

DECLARATION OF ESTIMATED PASS-THROUGH ENTITY NONRESIDENT TAX

GENERAL INSTRUCTIONS

Purpose of Form Form 510D is used by a pass-through entity to declare and remit estimated nonresident tax.

General Requirements Pass-through entities are required to pay tax on behalf of individual nonresidents; the tax is 4.75% of the nonresident partners' or shareholders' distributive or pro rata share of income allocable to Maryland. The amount of tax due may be limited based on the distributable cash flow. See instructions for distributable cash flow limitation on page 3 of instructions for Maryland Form 510.

When the tax is expected to exceed \$1,000 for the tax year, the pass-through entity must make quarterly estimated payments. The total estimated tax payments for the tax year must be at least 90% of the tax developed for the current tax year or **110%** of the tax developed for the prior tax year.

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 developed for the current (short) tax year or **110%** of the tax 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.

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 on the front of the form. 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 pass-through entity must issue a statement to each nonresident partner or shareholder showing the amount of tax paid on their behalf. Nonresidents must include the statement with their personal income tax return (Form 505) to claim credit for taxes paid on their behalf.

When and Where to File File Form 510D 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 April 15, June 15, September 15 and January 15 for calendar year partnerships.

The estimated tax must be filed with the Comptroller of Maryland, Revenue Administration Division, Annapolis, Maryland 21411-0001.

SPECIFIC INSTRUCTIONS

Taxable Year or Period THE TAXABLE YEAR IS SHOWN AT THE TOP OF FORM 510D. The form used for filing must reflect the preprinted tax year in which the pass-through entity's tax year **begins**.

If the tax year of the pass-through entity 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 510D.

Name, Address and Other Information

Type or print the required information in the designated area. Enter the exact pass-through entity name and continue with any "Trading As" (T/A) name if applicable.

Enter the Federal Employer Identification Number (FEIN). If a 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.

Amount of Tax Enclosed Enter the amount of estimated nonresident tax due in the space provided and remit full payment with Form 510D.

Signature and Verification An authorized officer or the paid preparer must sign and date Form 510D indicating the officer's title or the preparer's firm name and address.

Payment Instructions Include a check or money order made payable to the **Comptroller of Maryland** for the full amount due. All payments must include the Federal Employer Identification Number, type of tax and tax year. **DO NOT SEND CASH.**

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

Comptroller of Maryland
Revenue Administration Division
Annapolis, MD 21411-0001