



- ★ Visitan nuestro sitio Web en [www.marylandtaxes.com](http://www.marylandtaxes.com) para obtener formas e instrucciones en Español.
- ★ Free iFile available for nonresidents at [www.marylandtaxes.com](http://www.marylandtaxes.com).
- ★ File and pay your estimated taxes electronically – See Form 502D for details.
- ★ Nonresident members of a pass-through entity who have had tax paid on their behalf, may now claim this credit on the Form 505.

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# 2005 Maryland Tax Forms & Instructions for Nonresidents

FILING BOOKLET FOR  
PERSONAL INCOME TAXES FOR  
NONRESIDENT INDIVIDUALS



William Donald Schaefer

**Forms and instructions you need to file your 2005 nonresident Maryland income tax return:**

- ◆ **Form 505** – Nonresident Maryland Tax Return
- ◆ **Form 502D** – Declaration of Estimated Maryland Income Tax for the Year 2006

Other information included in this booklet

- ◆ **Chesapeake Bay and Endangered Species Fund, Fair Campaign Financing Fund and Maryland Cancer Fund**

**TAX HELP**

Free phone assistance

January 17 – April 17, 2006,

Monday – Friday,

8:00 a.m. - 9:00 p.m., Eastern time

Central Maryland ..... 410-260-7980

Elsewhere ..... 1-800-MD TAXES  
..... (1-800-638-2937)

E-mail ..... [taxhelp@comp.state.md.us](mailto:taxhelp@comp.state.md.us)

**FORMS 24-HOUR SERVICE**

Tax forms, instructions, and publications

..... [www.marylandtaxes.com](http://www.marylandtaxes.com)

Forms, brochures and other information

..... 410-260-7951

**Please read this before filling out your forms**

**Electronic Filing Options:**

- ◆ **iFile:** Free Internet Filing for Maryland Forms 502 or 505. Visit [www.marylandtaxes.com](http://www.marylandtaxes.com) for eligibility.
- ◆ **PC Retail Software:** Consumer Purchased Software. Check the software requirements to determine eligibility. Use software or link directly to a provider site to prepare and file your return online. Visit [www.marylandtaxes.com](http://www.marylandtaxes.com) for details.
- ◆ **e-file:** Tax Professional Electronic Filing. You may use any tax professional who participates in the Maryland Electronic Filing Program.

**Payment Options:**

- ◆ **Payment by electronic funds withdrawal** (direct debit) is available if you file electronically.
- ◆ **Payment by Credit Card** You may now pay your balance due, estimated or extension payments, using your MasterCard, Discover, American Express or Visa. See Instruction 25.



**Additional Information:**

- ◆ **Call us for free state tax help** Monday through Friday, 8:00 a.m. until 9:00 p.m. Eastern time from January 17 until April 17, 2006. You can also e-mail your tax questions to us any time at: [taxhelp@comp.state.md.us](mailto:taxhelp@comp.state.md.us).
- ◆ **Need an extension?** If you don't owe additional tax and requested an extension of time to file your federal return, you don't need to request a separate Maryland extension – it's automatic. If you do not qualify for the automatic extension, make your request online at [www.marylandtaxes.com](http://www.marylandtaxes.com) or TeleFile your extension request by calling 410-260-7829.
- ◆ **You can contribute to three programs on your return:** The Chesapeake Bay and Endangered Species Fund, the Fair Campaign Financing Fund and the Maryland Cancer Fund.

**Please send us your original completed Maryland tax return. Photocopies could delay the processing of your refund.**

Instruction	Page	Instruction	Page	Instruction	Page
1. WHAT FORM TO FILE? .....	1	18. FIGURE YOUR MARYLAND TAXABLE INCOME .....	6	26. FISCAL YEAR .....	8
2. NONRESIDENT, RESIDENT AND PART-YEAR RESIDENT .....	1	19. FIGURE YOUR MARYLAND TAX .....	6	27. SPECIAL INSTRUCTIONS FOR MILITARY TAXPAYERS .....	9
3. WHAT INCOME IS TAXABLE? .....	1	20. EARNED INCOME, POVERTY LEVEL AND OTHER CREDITS FOR INDIVIDUALS AND BUSINESSES .....	6	28. PART-YEAR RESIDENTS .....	9
4. WHO MUST FILE? .....	2	21. TOTAL MARYLAND TAX AND CONTRIBUTION .....	7	29. PASS-THROUGH ENTITIES .....	10
5. USE OF FEDERAL RETURN .....	2	22. TAXES PAID AND CREDITS .....	7	30. FILING RETURN OF DECEASED TAXPAYER .....	10
6. MAILING LABEL .....	2	23. OVERPAYMENT OR BALANCE DUE ..	8	31. AMENDED RETURNS .....	10
7. SOCIAL SECURITY NUMBER .....	2	24. TELEPHONE NUMBERS, CODE NUMBER, SIGNATURES AND ATTACHMENTS .....	8	32. PRIVACY ACT INFORMATION .....	10
8. FILING STATUS .....	2	25. ELECTRONIC AND PC FILING, PAYMENT AND MAILING INSTRUCTIONS, DEADLINES AND PENALTIES .....	8	■ TAX TABLE .....	11
9. RESIDENCE INFORMATION .....	3			■ TAX COMPUTATION WORKSHEET .....	14
10. EXEMPTIONS .....	3			■ CHESAPEAKE BAY & ENDANGERED SPECIES FUND ..	15
11. INCOME AND ADJUSTMENTS .....	3			■ FAIR CAMPAIGN FINANCING FUND .....	15
12. ADDITIONS TO INCOME .....	3			■ MARYLAND CANCER FUND .....	15
13. SUBTRACTIONS FROM INCOME .....	4				
14. MARYLAND INCOME FACTOR .....	4				
15. STANDARD DEDUCTION .....	5				
16. ITEMIZED DEDUCTIONS .....	5				
17. EXEMPTION ALLOWANCE COMPUTATION .....	6				

# MARYLAND NONRESIDENT INCOME TAX RETURN FORM 505

# INSTRUCTIONS 2005

## IMPORTANT NOTES

### DUE DATE

Your return is due by April 17, 2006. If you are a fiscal year taxpayer, see Instruction 26.

### COMPLETING THE RETURN

You must use blue or black ink when completing your return. **DO NOT** use pencil or red ink. Submit the original return, not a photocopy. If no entry is needed for a specific line, leave blank. Do not enter words such as "none" or "zero" and do not draw a line to indicate no entry.

You may round off all cents to the nearest whole dollar. Fifty cents and above should be rounded to the next higher dollar.

### ELECTRONIC FILING INSTRUCTIONS

The instructions in this packet are designed specifically for filers of paper returns. If you

are filing electronically and these instructions differ from the instructions for the electronic method being used, you should comply with the instructions appropriate for that method.

**Software vendors should refer to the e-file handbook for their instructions.**

### SUBSTITUTE FORMS

You may file your Maryland income tax return on a computer-prepared or computer-generated substitute form provided the form is approved in advance by the Revenue Administration Division. The fact that a software package is available for retail purchase does not guarantee that it has been approved for use.

For additional information, see Administrative Release 26, Procedures for Computer-Printed Substitute Forms, which can be obtained from any office of the Comptroller. (See the back cover of this booklet.)

You may also call the tax information numbers listed on the back cover to find out which computer-generated forms have been approved for use or visit our website [www.marylandtaxes.com](http://www.marylandtaxes.com).

### PENALTIES

There are severe penalties for failing to file a tax return, failing to pay any tax when due, filing a false or fraudulent return, or making a false certification. The penalties include criminal fines, imprisonment, and a penalty on your taxes. In addition, interest is charged on amounts not paid.

To collect unpaid taxes, the Comptroller is directed to enter liens against the salary, wages or property of delinquent taxpayers.

## 1 What form to file?

IF YOU ARE A:	YOU SHOULD FILE:
Taxpayer whose permanent home (domicile) is a state other than Maryland unless you are a <b>statutory resident</b> ,	Form 505 Nonresident Return.
Taxpayer who maintains a place of abode (that is, a place to live) for more than six (6) months of the tax year in Maryland and you are physically present in Maryland for more than 183 days, you are a <b>statutory resident</b> .	Form 502 Resident Return.
Taxpayer who began or ended legal residence in Maryland during the tax year, you must file as a resident for that portion of the year during which you maintained Maryland residence, even if less than six (6) months.	Form 502 Resident Return.
Nonresident of Maryland but received salary, wages or other compensation for personal services performed in any Maryland county or Baltimore City <b>and</b> you lived in a jurisdiction that imposes a local or earnings tax on Maryland residents, NOTE: If you have other income subject to Maryland tax, you must also file Form 505. (For further information and forms, call 410-260-7980.)	Form 515 Nonresident Local Tax Return.
Taxpayer who moved into or out of Maryland during the tax year and received income from Maryland sources while you were a nonresident of Maryland,	Form 505 Nonresident Return and Form 502 Resident Return.

## 2 Nonresident, resident and part-year resident. You are a nonresident if you are not a resident under any of the conditions listed below:

You are a **resident** if your permanent home is in Maryland (the law refers to this as your domicile) or your home is outside Maryland but you maintained a place of abode (that is a place to live) in Maryland for more than six (6)

months (183 days) of the tax year and you are physically present in Maryland for more than 183 days. (you are a statutory resident).

You are a **part-year resident** if you established or abandoned legal residence during

the tax year.

If you are an active duty military member, see Instruction 27.

## 3 What income is taxable? A nonresident individual is subject to tax on that portion of the federal adjusted gross income that is derived from tangible property, real or personal, permanently located in Maryland (whether received directly or from a fiduciary) and on income from a business, trade, profession or occupation carried on in Maryland and on all gambling winnings derived from Maryland sources. Adjustments to federal gross income and losses not allocable to Maryland may not be used to reduce Maryland income.

**4 Who must file?** In general, you must file this return if you are a nonresident of Maryland AND you are required to file a federal return based upon the income levels in Table 1 or 2 AND you received income from sources within Maryland. Remember, if your federal gross income is more than the federal minimum filing requirement for your filing status, you are required to file a Maryland return, even if the income attributable to Maryland is less than the federal filing requirement.

**TO DETERMINE IF YOU ARE REQUIRED TO FILE A MARYLAND RETURN:**

- a. Add up all of your federal **gross** income to determine your total income. Gross income is defined in the Internal Revenue Code and, in general, consists of all income from any source. It includes wages and other compensation for services, **gross** income derived from business, gains (not losses) derived from dealings in property, interest, rents, royalties, dividends, alimony, annuities, pensions, income from partnerships or fiduciaries, etc. If any modification or deduction reduces your gross income below the minimum filing level, you are still required to file. IRS Publication 525 provides additional information on taxable and nontaxable income.
- b. Do not include social security or railroad retirement benefits in your total income.
- c. Add to your total income any Maryland additions to income. Do not include any additions related to non-Maryland income or loss. (See Instruction 12.) **This is your Maryland gross income.**

- d. If you are a dependent taxpayer, add to your total income any Maryland additions and subtract any Maryland subtractions. (See Instructions 12 and 13.) **This is your Maryland gross income.**
- e. You must file a Maryland return if your Maryland gross income equals or exceeds the income levels in Table 1.
- f. If you or your spouse is 65 or over, use Table 2, "Minimum Filing Levels for Taxpayers 65 or over."

**IF YOU ARE A NONRESIDENT, YOU ARE NOT REQUIRED TO FILE A MARYLAND RETURN IF:**

- your Maryland gross income is less than the minimum filing level for your filing status, OR
- you had no income from Maryland sources, OR
- you reside in the District of Columbia, Pennsylvania, Virginia or West Virginia and had only wages from Maryland. See Instruction 11 for additional information.

**MARYLAND TAX WITHHELD IN ERROR**

If Maryland tax was withheld from your income, you must file to obtain a refund of the withholding. Complete all of the information at the top of the form through the filing status, residence information and exemption areas. Enter your federal adjusted gross income on line 17 in both columns 1 and 3 and line 24. Then complete line 33\*, lines 43-48, 50 and 52.

Sign the return and attach withholding statements (Form W-2 and/or 1099) showing the Maryland tax withheld equal to the refund you are claiming.

Your return is then complete. You must file within three years of the original due date to receive any refund.

\* Enter zero unless you claim an earned income credit on your federal return.

**Minimum Filing Level Tables**

Table 1 – For taxpayers under 65	Table 2 – For taxpayers 65 or over
Single persons (including dependent taxpayers) . . . . . \$ 8,200	Single, age 65 or over . . . . . \$ 9,450
Joint return . . . . . 16,400	Joint return, one spouse age 65 or over . . . . . 17,400
Married persons filing separately . . . . . 3,200	Joint return, both spouses age 65 or over . . . . . 18,400
Head of household . . . . . 10,500	Married persons filing separately, age 65 or over . . . . . 3,200
Qualifying widow(er) . . . . . 13,200	Head of household, age 65 or over . . . . . 11,750
	Qualifying widow(er), age 65 or over . . . . . 14,200

**5 Use of federal return. First complete your 2005 federal income tax return.**

You will need the information from your federal return in order to complete your Maryland return. Therefore, complete your federal return **before** you continue beyond this point. Maryland law requires that your income and

deductions be entered on your Maryland return exactly as they were reported on your federal return. If you use a federal Form 1040NR, visit our website for further information. All items reported on your Maryland

return are subject to verification, audit and revision by the Maryland State Comptroller's Office.

**6 Mailing label. Remove the label located on the front cover of this tax packet and place it over the name and address blanks of your tax return. Using the label speeds up processing your return, including getting your refund to you sooner. It also reduces the possibility of error which could delay your refund. NOTE: If you do not use a label, complete the name and address boxes located at the top of the form.**

**DO NOT USE YOUR LABEL IF:**

- a. your name or address is wrong, OR
- b. you and your spouse are going to file separate returns and both of your names or initials are on the label, OR

- c. you are going to file a joint return and only one name is on the label, OR
- d. you are filing a computer-generated return.

**IF YOUR RETURN IS BEING COMPLETED BY SOMEONE ELSE:**

Take this packet to your tax preparer so that the preparer can attach the label to your return.

**7 Social Security Number(s). Your social security number is not printed on the label. Therefore, it is important that you enter each social security number in the space provided at the top of your tax return regardless of whether you use a label.**

The social security number(s) must be a valid number issued by the Social Security Administration of the United States Government. If you, your spouse or dependent(s) do not have a social security number, you must

apply for a tax identification number with the Internal Revenue Service.

Use of an incorrect social security or tax identification number could result in the disallowance of any credits or exemptions you

may be entitled to and result in a balance due.

Valid social security or tax identification numbers are required for any claim of exemption for a dependent.

**8 Filing status. Check the filing status box that matches the filing status you used on your federal return unless you are a dependent taxpayer.**

A **dependent taxpayer** is one who can be claimed as a dependent on another person's tax return. If married, the dependent taxpayer and spouse must file separate returns. A dependent taxpayer may not claim a personal

exemption. Check the box for filing status 6.

Generally, if you filed a joint federal return for 2005, you must file a joint Maryland return. Married couples who file joint federal returns may file separate Maryland returns when one

spouse is a resident of Maryland and the other spouse is a nonresident of Maryland.

If you and your spouse filed separate federal returns you must file separate Maryland returns.

**9 Residence information.** Answer ALL the questions and fill in the appropriate boxes. If you are a Pennsylvania resident, list the township/borough in which you live along with the state of legal residence.

Your state of legal residence is your domicile or permanent home. It is the place you intend to return to after temporary absences. You do not change or abandon a domicile until you

establish a new domicile in another state. Military personnel retain their states of legal residence as shown in their records until they take specific action to change the state. Duty

assignments alone do not affect legal residence. For additional information, see Administrative Release 37.

**10 Exemptions.** Determine what exemptions you are entitled to and complete the appropriate area on the form, including the social security numbers for children and other dependents. If more space is required attach a separate statement.

**EXEMPTIONS ALLOWED**

You are permitted the same **number** of exemptions that you are permitted on your federal return; however, the exemption **amount** is different on the Maryland return. Even if you are not required to file a federal return, the federal rules for claiming exemptions still apply to you. Refer to the federal income tax instructions for further information.

In addition to the exemptions allowed on your federal return, you and your spouse are permitted to claim exemptions for being age 65 or over or for blindness. These additional exemptions are in the amount of \$1,000 each.

If "Other Dependents" are 65 or over, you also receive an extra exemption of \$2,400 that is not permitted on the federal return. Enter the number of exemptions in the appropriate boxes.

Complete the **EXEMPTIONS** area on the front of Form 505 to determine the exemption amount to enter on line 28.

**PART-YEAR RETURNS**

If you are required to file **both** a resident and nonresident return for tax year 2005, each exemption is limited to a total of \$2,400. Your exemptions must be prorated on the resident return and nonresident return based on Maryland income. See Instruction 28.

**11 Income and adjustments.** Complete lines 1 through 17 of the Federal Income column using the figures from your federal return.

Enter in the Maryland Income column all income or loss that was derived from Maryland sources and enter in the Non-Maryland Income column all income or loss derived from non-Maryland sources. Refunds of state or local income taxes, pensions, annuities, IRA distributions, unemployment compensation and social security or railroad retirement benefits are not considered to be from Maryland sources for income tax purposes when these items are received by a nonresident of Maryland. Adjustments to federal gross income are not generally applicable to Maryland unless they pertain to business carried on in Maryland or services performed in Maryland.

**Special instructions for residents of the following states:**

The **District of Columbia** or **Pennsylvania**: If you did not maintain a place of abode in

Maryland for more than six months (183 days or more) of 2005, you are exempt from Maryland tax on your Maryland wage and salary income. Enter all wage and salary income in the non-Maryland income column of Form 505, even if you earned the income from services performed in Maryland. If you did maintain a place of abode in Maryland for more than six months (183 days or more), you are a **statutory** resident. Refer to Instruction 1 to see which form you need to file.

**Virginia**: If you did not maintain a place of abode in Maryland for any length of time (1 day or more), you are exempt from Maryland tax on your Maryland wage and salary income. Enter all wage and salary income in the non-Maryland income column of Form 505, even if you earned the income from services performed in Maryland. If you did maintain a place of abode in Maryland for 1 day,

but less than 6 months (183 days) during 2005, you will be taxed on all of the income from services performed in Maryland. If you did maintain a place of abode for more than six months (183 days or more) you are a **statutory** resident. Refer to Instruction 1 to see which form you need to file.

**West Virginia**: Regardless of time spent in Maryland, you should enter all wage and salary income in the non-Maryland income column of Form 505. You are exempt from Maryland tax on all of your Maryland wage and salary income, even if you earned the income from services performed in Maryland.

**12 Additions to income.** Determine which additions to income apply to you. Write the amounts on lines 18 and 19 of Form 505. Instructions for each line:

**Line 18. NON-MARYLAND LOSS.** If the amount on line 17 in Column 3 is a loss, enter it on line 18 and do not make any entry on line 22.

**Line 19. OTHER ADDITIONS TO INCOME.** If one or more of these apply to you, enter the total amount on line 19 and identify each item using the code letter:

**CODE LETTER**

- a. Net Maryland additions from federal Schedule K-1 for your share of income from pass-through entities or fiduciaries.
- b. Taxable tax preference items from line 6 of Maryland Form 502TP. The items of tax preference are defined in Internal Revenue Code Section 57. If the total of your tax preference items is more than \$10,000 (\$20,000 for married taxpayers filing joint returns) you must complete and attach Maryland Form 502TP, whether or not you are required to file federal Form 6251.

- c. Expenses paid in the current year to the extent allowed on Form 500CR such as Business Tax Credits for the Enterprise Zone Tax Credit, Employment Opportunity Tax Credit, Maryland Disability Employment Tax Credit, Long-Term Employment of Qualified Ex-Felons Tax Credit, Research and Development Tax Credit and/or Telecommunications Property Tax Credit.
- d. Oil percentage depletion allowance claimed under Section 613 of the Internal Revenue Code.
- e. Income exempt from federal tax under treaty but not from Maryland tax.
- f. Net operating loss deduction to the extent of a double benefit. Administrative Release 18 is available from any office of the Revenue Administration Division.
- g. Pickup contributions of a Maryland State retirement or pension system member. (The pickup amount will be stated separately on your W-2 form.)
- h. The amount claimed and allowed as a

deduction for federal income tax purposes for expenses attributable to operating a family day care home or a child care center in Maryland without having the registration or license required by the Family Law Article.

- i. Any refunds of advanced tuition payments made under the **Maryland Prepaid College Trust**, to the extent the payments were subtracted from the federal adjusted gross income and any refunds of contributions made under the **Maryland College Investment Plan**, to the extent the contributions were subtracted from the federal adjusted gross income. See Administrative Release 32.
- j. Net addition modification to Maryland taxable income when claiming the federal depreciation allowances from which the State of Maryland has decoupled. Complete and attach Form 500DM. See Administrative Release 38.
- k. Net addition modification to Maryland

taxable income when the federal special 5-year carryback period was used for a net operating loss under the Job Creation and Worker Assistance Act of 2002 (JCWAA) compared to Maryland taxable income with-

out regard to JCWAA provisions. Complete and attach Form 500DM. See Administrative Release 38.

l. The amount of deduction taken on your federal income tax return for tuition and

related expenses (line 34 of Form 1040 or line 19 of Form 1040A).

m. The amount deducted on your federal income tax return for domestic production activities (line 35 of Form 1040)

**13 Subtractions from income.** Determine which subtractions apply to your Maryland income. Write the amounts on lines 22 and 23 of Form 505. Instructions for each line:

**Line 22. NON-MARYLAND INCOME.** If the amount on line 17 in Column 3 is not a loss, enter it on line 22 and do not make any entry on line 18.

**Line 23. OTHER SUBTRACTIONS FROM INCOME.** If one or more of these apply to your Maryland income, enter the total amount on line 23 and identify each item using the code letter:

**CODE LETTER**

- a. Child care expenses. You may subtract the cost of caring for your dependents while you work. There is a limitation of \$3,000 (\$6,000 if two or more dependents receive care). To claim this subtraction from income, use the amount from line 3 of either federal Form 2441 or Form 1040A Schedule 2. You may also be entitled to a credit for these expenses. See instructions for Part B of Form 502CR.
- b. Net Maryland subtractions from federal Schedule K-1 for your share of income from pass-through entities or fiduciaries.
- c. Charitable travel expense. You may subtract from income unreimbursed vehicle travel expenses for:
  - 1. A volunteer fire company;
  - 2. Service as a volunteer for a charitable organization whose principal purpose is to provide medical, health or nutritional care; AND
  - 3. Assistance for handicapped students at a Maryland community college (other than providing transportation to and from the college). Attach Maryland Form 502V to claim this subtraction from income.
- d. Amount of wages and salaries which were not allowed as a business expense because you took the federal Targeted Jobs Credit (work opportunity tax credit).
- e. Expenses up to \$5,000 incurred by a blind person for a reader, or up to \$1,000 incurred by an employer for a reader for a blind employee.
- f. Expenses incurred for reforestation or tim-

ber stand improvement of commercial forest land. Qualifications and instructions are on Form DNR-393, available from the Department of Natural Resources, telephone 410-260-8531.

- g. The amount added to your taxable income for the use of an official vehicle used by a member of a state, county or local police or fire department. The amount is stated separately on Form W-2.
- h. Up to \$6,000 in expenses incurred by parents to adopt a child with special needs through a public or nonprofit adoption agency and up to \$5,000 in expenses incurred by parents to adopt a child without special needs.
- i. Purchase and installation costs of certain conservation tillage equipment as certified by the Maryland Department of Agriculture. Attach a copy of the certification.
- j. The value of farm products you donated to a gleaning cooperative as certified by the Maryland Department of Agriculture. Attach a copy of the certification.
- k. The lesser of \$1,200 or the Maryland income of the spouse with the lower income if both spouses have Maryland income and you file a joint return.
- l. Up to \$2500 per contract purchased for advanced tuition payments made to the **Maryland Prepaid College Trust** and up to \$2500 per taxpayer per beneficiary contributed under the **Maryland College Investment Plan**. See Administrative Release 32.
- m. The Honorable Louis L. Goldstein Volunteer Police, Fire, Rescue and Emergency Medical Services Personnel Subtraction Modification Program. \$3,500 for each taxpayer who is a qualifying volunteer as certified by a Maryland fire, police, rescue or emergency medical services organization. \$3,500 for each taxpayer who is a qualifying member of the U.S. Coast Guard Auxiliary as certified by the organization. Attach a copy of the certification.

- n. Any income of an individual that is related to tangible or intangible property that was seized, misappropriated or lost as a result of the actions or policies of Nazi Germany towards a Holocaust victim. For additional information contact the Revenue Administration Division.
- o. Expenses incurred to buy and install handrails in an existing elevator in a health-care facility (as defined in Section 19-114 of the Health-General Article) or other building in which at least 50% of the space is used for medical purposes.
- p. Net subtraction modification to Maryland taxable income when claiming the federal depreciation allowances from which the State of Maryland has decoupled. Complete and attach Form 500DM. See Administrative Release 38.
- q. Net subtraction modification to Maryland taxable income when the federal special 5-year carryback period was used for a net operating loss under the Job Creation and Worker Assistance Act of 2002 (JCWAA) compared to Maryland taxable income without regard to JCWAA provisions. Complete and attach Form 500DM. See Administrative Release 38.
- r. Any amount of income derived within an arts and entertainment district by a qualifying residing artist from the publication, production, or sale of an artistic work that the artist wrote, composed or executed. Complete and attach a copy of Form 502AE.
- s. Income for wages earned in Maryland by a nonresident rendering police, fire, rescue, or emergency services in an area covered under a state of emergency declared by the Governor, if the wages are paid by a nonprofit organization not registered to do business in the state and not otherwise doing business in the state, or by a state, county or political subdivision of a state, other than the State of Maryland.

**14 Maryland income factor.** You must adjust your standard or itemized deductions and exemptions based on the percentage of your income subject to Maryland tax. Complete the worksheet below to figure the ratio of Maryland income to total income. Carry this amount to four decimal places. If the result is less than 0 or greater than 1.0, use 1 as your factor. NOTE: If Maryland adjusted gross income (line 2) is 0, use 0 as your factor.

**MARYLAND INCOME FACTOR WORKSHEET**

- 1. Enter your federal adjusted gross income (from line 17, column 1) .....
- 2. Enter your Maryland adjusted gross income (from line 25) .....
- 3. Maryland income factor. (Divide line 2 by line 1.) If greater than 1, enter 1 .....

1	
2	
3	

**15**

**Standard deduction.** Complete line 26a only if you are not itemizing deductions.

The standard deduction method gives you a standard deduction without the need to itemize deductions. Use the appropriate worksheet below to determine the total standard deduc-

tion for your filing status and Maryland income. You must adjust the total standard deduction on line 26a based on the percentage of Maryland income. On line 26e enter the Maryland

income factor from the worksheet in Instruction 14 to figure your Maryland standard deduction.

**Figure your standard deduction**

**If your filing status is:**

- Single
- Married filing separately
- or
- Dependent taxpayer

**Use Worksheet 1, below.**

- Married filing jointly
- Head of household
- or
- Qualifying widow(er)

**Use Worksheet 2, below.**

**Worksheet 1**

If your income on line 25 is between:  
 \$1 - 10,000 ..... \$ 1,500  
 Your standard deduction is:

**or**

If your income on line 25 is between \$10,000-13,333  
 Enter income from line 25: ..... \$ \_\_\_\_\_  
 Multiply by 15 percent (.15) ..... X .15  
 This is your standard deduction ..... \$ \_\_\_\_\_

**or**

If your income on line 25 is:  
 \$13,333 or over ..... \$ 2,000  
 Your standard deduction is:

**Enter your standard deduction on line 26a.**

**Worksheet 2**

If your income on line 25 is between:  
 \$1 - 20,000 ..... \$ 3,000  
 Your standard deduction is:

**or**

If your income on line 25 is between \$20,000-26,667  
 Enter income from line 25: ..... \$ \_\_\_\_\_  
 Multiply by 15 percent (.15) ..... X .15  
 This is your standard deduction ..... \$ \_\_\_\_\_

**or**

If your income on line 25 is:  
 \$26,667 or over ..... \$ 4,000  
 Your standard deduction is:

**Enter your standard deduction on line 26a.**

**16**

**Itemized deductions.** If you figure your tax by the ITEMIZED DEDUCTION METHOD, complete lines 26b, c and d on Maryland Form 505. If you elected to deduct general sales tax instead of state and local income tax, do not enter that amount on line 26c.

**USE FEDERAL FORM 1040 SCHEDULE A**

To use the ITEMIZED DEDUCTION METHOD, you must itemize your deductions on your federal return and complete federal Form 1040 Schedule A. Copy the amount from Schedule A, line 28, Total Itemized Deductions, onto line 26b of Form 505. Certain items of federal itemized deductions are not eligible for State purposes and must be subtracted from line 26b. State and local income taxes (but not general sales tax) used as a deduction for federal purposes must be entered on line 26c. Also, any amount deducted as contributions of Preservation and Conservation Easements for which a credit is claimed on Form 502CR must

be added to line 26c. Complete lines 26b to 26e and enter the result on line 26.

You are not required to itemize deductions on your Maryland return simply because you itemized on your federal return. Figure your tax each way to determine which method is best for you.

Your Maryland itemized deductions are limited to those deductions related to Maryland income. You must adjust the total itemized deductions on line 26d based on the percentage of Maryland income. On line 26e enter the Maryland income factor from the worksheet in Instruction 14 to figure your Maryland itemized deductions.

**NOTE:** Certain high-income taxpayers are required to reduce their federal itemized deductions. If you had to reduce your total federal itemized deductions, use the ITEMIZED DEDUCTION WORKSHEET to calculate the amount of state and local income taxes to enter on line 26c of Form 505.

If your unreimbursed business expenses include depreciation to which an adjustment is required for Maryland purposes, complete Form 500DM to calculate the addition modification "j" or subtraction modification "p".

**ITEMIZED DEDUCTION WORKSHEET**

(To be used only by high-income taxpayers who were required to reduce their federal itemized deductions)

1. ENTER the amount from line 28 of federal Schedule A. \$ \_\_\_\_\_
2. ENTER the total of lines 4, 13, 15b and 19, plus any gambling and casualty or theft losses included in line 27 of federal Schedule A. \$ \_\_\_\_\_
3. Federal itemized deductions that were limited (SUBTRACT line 2 from line 1) \$ \_\_\_\_\_
4. Federal itemized deductions subject to limitation (ENTER the total of lines 9, 10, 11, 12, 18, 26 and 27 less line 15b and any gambling and casualty or theft losses included in line 27 of federal Schedule A) \$ \_\_\_\_\_
5. DIVIDE line 3 by line 4. \_\_\_\_\_%
6. ENTER the amount of state and local **income** taxes from line 5 of federal Schedule A. \$ \_\_\_\_\_
7. MULTIPLY line 5 by line 6. This is the amount you must subtract on line 26c of Form 505. \$ \_\_\_\_\_

**17** **Exemption allowance computation.** You must adjust the total exemption amount on line 28 based on the percentage of Maryland income. On line 29 enter the Maryland income factor from the worksheet in Instruction 14 to figure your Maryland exemption allowance.

**18** **Figure your Maryland taxable income.** Subtract line 30 from line 27 to compute your Maryland taxable income.

**19** **Figure your Maryland tax.** You must use the tax table if your taxable income is less than \$50,000. All nonresidents filing a Form 505 are liable for the special nonresident tax.

Find the income range in the tax table that applies to the amount on line 31 of your return. Find the Maryland tax corresponding to your income range. Enter the tax amount on line

32a of your return. If your taxable income on line 31 is \$50,000 or more, use the Maryland Tax Computation Worksheet at the end of the tax table. Enter on line 32b your special non-

resident tax by multiplying line 31 by .0125 (1.25%). Add lines 32a and 32b and enter the total one line 32c.

**20** **Earned income, poverty level and other credits for individuals and businesses.** You may claim a credit on line 33 equal to one-half of the earned income credit on your federal return multiplied by the Maryland income factor. You may claim a credit on line 34 of 5% of your earned income multiplied by the Maryland income factor if your income is less than the poverty income guidelines. You may also be eligible for a refundable earned income credit.

**Line 33. EARNED INCOME CREDIT.** If you claimed an earned income credit on your federal return, then you may claim one-half (50%) of the federal credit multiplied by the Maryland income factor on your Maryland return.

If you filed a joint federal return, but a separate Maryland return, you may claim a combined total of up to one-half the federal credit. Complete Part I of the worksheet on page 7 to calculate the amount to enter on line 33 of Form 505.

**This is not a refundable credit.**

**Line 34. POVERTY LEVEL CREDIT.** If your earned income and federal adjusted gross income are below the poverty level income for the number of exemptions on your federal tax return, you may be eligible for the poverty level credit.

You are not eligible for this credit if you checked filing status 6 (dependent taxpayer) on your Maryland income tax return.

Generally, if your Maryland state tax exceeds 50% of your federal earned income credit and your earned income and federal adjusted gross income are below the poverty income guidelines from the worksheet, you may claim a credit of 5% of your earned income multiplied by the Maryland income factor.

Complete Part II of the worksheet on page 6 to calculate the amount to enter on line 34 of Form 505.

**This is not a refundable credit.**

**Line 35. OTHER INCOME TAX CREDITS FOR INDIVIDUALS.** Enter the total of your personal income tax credits as listed below. Complete and submit Form 502CR with Form 505.

a. Credits for Income Taxes Paid to Other States. This credit is not available for nonresident taxpayers.

b. Credit for Child and Dependent Care Expenses. If you were eligible for a Child and Dependent Care Credit on your federal income tax return and your income is below certain thresholds you are entitled to a tax credit equal to a percentage of the federal credit.

c. Quality Teacher Incentive Credit. If you are a Maryland public school teacher who paid tuition to take graduate-level courses required to maintain certification, you may be eligible for a tax credit.

d. Credit For Aquaculture Oyster Floats. If you purchased a new aquaculture oyster float during the tax year, you may be entitled to a credit of up to \$500 for the cost of the float.

e. Long-Term Care Insurance Credit. If you paid a premium for a long-term care insurance policy for certain Maryland resident family members, you may be eligible for a tax credit.

f. Credit for Preservation and Conservation Easements. If you donated an easement to the Maryland Environmental Trust or the Maryland Agricultural Land Preservation Foundation to preserve open space, natural resources, agriculture, forest land, watersheds, significant ecosystems, viewsheds or historic properties, you may be eligible for a credit.

**NOTE: HERITAGE STRUCTURE REHABILITATION TAX CREDIT.** See Form 502H for qualifications and instructions.

**For additional information regarding any of the above income tax credits, see the instructions for Form 502CR, Income Tax Credits. Form 502CR and instructions are available from any office of the Comptroller or our website [www.marylandtaxes.com](http://www.marylandtaxes.com)**

**Line 36. BUSINESS TAX CREDITS.** Business tax credits (as calculated on Form 500CR) are as follows: Enterprise Zone Tax Credit, Employment Opportunity Tax Credit, Maryland Disability Employment Tax Credit, Job Creation Tax Credit, Community Investment Tax Credit, Businesses That Create New Jobs Tax Credit, Long-Term Employment of Qualified Ex-Felons Tax Credit, Green Buildings Tax Credit, Water Quality Improvement Tax Credit, Employer Provided Long-Term Care Insurance Tax Credit, One Maryland Economic Development Tax Credit, Commuter Tax Credit, Research and Development Tax Credit, Maryland Clean Energy Incentive Tax Credit, Electric and Steam Generation Property Tax Credits, Maryland-mined Coal Tax Credit and Telecommunications Property Tax Credit.

**For additional information regarding the above income tax credits, see the instructions provided for Form 500CR, Business Tax Credits. Form 500CR is available from any office of the Comptroller, or our website [www.marylandtaxes.com](http://www.marylandtaxes.com)**

**Line 45. REFUNDABLE EARNED INCOME CREDIT.** If one-half of your prorated federal earned income credit is greater than your Maryland tax and you have one or more dependents that you may claim as an exemption on your federal income tax return, you may also be eligible for a refundable earned income credit. This credit is the amount by which 20% of your federal earned income credit multiplied by the Maryland income factor exceeds your Maryland tax liability. Complete Part III of the worksheet on page 7 and enter the result on line 45 of Form 505.

# EARNED INCOME CREDIT, POVERTY LEVEL CREDIT and REFUNDABLE EARNED INCOME CREDIT WORKSHEET

## PART I – Earned Income Credit

1. Total Maryland tax (from line 32c of Form 505) ..... 1. \_\_\_\_\_
2. Federal earned income credit \_\_\_\_\_ x 50% (.50). ..... 2. \_\_\_\_\_
3. Multiply line 2 by the Maryland income factor \_\_\_\_\_ (from line 26e). Enter this amount here and on line 33 of Form 505. .... 3. \_\_\_\_\_
4. Subtract line 3 from line 1. If less than zero (0) enter zero (0) ..... 4. \_\_\_\_\_

If line 4 is greater than zero (0), you may qualify for the Poverty Level Credit. Go to Part II.

If line 4 is zero (0), you may qualify for the Refundable Earned Income Credit. Go to Part III.

## PART II – Poverty Level Credit

If you checked filing status 6 on your Maryland return, you are not eligible for this credit.

1. Enter the amount from line 21, of Form 505. If you checked filing status 3 (married filing separately) and you filed a joint federal return enter your joint federal adjusted gross income plus any Maryland additions ..... 1. \_\_\_\_\_
2. Enter the total of your salary, wages, tips and other employee compensation and net profit from self-employment. (Do not include a farm or business loss.) Also include your distributive share of pass-through entity income. .... 2. \_\_\_\_\_
3. Find the number of exemptions in the chart that is the same as the number of exemptions entered on your federal tax return. Enter the income level that corresponds to the exemption number. .... 3. \_\_\_\_\_
4. Enter the amount from line 1 or 2, whichever is larger. .... 4. \_\_\_\_\_

Compare lines 3 and 4. If line 4 is greater than or equal to line 3, STOP HERE. You do not qualify for this credit.

If line 3 is greater than line 4, continue to line 5.

5. Multiply line 2 of Part II by 5% (.05). ..... 5. \_\_\_\_\_
6. Multiply line 5 by the Maryland income factor \_\_\_\_\_ (from line 26e). Enter that amount here and on line 34 of Form 505. .... 6. \_\_\_\_\_

<b>POVERTY INCOME GUIDELINES</b>	
Number of Exemptions on Federal Return	Income Level
<b>1</b>	<b>\$ 9,570</b>
<b>2</b>	<b>\$12,830</b>
<b>3</b>	<b>\$16,090</b>
<b>4</b>	<b>\$19,350</b>
<b>5</b>	<b>\$22,610</b>
<b>6</b>	<b>\$25,870</b>
<b>7</b>	<b>\$29,130</b>
<b>8</b>	<b>\$32,390</b>
If you have more than 8 exemptions, add \$3,260 to the last income level for each additional exemption.	

## PART III – Refundable Earned Income Credit

You must have a qualifying child for purposes of the federal earned income credit to claim this credit.

COMPUTE THIS CREDIT ONLY IF LINE 4 IN PART I IS ZERO.

1. Multiply your federal earned income credit \_\_\_\_\_ by the Maryland income factor \_\_\_\_\_ (from line 26e). .... 1. \_\_\_\_\_
  2. Multiply line 1 x 20% (.20) and enter the result. .... 2. \_\_\_\_\_
  3. Enter your Maryland tax from Part I, line 1. .... 3. \_\_\_\_\_
  4. Subtract line 3 from line 2. If less than zero (0) enter zero (0). This is your refundable earned income credit. .... 4. \_\_\_\_\_
- If line 4 is greater than zero, enter the amount on line 45 of Form 505.

## 21 Total Maryland tax and contribution. Add any contribution amounts from lines 39 through 41 to your Maryland tax on line 38 and enter the total on line 42. See the inside back cover of this packet for additional information.

### CHESAPEAKE BAY AND ENDANGERED SPECIES FUND

You may contribute any amount you wish to this fund. The amount contributed will reduce your refund or increase your balance due.

### FAIR CAMPAIGN FINANCING FUND

You may contribute any amount you wish up to \$500 (\$1,000 if you file a joint return). The

amount contributed will reduce your refund or increase your balance due.

### MARYLAND CANCER FUND

You may contribute any amount you wish to this fund. The amount contributed will reduce your refund or increase your balance due.

**IMPORTANT:** If there are not sufficient credits (lines 43-47) or other payments to satisfy your tax and the contribution you have designated, the contribution amounts will be reduced. If you have entered amounts for contribution to multiple funds, any reduction will be applied proportionately.

## 22 Taxes paid and credits. Write your taxes paid and credits on lines 43-47. Do not use line 43 to report withholding from a non-resident real estate transaction; see instructions for lines 44 and 46. Instructions for each line:

**Line 43.** Write the total Maryland and local tax withheld as shown on the wage and tax statements (Forms W-2, W-2G or 1099) you have received. Add up the amounts identified as Maryland tax withheld on each form and write the total on line 43. Attach Forms W-2, W-2G and 1099 to your return if Maryland tax is withheld.

**IMPORTANT:** Your wage and tax statements contain many numbers. Be sure you add only the amounts identified as Maryland tax withheld.

**Line 44.** Enter on line 44 the total of:

- a. Maryland estimated tax payments,
- b. amount of overpayment applied from your 2004 return,
- c. payment made with a request for an automatic extension of time to file your 2005 return; (See the instructions on Form 502E.) AND
- d. if you participated in a **nonresident real estate transaction** as an individual, you must report the income tax withheld on your behalf as an estimated payment. The tax will be identified as Maryland tax withheld on the Form MW506NRS.

tified as Maryland tax withheld on the Form MW506NRS.

**NOTE:** Estimated tax payments are required if you expect to receive any income from which no tax or not enough Maryland tax will be withheld. Read the instructions on the back of Form 502D, Declaration of Estimated Maryland Income Tax.

**Line 45.** If one-half of your federal earned income credit multiplied by the Maryland income factor is greater than your Maryland state income tax, you may be eligible for a refundable earned income credit. See Instruction 20 in this booklet and complete Part III of the worksheet above to calculate this credit.

**Line 46.** If you were a member of a pass-through entity doing business in Maryland and the entity paid nonresident tax on your behalf, enter the amount on line 46. You must attach a statement from the entity showing the amount of tax paid on your behalf. If you participated in a nonresident real estate transaction as a member of a

pass-through entity that paid taxes on your behalf you must report this payment here.

**Line 47. REFUNDABLE INCOME TAX CREDITS.** Enter the amount from line 5, Part H of Form 502CR.

- a. A Heritage Structure Rehabilitation Tax Credit is allowed for 20% of qualified rehabilitation expenditures as certified by the Maryland Historical Trust. See Form 502H for qualifications and instructions.
- b. If you repaid an amount reported as income on a prior year tax return this year, that was greater than \$3,000, you may be eligible for an IRC Section 1341 Claim of Right credit. For additional information, see Administrative Release 40.
- c. Refundable Business Income Tax Credits refundable part only. See Form 500CR for qualifications & instructions.

# 23

**Overpayment or balance due.** Calculate the Balance Due (line 49) or Overpayment (line 50). Read the instructions for UNDERPAYMENT OF ESTIMATED TAX and then go to BALANCE DUE or OVERPAYMENT.

## UNDERPAYMENT OF ESTIMATED TAX

If you had income that did not have tax withheld or did not have enough tax withheld during the year, you may have owed an estimated tax. All taxpayers should refer to Form 502UP to determine if they owe interest because they paid too little estimated tax during the year.

If you owe interest, then complete Form 502UP and write the amount of interest (line 18 of Form 502UP) on line 53 in the appropriate box. Attach Form 502UP.

Generally, you do not owe interest if:

- a. you owe less than \$500 tax on income that is not subject to withholding, OR
- b. each current year payment, made quarterly as required, is equal to or more than one-fourth of 110% of last year's tax, OR
- c. you made quarterly payments during the year that equal 90% of this year's tax.

Special rules apply if your gross income from farming or fishing is at least two-thirds of your total estimated gross income. See the back of Form 502UP for additional information and instructions for claiming this exemption from interest.

## INTEREST FOR LATE FILING

Interest is due at a rate of 13% annually or 1.08% per month for any month or part of a

month that tax is paid after the due date of the return. Enter any interest due in the appropriate box on line 53 of Form 505.

## TOTAL INTEREST

Enter the total of interest for underpayment of estimated tax and interest for late filing on line 53 of Form 505.

## BALANCE DUE

If you have a balance due on line 49, add this amount to any amount on line 53. Put the total on line 54.

## OVERPAYMENT

If you have an overpayment on line 50, the Revenue Administration Division will refund any amount of \$1.00 or more. If you want part or all of your overpayment credited to your 2006 estimated tax, then write the amount you want credited on line 51. Overpayments may first be applied to previous year's tax liabilities or other debts as required by federal or state law. If you must pay interest for underpayment of estimated tax, enter the amount of interest from line 18 of Form 502UP on line 53. Subtract lines 51 and 53 from your overpayment (line 50). This is the amount of your refund. Write this amount on line 52. No refunds of less than \$1.00 will be sent.

## DIRECT DEPOSIT OF REFUND

Complete lines 55a, b and c of Form 505 if you want us to deposit your refund directly into your account at a bank or other financial institution (such as a mutual fund, brokerage firm, or credit union) instead of sending you a check.

**Line 55a:** Check the appropriate box to identify the type of account that will be used (checking or savings). You must check one box only, or a refund check will be mailed.

**Line 55b:** The routing number must be nine digits. If the first two digits are not 01 through 12 or 21 through 32, the direct deposit will be rejected and a check sent instead. If you are not sure of the correct routing number, contact your financial institution.

**Line 55c:** The account number can be up to 17 characters (both numbers and letters). Omit spaces, hyphens and other special symbols. Enter the number from left to right and leave any unused boxes blank.

If we are notified by the financial institution that the direct deposit is not successful, a refund check will be mailed to you.

Please have a bank statement for the deposit account available if you contact us concerning the direct deposit of your refund.

# 24

**Telephone numbers, code numbers, signatures and attachments.** Sign and date your return, and enter your telephone numbers. Be sure to attach all required forms, schedules and statements.

## CODE NUMBERS

If special circumstances apply, you may not owe the interest for underpayment of estimated tax. Refer to Form 502UP for additional information. Enter code **300** if you are a farmer or fisherman or **301** if your income was received unevenly throughout the year in one of the code number boxes located to the right of the signature area. Attach your completed Form 502UP if you have entered code 301.

## TAX PREPARERS

If another person prepared your return, that person must also sign the return and enter their

social security number or preparer's tax identification number (PTIN). The preparer declares, under the penalties of perjury, that the return is based on all information required to be reported of which the preparer has knowledge.

Penalties may be imposed for tax preparers who fail to sign the tax return and provide their social security number or preparer's tax identification number.

## SIGNATURES

You must sign your return. Both husband and wife must sign a joint return. Your signature(s) signifies that your return, including all attachments, is,

to the best of your knowledge and belief, true, correct and complete, under the penalties of perjury.

If a power of attorney is necessary, complete federal Form 2848 and attach to your return.

## ATTACHMENTS

Be sure to attach wage and tax statements (Forms W-2, W-2G or 1099) to the front of your return if Maryland tax is withheld. Be sure to attach all forms, schedules, and statements required by these instructions. Place your check or money order on top of your wage and tax statements and fasten with one staple on the front of your tax return.

# 25

**Electronic and PC filing, mailing and payment instructions and deadlines.**

## ELECTRONICALLY FILING YOUR RETURN

The fastest way to file your return and receive your refund is to file electronically and request direct deposit. If you request direct deposit on your electronic return your refund should be in your bank account within 72 hours of acknowledgement from the Revenue Administration Division. **Electronic Funds Withdrawal (direct debit) payments are available only if you file electronically.** You may file your return electronically through your personal computer. For more information please see our website at:

[www.marylandtaxes.com](http://www.marylandtaxes.com)

Additionally, a return can be electronically filed by most professional tax return preparers. Please ask your preparer about this option.

## MAILING YOUR RETURN

If you are mailing your return please use the envelope provided in this booklet. If the envelope is lost, mail your return to:

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

Sending your return by certified mail will not result in special handling and may delay your refund.

## PAYMENT BY CREDIT CARD

You may pay your balance due by using MasterCard, Discover, American Express or Visa.

Credit card payments may be made by telephone or over the internet. The internet option is available to everyone. You must have filed a 2004 Maryland income tax return to use the telephone option.

Both options will be processed by Official Payments Corporation who will charge a convenience fee of 2.5% on the amount of your payment. The State will not receive this fee. You will be told the amount of the fee before you complete your transaction. Do not include the amount of the convenience fee as part of the tax payment.

To make a credit card payment call 1-800-2PAYTAX (1-800-272-9829) or visit their website at [www.officialpayments.com](http://www.officialpayments.com)

## PAYMENT BY CHECK OR MONEY ORDER

Make your check or money order payable to "Comptroller of Maryland." Write the type of tax and year of tax being paid on your check. It is recommended that you include your social security number on check using blue or black ink. Mark an "X" in the box for "Payment Enclosed" on the envelope. **DO NOT SEND CASH.**

## DUE DATE

Returns must be mailed by April 17, 2006, for calendar year taxpayers. Persons filing on a fiscal-year basis should see Instruction 26.

## EXTENSION OF TIME TO FILE

Follow the instructions on Form 502E to request an automatic extension of the time to file your 2005 return. Filing this form extends the time to file your return, but does not extend the time to pay your taxes. Payment of the expected tax due is required with Form 502E by April 17, 2006. You can pay by credit card or electronic funds withdrawal (direct debit) on our website. If no tax is due and you requested a federal extension, you do not need to file Form 502E or take any other action to obtain an automatic extension. See back cover to obtain the form.

# 26

**Fiscal year.** You must file your Maryland return using the same tax year and the same basis (cash or accrual) as you used on your federal return.

To file a fiscal year return, complete the fiscal year information at the top of Form 505, and print "FY" in bold letters in the upper left hand corner of the form. Whenever the term "tax

year" appears in these instructions, fiscal year taxpayers should understand the term to mean "fiscal year." Use the 2005 forms in this package for fiscal years which begin during calen-

dar year 2005.

Fiscal year returns are due on the 15th day of the 4th month following the close of the fiscal year.

**Military personnel who are legal residents of Maryland**

1—without overseas pay	Must file a <b>resident</b> return (Form 502 or 503) and report all income from all sources, wherever earned. You must calculate the local portion of the tax regardless of whether you were stationed in Maryland or not. The location of your legal residence determines which county should be entered on your return. See Instructions 6 and 19. If you file a joint federal return see Instruction 7.
2—with overseas pay	Same as above, may subtract up to \$15,000 in military pay earned outside U.S. boundaries or possessions, depending upon total military income. If you file a joint federal return see Instruction 7.

**Military personnel who are legal residents of another state**

1—with military income only	Not required to file a Maryland return.
2—with military income and other income outside Maryland	Not required to file a Maryland return.
3—with military and other income earned in Maryland, single or with an unemployed civilian spouse	Must file a <b>nonresident</b> return (Form 505), reporting total income, subtracting military pay, unearned and non-Maryland income, then computing the tax on Maryland earned income only. Deductions and exemptions must be apportioned using the ratio of Maryland income to federal adjusted gross income.
4—with military income with or without other income earned in Maryland, and civilian spouse employed in Maryland, residing in Maryland <b>less than six months</b>	Military person and civilian spouse must file a joint <b>nonresident</b> return (Form 505), subtracting military pay, unearned and non-Maryland income, computing the tax on Maryland income only. Deductions and exemptions must be apportioned using the ratio of Maryland income to federal adjusted gross income.
5—with military income, and civilian spouse with any income residing in Maryland <b>more than six months</b>	<p>The civilian taxpayer becomes a statutory resident because of residency in Maryland for more than six months of the tax year and the couple may file a joint resident return (Form 502) or the civilian spouse may file a separate resident return. If the civilian spouse files a separate resident return, the military spouse is not required to file a Maryland return. If you are not certain which filing status to use, figure your tax both ways to determine which status is best for you.</p> <p>If the civilian spouse files a separate resident return, see Instruction 8.</p> <p>The civilian spouse may:</p> <ol style="list-style-type: none"> <li>(1) claim the standard deduction;</li> <li>(2) claim only the individual's federal itemized deductions from among those deductions claimed on the federal return that are attributable exclusively to that individual; and from those itemized deductions not otherwise claimed, claim a prorated amount of the itemized deductions using the Maryland income factor; or</li> <li>(3) claim a prorated amount of the itemized deductions claimed on the federal return.</li> </ol> <p>If the couple files a joint return, report your federal adjusted gross income on your Maryland return. Subtract military pay and the military taxpayer's portion of any investment income (interest, dividends, etc.) from the joint federal adjusted gross income. See Instruction 26 (c) through (j) in the resident booklet.</p> <p>The Maryland tax is then computed based on the balance of the total income. The standard deduction or itemized deductions and exemptions must be adjusted using the ratio of Maryland adjusted gross income to federal adjusted gross income. In this situation, Military Worksheet A on the next page should be used to compute the amount of allowable deductions and exemptions.</p>
6—with military income and other income in Maryland and civilian spouse with any income residing in Maryland for <b>more than six months</b>	<p>The civilian taxpayer becomes a statutory resident because of residency for more than six months of the tax year. The military spouse remains a nonresident for purposes of Maryland taxation. The military taxpayer may file a separate nonresident return (Form 505) and the civilian spouse may file a separate resident return (Form 502). See Instruction 8.</p> <p>The civilian spouse may:</p> <ol style="list-style-type: none"> <li>(1) claim the standard deduction;</li> <li>(2) claim only the individual's federal itemized deductions from among those deductions claimed on the federal return that are attributable exclusively to that individual; and from those itemized deductions not otherwise claimed, claim a prorated amount of the itemized deductions using the Maryland income factor; or</li> <li>(3) claim a prorated amount of the itemized deductions claimed on the federal return.</li> </ol> <p>However, if the couple chooses to file a joint resident return (Form 502):</p> <ul style="list-style-type: none"> <li>•The military taxpayer's Maryland income is not subject to the local tax but is subject to the special nonresident tax. Enter the letter "D" in the part year/military box on the front of Form 502.</li> <li>•Standard or itemized deductions and exemptions must be adjusted, using a ratio of Maryland adjusted gross income to federal adjusted gross income.</li> <li>•The local tax must be adjusted using Military Worksheet B. In this situation, Military Worksheets A and B should be used to compute the adjustment to the standard deduction or itemized deductions and exemptions and to compute the local tax for the civilian taxpayer.</li> </ul>
7—both spouses in the military and not domiciled in Maryland and one or both have Maryland income	Must file a joint nonresident return. Exemptions and the standard deduction or itemized deductions must be adjusted.

*Military personnel should be aware that there may be provisions for tax credits granted either by Maryland or another state. See Maryland Form 502CR and instructions. Read carefully the instructions provided by the state of legal residence for any possible credits allowed by that state.*

**Part-year residents. If you moved into or out of Maryland during 2005 AND received taxable Maryland income both while you were a resident and while you were a nonresident AND you are required to file a federal return, you are required to file two returns with the State of Maryland.**

Complete your resident return (Form 502) using the instructions for part-year residents. Complete your nonresident return (Form 505) using the instructions in this packet with the following exceptions:

**INCOME AND ADJUSTMENTS**

Treat your Maryland **resident** income as non-Maryland income. You will be taxed on this income on your resident return.

**STANDARD DEDUCTION**

Your combined total standard deduction may not exceed the maximum amount for your filing status.

**EXEMPTIONS**

Each exemption is limited to a total of \$2,400. Your exemption must be prorated on the resident and nonresident returns based on Maryland income.

**EARNED INCOME AND POVERTY LEVEL CREDITS**

You must prorate your earned income and poverty level credits based on Maryland income.

**WITHHOLDING AND ESTIMATED TAX PAYMENTS**

You must allocate your total payments between your two returns.

**29** **Pass-through entities (PTE) may file a composite income tax return on behalf of nonresident individual members. Nonresident members other than individuals may not participate in the composite return.**

Nonresident individual member's who receive income from PTEs doing business in Maryland are required to file Maryland nonresident returns. Any PTE meeting the requirements contained in Administrative Release 6 and doing business in the state of Maryland may file a composite return on behalf of its nonresident individual members if:

1. the return accurately reflects the Maryland taxable income and tax liability of each individual member shown on the return, AND

2. a schedule is attached containing the following information for each individual member:
  - a. Name, social security number and address
  - b. Distribution share
  - c. Number of exemptions and filing status
  - d. Maryland apportioned income
  - e. Standard deduction
  - f. Maryland taxable income
  - g. Maryland tax, AND

3. the PTE pays the tax, interest and penalty due by each individual member shown on the return.

Complete only the name and address areas and lines 38-54 of Form 505. Also enter code number **258** in one of the code number boxes on page 2 of the return.

For more information, Administrative Release 6 may be obtained from any office of the Comptroller.

**30** **Filing return of deceased taxpayer. Do not use the preprinted label. Enter code 321 in one of the code number boxes located to the right of the telephone number. Use the following special instructions:**

**FILING THE RETURN**

If an individual required to file an income tax return dies, the final income tax return shall be filed:

- a. by the personal representative of the individual's estate;
- b. if there is no personal representative, by the decedent's surviving spouse; OR
- c. jointly by the personal representatives of each if both husband and wife are deceased.

**JOINT RETURN**

If the spouse of the deceased taxpayer filed a joint federal return with the decedent, gener-

ally a joint Maryland return must be filed.

The word "DECEASED" and the date of death should be written after the decedent's name at the top of the form. The name and title of any person, other than the surviving spouse, filing the return should be clearly noted on the form. Attach a copy of the Letters of Administration or, if the return is filed solely by the surviving spouse, attach a death certificate.

**ALL OTHER RETURNS**

If the return is filed by the personal representative, write the words "ESTATE OF" before the decedent's first name and the date of

death after the last name. The name and title of the person filing the return should be clearly noted on the form. Attach a copy of the Letters of Administration.

If there is no personal representative, write the word "DECEASED" and the date of death after the decedent's last name. The name and title of the person filing the return should be clearly noted on the form. Attach a copy of federal Form 1310.

**31** **Amended returns. If you need to change a return that you have already filed, or if the Internal Revenue Service changes your return, you must file an amended return.**

**FILING AN AMENDED RETURN**

You must file an amended return to make certain changes on your original return. These include changes in income, filing status, amount of deductions, the number of exemptions and the amount of additions to income and subtractions from income.

Note: Changes made as part of an amended return are subject to audit for up to three years from the date the amended return is filed.

Use Form 502X to file an amended return and include a copy of your federal return. Form 502X and instructions may be obtained by calling 410-260-7951, or by visiting our website at [www.marylandtaxes.com](http://www.marylandtaxes.com).

**CHANGES TO YOUR FEDERAL RETURN**

If the Internal Revenue Service makes any changes to your federal return, you must notify the State of Maryland. Send notification to the Maryland Revenue Administration Division within 90 days of the final determination of the changes by the IRS.

If you file an amended federal return that changes your Maryland return, you must file an amended Maryland return.

**IF YOUR ORIGINAL RETURN SHOWED A REFUND**

If you expect a refund from your original return, do not file an amended return until you have received your refund check. Then cash the check; do not return it. If your amended return shows a smaller refund, send a check for the difference with the amended return. If your amended return shows a larger refund, the Revenue Administration Division will issue an additional refund check.

**ADDITIONAL INFORMATION**

Do not file an amended return until sufficient time has passed to allow the original return to be processed. For current year returns, allow at least six weeks.

Generally, a claim for a refund or overpayment credit must be filed within three years from the date the original return was filed or within two years from the date the tax was paid, whichever is later. A return filed early is considered filed on the date it was due. If a claim is filed within three years after the date the return was filed, the credit or refund may not be more than that part of the tax paid within the three years, plus any extension of time for filing the return, prior to the filing of the claim. If a claim is filed after the three-year

period, but within two years from the time the tax was paid, the refund or credit may not be more than the tax paid within two years immediately before filing the claim for a refund or credit.

A claim for refund based on a federal net operating loss carryback must be filed within three years from the due date of the return for the year of the net operating loss.

If the claim for refund resulted from a federal adjustment or final decision of a federal court which is more than two years from the time the tax was paid, a claim for refund must be filed within one year from the date of the adjustment or final decision.

If the claim for refund or credit for overpayment resulted from a final determination made by an administrative board or an appeal of a decision of an administrative board, that is more than three years from the date of filing the return or more than two years from the time the tax was paid, the claim for refund must be filed within one year of the date of the final decision of the administrative board or final decision of the highest court to which an appeal of the administrative board is taken.

No refund for less than \$1.00 will be issued. No payment of less than \$1.00 is required.

**32** **Privacy act information.**

The Tax-General Article of the Annotated Code of Maryland authorizes the Revenue Administration Division to request information on tax returns to administer the income tax laws of Maryland, including determination and collection of correct taxes. Code Section 10-804 provides that you must include your social security number on the return you file. This is so we know who you are and can process your return and papers. If you fail to provide all or part of the requested information, then exemp-

tions, exclusions, credits, deductions or adjustments may be disallowed and you may owe more tax. In addition, the law provides penalties for failing to supply information required by law or regulations.

You may look at any records held by the Revenue Administration Division which contain personal information about you. You may inspect such records, and you have certain rights to amend or correct them.

As authorized by law, information furnished to the Revenue Administration Division may be given to the United States Internal Revenue Service, a proper official of any state that exchanges tax information with Maryland and to an officer of this State having a right to the information in that officer's official capacity. The information may be obtained in accordance with a proper legislative or judicial order.

# 2005 MARYLAND TAX TABLE

**INSTRUCTIONS:**

1. Find the income range that applies to the amount you reported on line 31 of your return.
2. Find the Maryland tax corresponding to your income range.
3. Enter the tax amount on line 32a of your return.
4. This table does not include the local income tax.
5. If your taxable income on line 31 is \$50,000 or more, use the Maryland Tax Computation Worksheet at the end of the tax table.

If your income from line 31 is ...			If your income from line 31 is ...			If your income from line 31 is ...			If your income from line 31 is ...			If your income from line 31 is ...		
At least	But less than	Your Maryland tax is ...	At least	But less than	Your Maryland tax is ...	At least	But less than	Your Maryland tax is ...	At least	But less than	Your Maryland tax is ...	At least	But less than	Your Maryland tax is ...
\$ 0	\$ 50	\$ 0	<b>3,000</b>			<b>6,000</b>			<b>9,000</b>			<b>12,000</b>		
50	75	1	3,000	3,050	91	6,000	6,050	234	9,000	9,050	376	12,000	12,050	519
75	100	2	3,050	3,100	94	6,050	6,100	236	9,050	9,100	379	12,050	12,100	521
100	150	3	3,100	3,150	96	6,100	6,150	238	9,100	9,150	381	12,100	12,150	523
150	200	4	3,150	3,200	98	6,150	6,200	241	9,150	9,200	383	12,150	12,200	526
200	250	5	3,200	3,250	101	6,200	6,250	243	9,200	9,250	386	12,200	12,250	528
250	300	6	3,250	3,300	103	6,250	6,300	246	9,250	9,300	388	12,250	12,300	531
300	350	7	3,300	3,350	105	6,300	6,350	248	9,300	9,350	390	12,300	12,350	533
350	400	8	3,350	3,400	108	6,350	6,400	250	9,350	9,400	393	12,350	12,400	535
400	450	9	3,400	3,450	110	6,400	6,450	253	9,400	9,450	395	12,400	12,450	538
450	500	10	3,450	3,500	113	6,450	6,500	255	9,450	9,500	398	12,450	12,500	540
500	550	11	3,500	3,550	115	6,500	6,550	257	9,500	9,550	400	12,500	12,550	542
550	600	12	3,550	3,600	117	6,550	6,600	260	9,550	9,600	402	12,550	12,600	545
600	650	13	3,600	3,650	120	6,600	6,650	262	9,600	9,650	405	12,600	12,650	547
650	700	14	3,650	3,700	122	6,650	6,700	265	9,650	9,700	407	12,650	12,700	550
700	750	15	3,700	3,750	124	6,700	6,750	267	9,700	9,750	409	12,700	12,750	552
750	800	16	3,750	3,800	127	6,750	6,800	269	9,750	9,800	412	12,750	12,800	554
800	850	17	3,800	3,850	129	6,800	6,850	272	9,800	9,850	414	12,800	12,850	557
850	900	18	3,850	3,900	132	6,850	6,900	274	9,850	9,900	417	12,850	12,900	559
900	950	19	3,900	3,950	134	6,900	6,950	276	9,900	9,950	419	12,900	12,950	561
950	1,000	20	3,950	4,000	136	6,950	7,000	279	9,950	10,000	421	12,950	13,000	564
<b>1,000</b>			<b>4,000</b>			<b>7,000</b>			<b>10,000</b>			<b>13,000</b>		
1,000	1,050	21	4,000	4,050	139	7,000	7,050	281	10,000	10,050	424	13,000	13,050	566
1,050	1,100	22	4,050	4,100	141	7,050	7,100	284	10,050	10,100	426	13,050	13,100	569
1,100	1,150	24	4,100	4,150	143	7,100	7,150	286	10,100	10,150	428	13,100	13,150	571
1,150	1,200	25	4,150	4,200	146	7,150	7,200	288	10,150	10,200	431	13,150	13,200	573
1,200	1,250	27	4,200	4,250	148	7,200	7,250	291	10,200	10,250	433	13,200	13,250	576
1,250	1,300	28	4,250	4,300	151	7,250	7,300	293	10,250	10,300	436	13,250	13,300	578
1,300	1,350	30	4,300	4,350	153	7,300	7,350	295	10,300	10,350	438	13,300	13,350	580
1,350	1,400	31	4,350	4,400	155	7,350	7,400	298	10,350	10,400	440	13,350	13,400	583
1,400	1,450	33	4,400	4,450	158	7,400	7,450	300	10,400	10,450	443	13,400	13,450	585
1,450	1,500	34	4,450	4,500	160	7,450	7,500	303	10,450	10,500	445	13,450	13,500	588
1,500	1,550	36	4,500	4,550	162	7,500	7,550	305	10,500	10,550	447	13,500	13,550	590
1,550	1,600	37	4,550	4,600	165	7,550	7,600	307	10,550	10,600	450	13,550	13,600	592
1,600	1,650	39	4,600	4,650	167	7,600	7,650	310	10,600	10,650	452	13,600	13,650	595
1,650	1,700	40	4,650	4,700	170	7,650	7,700	312	10,650	10,700	455	13,650	13,700	597
1,700	1,750	42	4,700	4,750	172	7,700	7,750	314	10,700	10,750	457	13,700	13,750	599
1,750	1,800	43	4,750	4,800	174	7,750	7,800	317	10,750	10,800	459	13,750	13,800	602
1,800	1,850	45	4,800	4,850	177	7,800	7,850	319	10,800	10,850	462	13,800	13,850	604
1,850	1,900	46	4,850	4,900	179	7,850	7,900	322	10,850	10,900	464	13,850	13,900	607
1,900	1,950	48	4,900	4,950	181	7,900	7,950	324	10,900	10,950	466	13,900	13,950	609
1,950	2,000	49	4,950	5,000	184	7,950	8,000	326	10,950	11,000	469	13,950	14,000	611
<b>2,000</b>			<b>5,000</b>			<b>8,000</b>			<b>11,000</b>			<b>14,000</b>		
2,000	2,050	51	5,000	5,050	186	8,000	8,050	329	11,000	11,050	471	14,000	14,050	614
2,050	2,100	53	5,050	5,100	189	8,050	8,100	331	11,050	11,100	474	14,050	14,100	616
2,100	2,150	55	5,100	5,150	191	8,100	8,150	333	11,100	11,150	476	14,100	14,150	618
2,150	2,200	57	5,150	5,200	193	8,150	8,200	336	11,150	11,200	478	14,150	14,200	621
2,200	2,250	59	5,200	5,250	196	8,200	8,250	338	11,200	11,250	481	14,200	14,250	623
2,250	2,300	61	5,250	5,300	198	8,250	8,300	341	11,250	11,300	483	14,250	14,300	626
2,300	2,350	63	5,300	5,350	200	8,300	8,350	343	11,300	11,350	485	14,300	14,350	628
2,350	2,400	65	5,350	5,400	203	8,350	8,400	345	11,350	11,400	488	14,350	14,400	630
2,400	2,450	67	5,400	5,450	205	8,400	8,450	348	11,400	11,450	490	14,400	14,450	633
2,450	2,500	69	5,450	5,500	208	8,450	8,500	350	11,450	11,500	493	14,450	14,500	635
2,500	2,550	71	5,500	5,550	210	8,500	8,550	352	11,500	11,550	495	14,500	14,550	637
2,550	2,600	73	5,550	5,600	212	8,550	8,600	355	11,550	11,600	497	14,550	14,600	640
2,600	2,650	75	5,600	5,650	215	8,600	8,650	357	11,600	11,650	500	14,600	14,650	642
2,650	2,700	77	5,650	5,700	217	8,650	8,700	360	11,650	11,700	502	14,650	14,700	645
2,700	2,750	79	5,700	5,750	219	8,700	8,750	362	11,700	11,750	504	14,700	14,750	647
2,750	2,800	81	5,750	5,800	222	8,750	8,800	364	11,750	11,800	507	14,750	14,800	649
2,800	2,850	83	5,800	5,850	224	8,800	8,850	367	11,800	11,850	509	14,800	14,850	652
2,850	2,900	85	5,850	5,900	227	8,850	8,900	369	11,850	11,900	512	14,850	14,900	654
2,900	2,950	87	5,900	5,950	229	8,900	8,950	371	11,900	11,950	514	14,900	14,950	656
2,950	3,000	89	5,950	6,000	231	8,950	9,000	374	11,950	12,000	516	14,950	15,000	659

# 2005 MARYLAND TAX TABLE

If your income from line 31 is ...			If your income from line 31 is ...			If your income from line 31 is ...			If your income from line 31 is ...			If your income from line 31 is ...		
At least	But less than	Your Maryland tax is ...	At least	But less than	Your Maryland tax is ...	At least	But less than	Your Maryland tax is ...	At least	But less than	Your Maryland tax is ...	At least	But less than	Your Maryland tax is ...
<b>15,000</b>			<b>18,000</b>			<b>21,000</b>			<b>24,000</b>			<b>27,000</b>		
15,000	15,050	661	18,000	18,050	804	21,000	21,050	946	24,000	24,050	1,089	27,000	27,050	1,231
15,050	15,100	664	18,050	18,100	806	21,050	21,100	949	24,050	24,100	1,091	27,050	27,100	1,234
15,100	15,150	666	18,100	18,150	808	21,100	21,150	951	24,100	24,150	1,093	27,100	27,150	1,236
15,150	15,200	668	18,150	18,200	811	21,150	21,200	953	24,150	24,200	1,096	27,150	27,200	1,238
15,200	15,250	671	18,200	18,250	813	21,200	21,250	956	24,200	24,250	1,098	27,200	27,250	1,241
15,250	15,300	673	18,250	18,300	816	21,250	21,300	958	24,250	24,300	1,101	27,250	27,300	1,243
15,300	15,350	675	18,300	18,350	818	21,300	21,350	960	24,300	24,350	1,103	27,300	27,350	1,245
15,350	15,400	678	18,350	18,400	820	21,350	21,400	963	24,350	24,400	1,105	27,350	27,400	1,248
15,400	15,450	680	18,400	18,450	823	21,400	21,450	965	24,400	24,450	1,108	27,400	27,450	1,250
15,450	15,500	683	18,450	18,500	825	21,450	21,500	968	24,450	24,500	1,110	27,450	27,500	1,253
15,500	15,550	685	18,500	18,550	827	21,500	21,550	970	24,500	24,550	1,112	27,500	27,550	1,255
15,550	15,600	687	18,550	18,600	830	21,550	21,600	972	24,550	24,600	1,115	27,550	27,600	1,257
15,600	15,650	690	18,600	18,650	832	21,600	21,650	975	24,600	24,650	1,117	27,600	27,650	1,260
15,650	15,700	692	18,650	18,700	835	21,650	21,700	977	24,650	24,700	1,120	27,650	27,700	1,262
15,700	15,750	694	18,700	18,750	837	21,700	21,750	979	24,700	24,750	1,122	27,700	27,750	1,264
15,750	15,800	697	18,750	18,800	839	21,750	21,800	982	24,750	24,800	1,124	27,750	27,800	1,267
15,800	15,850	699	18,800	18,850	842	21,800	21,850	984	24,800	24,850	1,127	27,800	27,850	1,269
15,850	15,900	702	18,850	18,900	844	21,850	21,900	987	24,850	24,900	1,129	27,850	27,900	1,272
15,900	15,950	704	18,900	18,950	846	21,900	21,950	989	24,900	24,950	1,131	27,900	27,950	1,274
15,950	16,000	706	18,950	19,000	849	21,950	22,000	991	24,950	25,000	1,134	27,950	28,000	1,276
<b>16,000</b>			<b>19,000</b>			<b>22,000</b>			<b>25,000</b>			<b>28,000</b>		
16,000	16,050	709	19,000	19,050	851	22,000	22,050	994	25,000	25,050	1,136	28,000	28,050	1,279
16,050	16,100	711	19,050	19,100	854	22,050	22,100	996	25,050	25,100	1,139	28,050	28,100	1,281
16,100	16,150	713	19,100	19,150	856	22,100	22,150	998	25,100	25,150	1,141	28,100	28,150	1,283
16,150	16,200	716	19,150	19,200	858	22,150	22,200	1,001	25,150	25,200	1,143	28,150	28,200	1,286
16,200	16,250	718	19,200	19,250	861	22,200	22,250	1,003	25,200	25,250	1,146	28,200	28,250	1,288
16,250	16,300	721	19,250	19,300	863	22,250	22,300	1,006	25,250	25,300	1,148	28,250	28,300	1,291
16,300	16,350	723	19,300	19,350	865	22,300	22,350	1,008	25,300	25,350	1,150	28,300	28,350	1,293
16,350	16,400	725	19,350	19,400	868	22,350	22,400	1,010	25,350	25,400	1,153	28,350	28,400	1,295
16,400	16,450	728	19,400	19,450	870	22,400	22,450	1,013	25,400	25,450	1,155	28,400	28,450	1,298
16,450	16,500	730	19,450	19,500	873	22,450	22,500	1,015	25,450	25,500	1,158	28,450	28,500	1,300
16,500	16,550	732	19,500	19,550	875	22,500	22,550	1,017	25,500	25,550	1,160	28,500	28,550	1,302
16,550	16,600	735	19,550	19,600	877	22,550	22,600	1,020	25,550	25,600	1,162	28,550	28,600	1,305
16,600	16,650	737	19,600	19,650	880	22,600	22,650	1,022	25,600	25,650	1,165	28,600	28,650	1,307
16,650	16,700	740	19,650	19,700	882	22,650	22,700	1,025	25,650	25,700	1,167	28,650	28,700	1,310
16,700	16,750	742	19,700	19,750	884	22,700	22,750	1,027	25,700	25,750	1,169	28,700	28,750	1,312
16,750	16,800	744	19,750	19,800	887	22,750	22,800	1,029	25,750	25,800	1,172	28,750	28,800	1,314
16,800	16,850	747	19,800	19,850	889	22,800	22,850	1,032	25,800	25,850	1,174	28,800	28,850	1,317
16,850	16,900	749	19,850	19,900	892	22,850	22,900	1,034	25,850	25,900	1,177	28,850	28,900	1,319
16,900	16,950	751	19,900	19,950	894	22,900	22,950	1,036	25,900	25,950	1,179	28,900	28,950	1,321
16,950	17,000	754	19,950	20,000	896	22,950	23,000	1,039	25,950	26,000	1,181	28,950	29,000	1,324
<b>17,000</b>			<b>20,000</b>			<b>23,000</b>			<b>26,000</b>			<b>29,000</b>		
17,000	17,050	756	20,000	20,050	899	23,000	23,050	1,041	26,000	26,050	1,184	29,000	29,050	1,326
17,050	17,100	759	20,050	20,100	901	23,050	23,100	1,044	26,050	26,100	1,186	29,050	29,100	1,329
17,100	17,150	761	20,100	20,150	903	23,100	23,150	1,046	26,100	26,150	1,188	29,100	29,150	1,331
17,150	17,200	763	20,150	20,200	906	23,150	23,200	1,048	26,150	26,200	1,191	29,150	29,200	1,333
17,200	17,250	766	20,200	20,250	908	23,200	23,250	1,051	26,200	26,250	1,193	29,200	29,250	1,336
17,250	17,300	768	20,250	20,300	911	23,250	23,300	1,053	26,250	26,300	1,196	29,250	29,300	1,338
17,300	17,350	770	20,300	20,350	913	23,300	23,350	1,055	26,300	26,350	1,198	29,300	29,350	1,340
17,350	17,400	773	20,350	20,400	915	23,350	23,400	1,058	26,350	26,400	1,200	29,350	29,400	1,343
17,400	17,450	775	20,400	20,450	918	23,400	23,450	1,060	26,400	26,450	1,203	29,400	29,450	1,345
17,450	17,500	778	20,450	20,500	920	23,450	23,500	1,063	26,450	26,500	1,205	29,450	29,500	1,348
17,500	17,550	780	20,500	20,550	922	23,500	23,550	1,065	26,500	26,550	1,207	29,500	29,550	1,350
17,550	17,600	782	20,550	20,600	925	23,550	23,600	1,067	26,550	26,600	1,210	29,550	29,600	1,352
17,600	17,650	785	20,600	20,650	927	23,600	23,650	1,070	26,600	26,650	1,212	29,600	29,650	1,355
17,650	17,700	787	20,650	20,700	930	23,650	23,700	1,072	26,650	26,700	1,215	29,650	29,700	1,357
17,700	17,750	789	20,700	20,750	932	23,700	23,750	1,074	26,700	26,750	1,217	29,700	29,750	1,359
17,750	17,800	792	20,750	20,800	934	23,750	23,800	1,077	26,750	26,800	1,219	29,750	29,800	1,362
17,800	17,850	794	20,800	20,850	937	23,800	23,850	1,079	26,800	26,850	1,222	29,800	29,850	1,364
17,850	17,900	797	20,850	20,900	939	23,850	23,900	1,082	26,850	26,900	1,224	29,850	29,900	1,367
17,900	17,950	799	20,900	20,950	941	23,900	23,950	1,084	26,900	26,950	1,226	29,900	29,950	1,369
17,950	18,000	801	20,950	21,000	944	23,950	24,000	1,086	26,950	27,000	1,229	29,950	30,000	1,371

# 2005 MARYLAND TAX TABLE

If your income from line 31 is ...			If your income from line 31 is ...			If your income from line 31 is ...			If your income from line 31 is ...			If your income from line 31 is ...		
At least	But less than	Your Maryland tax is ...	At least	But less than	Your Maryland tax is ...	At least	But less than	Your Maryland tax is ...	At least	But less than	Your Maryland tax is ...	At least	But less than	Your Maryland tax is ...
<b>30,000</b>			<b>33,000</b>			<b>36,000</b>			<b>39,000</b>			<b>42,000</b>		
30,000	30,050	1,374	33,000	33,050	1,516	36,000	36,050	1,659	39,000	39,050	1,801	42,000	42,050	1,944
30,050	30,100	1,376	33,050	33,100	1,519	36,050	36,100	1,661	39,050	39,100	1,804	42,050	42,100	1,946
30,100	30,150	1,378	33,100	33,150	1,521	36,100	36,150	1,663	39,100	39,150	1,806	42,100	42,150	1,948
30,150	30,200	1,381	33,150	33,200	1,523	36,150	36,200	1,666	39,150	39,200	1,808	42,150	42,200	1,951
30,200	30,250	1,383	33,200	33,250	1,526	36,200	36,250	1,668	39,200	39,250	1,811	42,200	42,250	1,953
30,250	30,300	1,386	33,250	33,300	1,528	36,250	36,300	1,671	39,250	39,300	1,813	42,250	42,300	1,956
30,300	30,350	1,388	33,300	33,350	1,530	36,300	36,350	1,673	39,300	39,350	1,815	42,300	42,350	1,958
30,350	30,400	1,390	33,350	33,400	1,533	36,350	36,400	1,675	39,350	39,400	1,818	42,350	42,400	1,960
30,400	30,450	1,393	33,400	33,450	1,535	36,400	36,450	1,678	39,400	39,450	1,820	42,400	42,450	1,963
30,450	30,500	1,395	33,450	33,500	1,538	36,450	36,500	1,680	39,450	39,500	1,823	42,450	42,500	1,965
30,500	30,550	1,397	33,500	33,550	1,540	36,500	36,550	1,682	39,500	39,550	1,825	42,500	42,550	1,967
30,550	30,600	1,400	33,550	33,600	1,542	36,550	36,600	1,685	39,550	39,600	1,827	42,550	42,600	1,970
30,600	30,650	1,402	33,600	33,650	1,545	36,600	36,650	1,687	39,600	39,650	1,830	42,600	42,650	1,972
30,650	30,700	1,405	33,650	33,700	1,547	36,650	36,700	1,690	39,650	39,700	1,832	42,650	42,700	1,975
30,700	30,750	1,407	33,700	33,750	1,549	36,700	36,750	1,692	39,700	39,750	1,834	42,700	42,750	1,977
30,750	30,800	1,409	33,750	33,800	1,552	36,750	36,800	1,694	39,750	39,800	1,837	42,750	42,800	1,979
30,800	30,850	1,412	33,800	33,850	1,554	36,800	36,850	1,697	39,800	39,850	1,839	42,800	42,850	1,982
30,850	30,900	1,414	33,850	33,900	1,557	36,850	36,900	1,699	39,850	39,900	1,842	42,850	42,900	1,984
30,900	30,950	1,416	33,900	33,950	1,559	36,900	36,950	1,701	39,900	39,950	1,844	42,900	42,950	1,986
30,950	31,000	1,419	33,950	34,000	1,561	36,950	37,000	1,704	39,950	40,000	1,846	42,950	43,000	1,989
<b>31,000</b>			<b>34,000</b>			<b>37,000</b>			<b>40,000</b>			<b>43,000</b>		
31,000	31,050	1,421	34,000	34,050	1,564	37,000	37,050	1,706	40,000	40,050	1,849	43,000	43,050	1,991
31,050	31,100	1,424	34,050	34,100	1,566	37,050	37,100	1,709	40,050	40,100	1,851	43,050	43,100	1,994
31,100	31,150	1,426	34,100	34,150	1,568	37,100	37,150	1,711	40,100	40,150	1,853	43,100	43,150	1,996
31,150	31,200	1,428	34,150	34,200	1,571	37,150	37,200	1,713	40,150	40,200	1,856	43,150	43,200	1,998
31,200	31,250	1,431	34,200	34,250	1,573	37,200	37,250	1,716	40,200	40,250	1,858	43,200	43,250	2,001
31,250	31,300	1,433	34,250	34,300	1,576	37,250	37,300	1,718	40,250	40,300	1,861	43,250	43,300	2,003
31,300	31,350	1,435	34,300	34,350	1,578	37,300	37,350	1,720	40,300	40,350	1,863	43,300	43,350	2,005
31,350	31,400	1,438	34,350	34,400	1,580	37,350	37,400	1,723	40,350	40,400	1,865	43,350	43,400	2,008
31,400	31,450	1,440	34,400	34,450	1,583	37,400	37,450	1,725	40,400	40,450	1,868	43,400	43,450	2,010
31,450	31,500	1,443	34,450	34,500	1,585	37,450	37,500	1,728	40,450	40,500	1,870	43,450	43,500	2,013
31,500	31,550	1,445	34,500	34,550	1,587	37,500	37,550	1,730	40,500	40,550	1,872	43,500	43,550	2,015
31,550	31,600	1,447	34,550	34,600	1,590	37,550	37,600	1,732	40,550	40,600	1,875	43,550	43,600	2,017
31,600	31,650	1,450	34,600	34,650	1,592	37,600	37,650	1,735	40,600	40,650	1,877	43,600	43,650	2,020
31,650	31,700	1,452	34,650	34,700	1,595	37,650	37,700	1,737	40,650	40,700	1,880	43,650	43,700	2,022
31,700	31,750	1,454	34,700	34,750	1,597	37,700	37,750	1,739	40,700	40,750	1,882	43,700	43,750	2,024
31,750	31,800	1,457	34,750	34,800	1,599	37,750	37,800	1,742	40,750	40,800	1,884	43,750	43,800	2,027
31,800	31,850	1,459	34,800	34,850	1,602	37,800	37,850	1,744	40,800	40,850	1,887	43,800	43,850	2,029
31,850	31,900	1,462	34,850	34,900	1,604	37,850	37,900	1,747	40,850	40,900	1,889	43,850	43,900	2,032
31,900	31,950	1,464	34,900	34,950	1,606	37,900	37,950	1,749	40,900	40,950	1,891	43,900	43,950	2,034
31,950	32,000	1,466	34,950	35,000	1,609	37,950	38,000	1,751	40,950	41,000	1,894	43,950	44,000	2,036
<b>32,000</b>			<b>35,000</b>			<b>38,000</b>			<b>41,000</b>			<b>44,000</b>		
32,000	32,050	1,469	35,000	35,050	1,611	38,000	38,050	1,754	41,000	41,050	1,896	44,000	44,050	2,039
32,050	32,100	1,471	35,050	35,100	1,614	38,050	38,100	1,756	41,050	41,100	1,899	44,050	44,100	2,041
32,100	32,150	1,473	35,100	35,150	1,616	38,100	38,150	1,758	41,100	41,150	1,901	44,100	44,150	2,043
32,150	32,200	1,476	35,150	35,200	1,618	38,150	38,200	1,761	41,150	41,200	1,903	44,150	44,200	2,046
32,200	32,250	1,478	35,200	35,250	1,621	38,200	38,250	1,763	41,200	41,250	1,906	44,200	44,250	2,048
32,250	32,300	1,481	35,250	35,300	1,623	38,250	38,300	1,766	41,250	41,300	1,908	44,250	44,300	2,051
32,300	32,350	1,483	35,300	35,350	1,625	38,300	38,350	1,768	41,300	41,350	1,910	44,300	44,350	2,053
32,350	32,400	1,485	35,350	35,400	1,628	38,350	38,400	1,770	41,350	41,400	1,913	44,350	44,400	2,055
32,400	32,450	1,488	35,400	35,450	1,630	38,400	38,450	1,773	41,400	41,450	1,915	44,400	44,450	2,058
32,450	32,500	1,490	35,450	35,500	1,633	38,450	38,500	1,775	41,450	41,500	1,918	44,450	44,500	2,060
32,500	32,550	1,492	35,500	35,550	1,635	38,500	38,550	1,777	41,500	41,550	1,920	44,500	44,550	2,062
32,550	32,600	1,495	35,550	35,600	1,637	38,550	38,600	1,780	41,550	41,600	1,922	44,550	44,600	2,065
32,600	32,650	1,497	35,600	35,650	1,640	38,600	38,650	1,782	41,600	41,650	1,925	44,600	44,650	2,067
32,650	32,700	1,500	35,650	35,700	1,642	38,650	38,700	1,785	41,650	41,700	1,927	44,650	44,700	2,070
32,700	32,750	1,502	35,700	35,750	1,644	38,700	38,750	1,787	41,700	41,750	1,929	44,700	44,750	2,072
32,750	32,800	1,504	35,750	35,800	1,647	38,750	38,800	1,789	41,750	41,800	1,932	44,750	44,800	2,074
32,800	32,850	1,507	35,800	35,850	1,649	38,800	38,850	1,792	41,800	41,850	1,934	44,800	44,850	2,077
32,850	32,900	1,509	35,850	35,900	1,652	38,850	38,900	1,794	41,850	41,900	1,937	44,850	44,900	2,079
32,900	32,950	1,511	35,900	35,950	1,654	38,900	38,950	1,796	41,900	41,950	1,939	44,900	44,950	2,081
32,950	33,000	1,514	35,950	36,000	1,656	38,950	39,000	1,799	41,950	42,000	1,941	44,950	45,000	2,084

# 2005 MARYLAND TAX TABLE

If your income from line 31 is ...		Your Maryland tax is ...	If your income from line 31 is ...		Your Maryland tax is ...	If your income from line 31 is ...		Your Maryland tax is ...	If your income from line 31 is ...		Your Maryland tax is ...	If your income from line 31 is ...		Your Maryland tax is ...
At least	But less than		At least	But less than		At least	But less than		At least	But less than		At least	But less than	
<b>45,000</b>			<b>46,000</b>			<b>47,000</b>			<b>48,000</b>			<b>49,000</b>		
45,000	45,050	2,086	46,000	46,050	2,134	47,000	47,050	2,181	48,000	48,050	2,229	49,000	49,050	2,276
45,050	45,100	2,089	46,050	46,100	2,136	47,050	47,100	2,184	48,050	48,100	2,231	49,050	49,100	2,279
45,100	45,150	2,091	46,100	46,150	2,138	47,100	47,150	2,186	48,100	48,150	2,233	49,100	49,150	2,281
45,150	45,200	2,093	46,150	46,200	2,141	47,150	47,200	2,188	48,150	48,200	2,236	49,150	49,200	2,283
45,200	45,250	2,096	46,200	46,250	2,143	47,200	47,250	2,191	48,200	48,250	2,238	49,200	49,250	2,286
45,250	45,300	2,098	46,250	46,300	2,146	47,250	47,300	2,193	48,250	48,300	2,241	49,250	49,300	2,288
45,300	45,350	2,100	46,300	46,350	2,148	47,300	47,350	2,195	48,300	48,350	2,243	49,300	49,350	2,290
45,350	45,400	2,103	46,350	46,400	2,150	47,350	47,400	2,198	48,350	48,400	2,245	49,350	49,400	2,293
45,400	45,450	2,105	46,400	46,450	2,153	47,400	47,450	2,200	48,400	48,450	2,248	49,400	49,450	2,295
45,450	45,500	2,108	46,450	46,500	2,155	47,450	47,500	2,203	48,450	48,500	2,250	49,450	49,500	2,298
45,500	45,550	2,110	46,500	46,550	2,157	47,500	47,550	2,205	48,500	48,550	2,252	49,500	49,550	2,300
45,550	45,600	2,112	46,550	46,600	2,160	47,550	47,600	2,207	48,550	48,600	2,255	49,550	49,600	2,302
45,600	45,650	2,115	46,600	46,650	2,162	47,600	47,650	2,210	48,600	48,650	2,257	49,600	49,650	2,305
45,650	45,700	2,117	46,650	46,700	2,165	47,650	47,700	2,212	48,650	48,700	2,260	49,650	49,700	2,307
45,700	45,750	2,119	46,700	46,750	2,167	47,700	47,750	2,214	48,700	48,750	2,262	49,700	49,750	2,309
45,750	45,800	2,122	46,750	46,800	2,169	47,750	47,800	2,217	48,750	48,800	2,264	49,750	49,800	2,312
45,800	45,850	2,124	46,800	46,850	2,172	47,800	47,850	2,219	48,800	48,850	2,267	49,800	49,850	2,314
45,850	45,900	2,127	46,850	46,900	2,174	47,850	47,900	2,222	48,850	48,900	2,269	49,850	49,900	2,317
45,900	45,950	2,129	46,900	46,950	2,176	47,900	47,950	2,224	48,900	48,950	2,271	49,900	49,950	2,319
45,950	46,000	2,131	46,950	47,000	2,179	47,950	48,000	2,226	48,950	49,000	2,274	49,950	50,000	2,321

## MARYLAND TAX Computation Worksheet

1. Use this worksheet only if your income on line 31 of Form 505 is more than \$50,000.

1. Enter the amount from line 31 of Form 505 .....	\$	
2. Subtract this amount .....	-3000	00
3. The difference is .....		
4. Multiply amount on line 3 by 4.75% .....	x .0475	
5. Carry the answer to two decimal places .....		
6. Add this amount to the amount on line 5 .....	+ 90	00
7. This is your MARYLAND TAX .....	\$	

2. Write the amount of **MARYLAND TAX** computed above on line 32a of Form 505.

## You Too Can Help the Bay.



Check Line 39 and join us  
in protecting Maryland's  
most treasured resource.



Your contribution supports on-the-ground projects that:

- restore wetlands,
- plant trees and Bay grasses,
- reintroduce oyster and fish populations,
- and actively protect threatened plants and animals.

### *It's this easy:*

1. Enter the amount you wish to donate on Line 39.
2. That amount will be deducted from your refund or added to your tax payment.
3. The donation is tax deductible in the following year.



Donations are divided evenly between the Chesapeake Bay Trust and the Wildlife and Heritage Division of the Maryland Department of Natural Resources. For more information call the Trust at 410-974-2941 or the Department of Natural Resources at 410-260-8540.

[www.chesapeakebaytrust.org](http://www.chesapeakebaytrust.org)

## You can make a contribution...

...on line 40 to the Maryland Fair Campaign Financing Fund. Your contribution helps to provide a funding alternative to large private contributions in elections for governor/lieutenant governor when candidates accept a spending limit.

- Enter the amount you wish to donate on Line 40 of your Maryland income tax form.
- Donate up to \$500.
- The amount will be deducted from your refund or added to your tax payment.

[www.elections.state.md.us](http://www.elections.state.md.us)

## Maryland Cancer Fund

***Use Line 41 and join the fight against cancer in Maryland.***

Your contribution supports grants for cancer research, prevention and treatment.

It's easy:

1. Enter the amount you wish to donate on Line 41.
2. That amount will be deducted from your refund or will be added to your tax payment.

For more information, call the Maryland Department of Health and Mental Hygiene at 1-800-477-9774.

[www.mdcanerfund.org](http://www.mdcanerfund.org)

## TAX HELP

### Free phone assistance

January 17 – April 17, 2006 • Monday – Friday,  
8:00 a.m. – 9:00 p.m. Eastern time

Central Maryland ..... 410-260-7980

Elsewhere ..... 1-800-MD TAXES  
..... (1-800-638-2937)

E-mail ..... [taxhelp@comp.state.md.us](mailto:taxhelp@comp.state.md.us)

## REFUND INFORMATION

Central Maryland ..... 410-260-7701

Elsewhere ..... 1-800-218-8160

## FORMS 24-HOUR SERVICE

Tax forms, instructions, publications and e-mail access  
to taxpayer assistance

Internet ..... [www.marylandtaxes.com](http://www.marylandtaxes.com)

Forms, brochures and other information.

Phone ..... 410-260-7951

## SPECIAL ASSISTANCE

If you plan to visit one of our offices and need  
accommodation for a disability, please contact us before  
your visit. Hearing impaired individuals may call:

Baltimore Metro (TTY) ..... 410-260-7157  
..... 410-767-1967

Wheaton (TTY) ..... 301-949-6032

Maryland Relay Service (MRS) ..... 711  
or ..... 1-800-735-2258

Large format tax forms ..... 410-260-7951

## FILE ELECTRONICALLY

Free iFile for Form 505 and 502 visit  
[www.marylandtaxes.com](http://www.marylandtaxes.com).

From your PC - You can file electronically from your  
personal computer. For more details, visit  
[www.marylandtaxes.com](http://www.marylandtaxes.com).

From your Tax Preparer - Electronic filing is also  
available from many commercial tax preparers. Just ask!

## EXTRA HOURS OF TAX ASSISTANCE

Free in-person state tax help is available at our offices  
Monday through Friday, 8:00 a.m. - 5:00 p.m. We will  
also offer service during these holidays and special hours.

Monday, February 20, 2006 ..... 8:00 a.m.-5:00 p.m.

Saturday, April 8, 2006 ..... 9:00 a.m.-1:00 p.m.

Saturday, April 15, 2006 ..... 9:00 a.m.-1:00 p.m.

## DEADLINE

Monday, April 17, 2006 ..... 8:00 a.m.-7:00 p.m.

## PERSONAL SERVICE

Free, in-person tax assistance is provided at the  
taxpayer service offices listed below,

Monday – Friday, from 8:00 a.m. – 5:00 p.m.

Please bring a completed copy of your federal return  
and all W-2 statements.

## BRANCH OFFICE

## PHONE NUMBER

**Annapolis**  
80 Calvert St., 1st Floor 410-260-7980

**Baltimore**  
301 W. Preston St., Rm. 206 410-767-1995

**Cumberland**  
112 Baltimore St., 2nd Floor 301-777-2165  
301-334-8880

**Elkton**  
103 Chesapeake Blvd., Suite D 410-996-0580

**Frederick**  
100 W. Patrick St., Rm. 2110 301-694-1982

**Hagerstown**  
1 S. Potomac St. 301-791-4776

**New Carrollton**  
8181 Professional Pl., Ste. 101 301-459-9195

**Salisbury**  
201 Baptist St., Rm. 2248 410-713-3660

**Towson**  
300 E. Joppa Rd., PL-1A 410-321-2306

**Upper Marlboro**  
14735 Main St., Rm. 083B 301-952-2810

**Waldorf**  
183 Smallwood Village Ctr. 301-645-2226  
301-843-0977

**Wheaton**  
11510 Georgia Ave., Ste. 190 301-949-6030