

Purpose of declaration The filing of a declaration of estimated Maryland income tax is a part of the pay-as-you-go plan of income tax collection adopted by the State. If you have any income such as pensions, business income, lottery, capital gains, interest, dividends, etc., from which no tax is withheld, or wages from which not enough Maryland tax is withheld, you may have to pay estimated taxes. The law is similar to the federal law.

Who must file a declaration You must file a declaration of estimated tax if you are required to file a Maryland income tax return *and* your gross income would be expected to develop a tax of more than \$500 in excess of your Maryland withholding.

You must file a declaration with payment in full within 60 days of receiving \$500 or more of income from awards, prizes, lotteries or raffles, whether paid in cash or property if Maryland tax has not been withheld. A husband and wife may file a joint declaration.

When to file a declaration You must pay at least one-fourth of the total estimated tax on line 14 of this form on or before **April 15, 2010**. The remaining quarterly payments are due **June 15, 2010, September 15, 2010 and January 15, 2011**. You may pay the total estimated tax with your first payment, if you wish. If you are filing on a fiscal year basis, each payment is due by the 15th day of the 4th, 6th, 9th and 13th months following the beginning of the fiscal year.

Overpayment of tax If you overpaid your 2009 income tax (Form 502 or 505) you may apply all or part of the overpayment to your 2010 estimated tax. If the overpayment applied equals or exceeds the estimated tax liability for the first quarterly payment, you are not required to file the declaration. If the overpayment applied is less than the estimated tax liability, you should file the declaration and pay the balance of the first installment. Preprinted vouchers will be mailed to you for the remaining payments.

How to estimate your 2010 tax The worksheet on page 1 is designed to develop an estimate of your 2010 Maryland and local income tax. Be as accurate as you can in forecasting your 2010 income. You may use your 2009 income and tax as a guide, but if you will receive more income than you did in 2009, you must pay at least 110% of your prior year tax to avoid interest for underpayment of estimated tax. For the purpose of estimating, rounding all amounts to the nearest dollar is recommended.

Nonresidents may use the Nonresident Estimated Tax Calculator at www.marylandtaxes.com

Specific Instructions:

Line 1. Total income expected in 2010 is your estimated federal adjusted gross income.

Line 2. Net modifications. You must add certain items to your federal adjusted gross income. See Instruction 12 of the tax booklet. You may subtract certain items from federal adjusted gross income. See Instruction 13 of the tax booklet. Enter on this line the net result of additions and subtractions.

Line 4. Deductions. You may compute your tax using the standard deduction method or the itemized deduction method.

Standard deduction. Compute 15% of line 3.

For Filing Status 1, 3, 6: if the amount computed is less than \$1,500, enter \$1,500; if the amount is between \$1,500 and \$2,000, enter that amount; if the amount is more than \$2,000, enter \$2,000.

For Filing Status 2, 4, 5: if the amount computed is less than \$3,000, enter \$3,000; if the amount is between \$3,000 and \$4,000, enter that amount; if the amount is more than \$4,000, enter \$4,000.

Itemized deductions. Enter the total of federal itemized deductions less state and local income taxes.

Line 6. Personal exemptions. If your FAGI will be \$100,000 or less, you are allowed:
a. \$3,200 each for taxpayer and spouse.
b. \$1,000 each for taxpayer and spouse if age 65 or over and/or blind.
c. \$3,200 for each allowable dependent, other than taxpayer and spouse. The amount is doubled for allowable dependents age 65 or over.
If your AGI will be more than \$100,000, see chart in Instruction 10 of the tax booklet to determine the amount of exemption you can claim for items a and c above.

If Your federal AGI is between	If you have filed as:	
	Single or Married filing separately Your Exemption is	Joint, Head of household or Widow(er) Your Exemption is
\$100,000 or less	\$3,200	\$3,200
\$100,001 - \$125,000	\$2,400	\$3,200
\$125,001 - \$150,000	\$1,800	\$3,200
\$150,001 - \$175,000	\$1,200	\$2,400
\$175,001 - \$200,000	\$1,200	\$1,800
\$200,001 - \$250,000	\$600	\$1,200
In excess of \$250,000	\$600	\$600

Line 8. Maryland income tax. Compute your tax on the amount on line 7 using the tax rate schedules in Instruction 17 of the tax booklet:

Tax rate schedule I

(for taxpayers filing as Single, Married Filing Separately, or as Dependent Taxpayers. This rate is also used for taxpayers filing as Fiduciaries.)

Taxable Net Income is:		Maryland Tax is:
Over	But Not Over	
\$ 0	\$ 1,000	2% of the amount
1,000	2,000	\$20 plus 3% of the excess over \$1,000
2,000	3,000	\$50 plus 4% of the excess over \$2,000
3,000	150,000	\$90 plus 4.75% of the excess over \$3,000
150,000	300,000	\$7,072.50 plus 5% of the excess over \$150,000
300,000	500,000	\$14,572.50 plus 5.25% of the excess over \$300,000
500,000	1,000,000	\$25,072.50 plus 5.5% of the excess over \$500,000
1,000,000	-----	\$52,572.50 plus 6.25% of the excess over \$1,000,000

Tax rate schedule II

(for taxpayers filing Joint Returns, Head of Household, or for Qualifying Widows/Widowers.)

Taxable Net Income is:		Maryland Tax is:
Over	But Not Over	
\$ 0	\$ 1,000	2% of the amount
1,000	2,000	\$20 plus 3% of the excess over \$1,000
2,000	3,000	\$50 plus 4% of the excess over \$2,000
3,000	200,000	\$90 plus 4.75% of the excess over \$3,000
200,000	350,000	\$9,447.50 plus 5% of the excess over \$200,000
350,000	500,000	\$16,947.50 plus 5.25% of the excess over \$350,000
500,000	1,000,000	\$24,822.50 plus 5.5% of the excess over \$500,000
1,000,000	-----	\$52,322.50 plus 6.25% of the excess over \$1,000,000

Line 11. Local or special nonresident income tax. Maryland counties and Baltimore City levy an income tax on residents that is a percentage of taxable net income. The amount you entered on line 7 is your taxable net income. Multiply that amount by your local tax rate (see below) and enter on line 11.

Subdivision	Rate	Subdivision	Rate
Baltimore City	.0305	Harford County	.0306
Allegany County	.0305	Howard County	.0320
Anne Arundel County	.0256	Kent County	.0285
Baltimore County	.0283	Montgomery County	.0320
Calvert County	.0280	Prince George's County	.0320
Caroline County	.0263	Queen Anne's County	.0285
Carroll County	.0305	St. Mary's County	.0300
Cecil County	.0280	Somerset County	.0315
Charles County	.0290	Talbot County	.0225
Dorchester County	.0262	Washington County	.0280
Frederick County	.0296	Wicomico County	.0310
Garrett County	.0265	Worcester County	.0125

Nonresidents use .0125

Filing a return instead of fourth payment Instead of making the fourth declaration payment on or before **January 15, 2011**, you may file your 2010 personal income tax return provided you file it on or before **January 31, 2011** and pay in full with the return any balance of tax due.

Farmers and fishermen If your estimated gross income from farming or fishing is at least two-thirds of your total estimated gross income for the year, special provisions may apply. Your 2010 declaration and full payment of the estimated tax are due on or before **January 15, 2011**. You do not have to file the declaration if you file your complete tax return (Form 502 or 505) and pay the full amount of tax due on or before **March 1, 2011**.

Changes in income or exemptions Your situation may not require you to file a declaration on **April 15, 2010**. However, a large increase in income after that date may require you to file a declaration. If at any time during the year you need to amend your original declaration, simply increase or decrease the remaining payments.

Forms and information Declaration of estimated tax forms and any additional information may be obtained from the Comptroller of Maryland, Revenue Administration Division, Annapolis, Maryland 21411-0001 (410-260-7980 or 1-800-MDTAXES) or from any of its branch offices.

MARYLAND
PERSONAL DECLARATION OF
ESTIMATED INCOME TAX

Electronic filing You may file and pay your 2010 estimated taxes electronically. When you use our iFile program, we give you the ability to make a single estimated tax payment, as well as providing the convenience of scheduling all of your payments at one time. These scheduled payments will be deducted from your bank account on the dates that you specify. Visit us at www.marylandtaxes.com and look for **on-line services**.

Payment by credit card You may pay your balance by using your 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 2008 Maryland income tax return to use the telephone option.

Both options will be processed by Official Payments Corporation who will charge a convenience fee 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 Web site at: 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, year of tax, and tax being paid on your check. It is recommended that you include your Social Security number on check using blue or black ink. **DO NOT SEND CASH.**

Mailing instructions Mail your declaration of estimated tax to:
Comptroller of Maryland
Revenue Administration Division
Annapolis, Maryland 21411-0001

Penalties and interest If you are required by law to file a declaration of estimated tax for any tax year and you either (1) fail to file on the date prescribed, (2) **fail to pay the installment or installments when due** or (3) estimate a tax less than ninety (90) percent of the developed tax shown on the return for the current taxable year and which estimate was less than 110% of the tax that was developed for the prior year, you will be subject to the penalties and interest as provided by law for the failure to file a return and the failure to pay a tax when due.