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## **Tips for Tax Filing Season**

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Tax filing season is here! Before you begin your 2021 income tax returns, check out these helpful tips.

### **When can I file my 2021 individual income tax return?**

The Comptroller's Office began accepting and processing 2021 Maryland individual income tax returns on Friday, **January 24, 2022**. This was the same date the IRS began accepting and processing federal individual income tax returns. State returns submitted through the IRS's Free File program or through tax software companies began being transmitted to the Comptroller on January 24.

### **Fraud Warnings – How to Protect Your Refund**

Refund fraud is more prevalent than ever. Remain diligent in protecting your personal identifying information, including your social security number, income, and withholding amounts. Beware of scammers who call, text, or email about needing your personal information for a refund or a federal stimulus payment. The Comptroller's Office will not initiate a text, email, or call seeking this information. Also, watch the Comptroller's [website](#) and social media channels ([YouTube](#), [Twitter](#), [Facebook](#)) for scam alerts.

Beware of email scams that may target businesses, schools, or local governments that ask for personal information of employees, such as W-2 forms. If you receive an email asking for these forms, call the person using a verified phone number and make sure it is a legitimate request. The agency will be sharing fraud prevention tips throughout the filing season.

### **How do I make sure my tax preparer is legitimate?**

Check the Comptroller's website for [warning signs of suspicious preparers](#).

Warning signs to look for:

- You pay your preparer, but they do not sign your return.
  - Paid preparers must sign the return and have a PTIN, which is a number that starts with "P" and includes numbers. Ex. P00012345
- You never see your prepared final return or you are asked to sign a blank one.
- Your preparer promises you a certain refund amount.
- Your preparer tells you that you do not need documentation for something claimed on your return or shares documentation that is not yours that belongs to another taxpayer.
- Your preparer insists the refund go into the preparer's bank account.

### **Electronic Filing is Fast and Efficient!**

To speed refunds during the pandemic, the Comptroller's Office urges taxpayers to file electronically with direct deposit. Maryland offers free filing of state returns to all taxpayers, regardless of income, through [iFile](#) on [marylandtaxes.gov](#). Taxpayers with an income of \$73,000 and below can use [IRS Free File](#) to file federal returns for free. Some IRS Free File offers also include state tax filing.

Electronic filing also remains the most efficient way to file Maryland business tax returns. [bFile](#) allows you to file many business tax returns online for free.

### **Taxability of Maryland Unemployment Insurance Payments and Impact on Earned Income Tax Credits**

Unemployment insurance payments that are included in your federal adjusted gross income may be subtracted from your income when calculating your Maryland state income tax liability. To be eligible for the subtraction, an individual's federal adjusted gross income cannot exceed (1) \$75,000 for an individual, or (2) \$100,000 for a married couple filing a joint return or an individual filing as a head of household or surviving spouse. The subtraction applies only to unemployment insurance payments received from the Maryland Department of Labor or one of the following jurisdictions: Pennsylvania, Virginia, West Virginia, or Washington, D.C. To claim the subtraction, refer to the instruction booklet.

### **Some things to know about federal stimulus initiatives:**

- Federal Economic Impact Payments Payment. The IRS issued a third round of economic impact payments beginning in March 2021. Maryland follows the federal treatment of economic impact payments; these payments are not subject to Maryland tax.
- Payroll Protection Program. Maryland conformed to federal tax treatment of Payroll Protection Program loan forgiveness under the CARES Act; the forgiveness of these loans was not taxed at the Maryland level. The new federal stimulus bill also allows businesses to deduct business expenses paid for with Payroll Protection Loans.
- Maryland Small Business COVID-19 Emergency Relief Grants. To the extent includable in federal adjusted gross income, Maryland COVID-19 grants issued by the Maryland Department of Commerce are taxable. Whether these grants are includable in federal adjusted gross income (FAGI) is a matter of federal law and may depend on what the grant was used for.

### **Pandemic Due Date Extensions**

The Comptroller's Office has extended the due date for filing individual income tax returns and payments to July 15, 2022. See the Tax Alert issued on January 19, 2022 for more information. This extension does not apply to those individuals who wish to file their 2021 individual income tax return with payment in full by January 31, 2022 in lieu of making their fourth quarter estimated payment, which would have otherwise been due on January 15, 2022. The extension does not impact the due dates of tax year 2022 quarterly estimated payments.

### **Taxpayer Assistance – Online, Phone, and Email**

You can search our interactive website [marylandtaxes.gov](http://marylandtaxes.gov) to find answers to many of your questions about Maryland taxes. If you need additional information you may contact Taxpayer Service at [410-260-7980](tel:410-260-7980) from Central Maryland or at 1-800-MD TAXES from elsewhere. Assistance is available Monday - Friday, 8:30 a.m. - 4:30 p.m. Beginning February 1, 2022 through April 18, 2022 telephone assistance is extended till 7:00 p.m. **As an alternative, you can send an email to [taxhelp@marylandtaxes.gov](mailto:taxhelp@marylandtaxes.gov)** and receive an answer in 2-3 business days.

### **Taxpayer Assistance – In Person**

Due to the spread of COVID-19, along with continuing efforts to keep state employees and the customers they serve safe, there is a temporary suspension of in-person customer service operations at our facilities. However, you can schedule a virtual appointment by visiting our website and clicking on branch office locations. When in-person assistance resumes at our branch offices, it will be available [by appointment only](#).