in Maryland and for which a charge is made to a service address located in the State, regardless of where the amount is billed or paid.

(c) Gross receipts includes all surcharges imposed on customers, including the environmental surcharge and surcharges to recover State or local taxes imposed on the company.

(d) Exclusions from gross receipts are as provided in Tax-General Article, §8-401(c) Annotated Code of Maryland.

(6) "State" means:

(a) A state, possession or territory of the United States;

(b) The District of Columbia; or

(c) The Commonwealth of Puerto Rico.

(7) "Tax" means the public service company franchise tax imposed under Tax-General Article, §§8-402 and 8-402.1, Annotated Code of Maryland.

(8) Telecommunications service.

(a) "Telecommunications service" means the:

(i) Transmission of any interactive electromagnetic communications, including voice, image, data, and any other information, by means of wire, cable, fiber optics, laser, microwave, radio wave, satellite, or other facility, or any combination of these media; or

(ii) Provision of facilities and services for the transmission of any interactive electromagnetic communications.

(b) "Telecommunications service" includes:

(i) Basic telephone service, including any facility or service provided in connection with basic telephone service;

(ii) Toll telephone service and teletypewriter or computer exchange service;

(iii) Business service; and

(iv) Directory assistance.

(9) Telephone Company.

(a) "Telephone company" means a company that owns lines for the reception, transmission, or communication of messages by telephone or teletype, or that lets, licenses, or sells telecommunications service.

(b) "Telephone company" includes companies operating as local exchange carriers, inter exchange carriers, or resellers of telecommunications service.

(c) "Telephone company" does not include a radio common carrier, a person that owns a customer-owned coin operated telephone, or a company that owns and operates lines for telecommunications service exclusively for its own use.

.02 Companies Subject to the Tax

A. The tax has two parts:

(1) A gross receipts tax on electric, gas, and telephone companies; and

(2) For electric and gas companies, a tax based on the kilowatt hours of electricity or therms of natural gas delivered by the company for final consumption in the State.

B. County and municipal utilities and nonprofit electric cooperatives are not subject to the gross receipts tax, but are subject to the tax based on kilowatt hours of electricity delivered. County and municipal utilities are not subject to the tax based on therms of natural gas delivered.

C. An interstate natural gas pipeline is subject to both the gross receipts tax and the tax based on therms of natural gas delivered if the company delivers natural gas for final consumption to a customer in this State.

.03 Inter-Company Transactions.

A. The incidence of the gross receipts tax is intended to fall on a company providing services to the ultimate retail consumer. Therefore, in order to avoid taxing the same transaction more than once, any revenues received by a company for services that will later be resold may not be considered gross receipts as long as the reseller is subject to the tax on those revenues in this State or any other state. For example:

(1) Network access, billing, or other revenues derived from the provision of exchange access or other services to an inter exchange carrier are not considered gross receipts for a local exchange carrier;

(2) Revenues derived from the transmission of gas or electricity to another gas or electric company for the purpose of resale are not considered gross receipts.

B. The amount and type of all revenues excluded from gross receipts shall be clearly identified in the filing of the annual tax return. The information necessary to support the amount of the exclusions shall be retained and made available to the Department upon request or audit.

.04 Filing Forms and Additional Information.

A. Forms shall be filed with the Department at the locations specified on the form.

B. Each report, application, or response filed for the tax shall be made under oath with a declaration preceding the signature of the author that it is made under penalties of perjury.

C. A company that anticipates a total tax liability of at least $1,000 for a taxable year shall file a declaration of estimated tax with the Department by April 15 of the taxable year. The company shall pay the Department an amount equal to at least 25 percent of the tax liability for the full taxable year on April 15, June 15, September 15, and December 15.

D. On or before March 15 annually, each company shall file with the Department a return detailing all operating and non-operating revenues for the preceding calendar year.

(1) A check made payable to the Department for the remaining tax due for the period covered by the return; and

(2) Financial statements and a copy of the company's annual report as submitted to the appropriate regulatory authorities.

E. If a company fails to file the return as required under this regulation, the Department will mail to the company a notice and demand for the return. If the return is not filed within 30 days of the mailing of the notice, the Department will estimate the company's operating revenues and assess an additional penalty of up to 25 percent of the estimated tax liability.

F. Returns Filed Without Supporting Documents.

(1) If a company files a return but fails to include financial statements and a copy of the company's annual report as required in §D(2) of this regulation, the Department will mail to the company a notice and demand for the supporting documents. If the supporting documents are not filed within 30 days of the mailing of the notice, the Department will estimate the company's operating revenues and assess an additional penalty of up to 25 percent of the estimated tax liability.

(2) If, at the time of filing a return, a company's annual report has not been submitted to the appropriate regulatory authorities, the company shall furnish to the Department the date that it is due to be submitted. If the company's annual report is not filed with the Department within 30 days of the date that it is due to be submitted, the Department will mail to the company a notice and demand for the annual report. If the annual report is not filed within 30 days of the mailing of the notice, the Department will estimate the company's operating revenues and assess an additional penalty of up to 25 percent of the estimated tax liability.

G. A company claiming tax credits shall include with the annual return information detailing the basis for the calculation of the credit. In order to qualify for a Maryland-mined coal tax credit, a company must be able to document that the coal was directly purchased from a mine that extracted the coal from a location in Maryland.

H. A long distance telephone company shall be allowed a credit for the amount paid, not to exceed the Maryland tax due, upon proof that it has paid a properly due excise, sales and use, or gross receipts tax in another state on a sale from which the gross receipts are subject to Maryland tax.

.05 Assessments, Appeals, and Penalties.

A. If, after an audit of the tax return, the Department determines that the tax is more than the amount shown on the return; the Department will mail to the company a deficiency assessment for taxes due.

B. Interest and penalty shall be imposed if a company fails to pay an installment when due, or estimates a tax that is less than 90 percent of the amount due for the current taxable year and less than 110% of the tax paid for the prior taxable year.

C. Failure to file a return or pay the tax when due will result in the imposition of interest and penalty.

D. A company may appeal an assessment within 30 days of the date of mailing of the assessment by applying in writing to the Department for a revision or abatement of amounts due. The company may request an informal hearing on the issue. Following the application or hearing, the Department will take appropriate action and issue a final assessment to the company.

E. A company may appeal a final assessment to the Maryland Tax Court within 30 days after the date of mailing of the final assessment.

Title 18
DEPARTMENT OF ASSESSMENTS AND TAXATION

Subtitle 11 TAX PAYMENTS

Chapter 01 Tax Payments - Immediately Available Funds

Authority: Tax-Property Article, §2-201; Tax-General Article §13-104, Annotated Code of Maryland

.01 Definitions.

A. In this chapter, the following terms have the meanings indicated.

B. Terms Defined.

(1) "ACH credit" means a transaction in which a taxpayer, through the taxpayer's bank and an automated clearing house, originates an entry crediting the State's bank account and debiting the taxpayer's bank account for the amount of the payment due.

(2) "Automated clearing house (ACH)" means a central clearing facility operated by:

(a) A federal reserve bank; or

(b) An organization established by agreement with the National Automated Clearing House Association (NACHA) which:

(i) Operates as a clearing house for transmitting or receiving entries between banks and bank accounts, and

(ii) Authorizes an electronic transfer of funds between banks or bank accounts.

(4) "Business day" means the hours between 8 a.m. and 5 p.m. prevailing Eastern time, on a day other than a Saturday, Sunday or any holiday as defined in Tax-General Article, §1-201(a), Annotated Code of Maryland.

(5) "Department" means the State Department of Assessments and Taxation or its designee.

(6) "Immediately available funds" means an ACH credit, U.S. currency or wire transfer.

(7) "Person" means an individual, receiver, trustee, guardian, personal representative, fiduciary or representative of any kind, and any partnership, firm, association, corporation or other entity.

(8) "Tax" means financial institution franchise tax or public service company franchise tax, including any interest, penalty or fees.

(9) "Taxpayer" means any person required to pay a tax or file a return or a report.

(10) "TXP" means the tax payment addendum convention for use with the National Automated Clearing House Association's "CCD Plus" format application.

(11) "Wire transfer" means a transaction in which a taxpayer, through the taxpayer's bank, originates an entry which credits the State's bank account and debits the taxpayer's bank account on the same day the transaction is initiated.

.02 Requirements for Payment by Immediately Available Funds.

A. A taxpayer whose unpaid tax liability is $10,000 or more shall remit payment by immediately available funds pursuant to the following:

(1) Except as provided in A(2) and (3) of this regulation, tax payment shall be made by using ACH credit;

(2) Tax payment by wire transfer may be used if the taxpayer:

(a) Initiates an ACH credit transaction which fails

(b) Receives prior approval from the Department, and

(c) Assumes all costs associated with the wire transfer transaction.

Additional instructions which may be provided by the Department shall be followed by the taxpayer.

B. A separate ACH credit, or wire transfer as allowed under §A of this regulation shall be made for each type of tax and for each period for which the tax is due.

C. A taxpayer may satisfy the obligation to remit payment in immediately available funds by physical delivery of U.S. currency, with the appropriate return, on or before 1 p.m. on the due date of the obligation, to the Department of Assessments and Taxation, 700 East Pratt Street, Suite 2700, Baltimore, Maryland 21202.

.03 Registration.

A person making a payment by as an agent for a taxpayer may be required to register with the department before initiation of an ACH tax payment.

.04 Use of ACH Payments.

A. General. A taxpayer using the ACH payment method shall make the appropriate arrangements to initiate the payment so that the transfer is executed on the date payment is due.

ACH Credit

(1) A taxpayer using the ACH credit payment method shall initiate each payment of tax by contacting its own financial institution and requesting the institution to transfer both the appropriate identifying information and payment to the State's depository bank via an ACH credit.

(2)The taxpayer shall remit an ACH credit transaction with an addendum record formatted in accordance with the appropriate TXP convention.

.05 Miscellaneous Filing and Reporting Provisions.

A. The Department may require persons remitting taxes by ACH credit, wire transfer method to file an annual reconciliation report.

B. A taxpayer who remits taxes by ACH credit, or wire transfer method shall indicate that fact on all tax returns required to be filed for that period for which tax payment is being made.