

RELIEF Act Sales and Use Tax Credits FAQs

Q: What is the RELIEF Act Sales and Use Tax Credit?

A: The 2021 RELIEF Act authorizes eligible vendors to retain an increased vendor tax credit for the three consecutive sales periods for **March, April, and May (filed in April, May, and June)**. The amount of the vendor credit allowed is equal to the lesser of the amount of sales and use tax collected during the filing period or \$3,000, not to exceed \$9,000 in three months.

Q: Who is eligible for the credit?

A: In order to be eligible:

- (a)** a vendor must file a timely sales and use tax return or consolidated return using the Comptroller's bFile system (see extended filing deadline to July 15th, 2021), and;
- (b)** the gross amount of sales and use tax collected during the monthly reporting period may not exceed \$6,000, and;
- (c)** a vendor must choose to forgo the standard vendor credit in order to claim the RELIEF Act credit; and
- (d)** the credit may not be applied to sales & use taxes collected by a marketplace facilitator.

Q: When can I take advantage of the sales and use tax credit?

A: If eligible, you can claim the credit for sales during the months of **March, April, and May 2021**. If you file returns quarterly, claim the March credit on the return you file in April, and claim the April and May credits on the return you file in July.

NOTE:

To claim the RELIEF Act Credit, please wait until the bFile system has been updated to accept this credit. The Comptroller anticipates this feature to be available by May 17, 2021. Please monitor the bFile welcome page for the announcement that this feature is available and note the extended filing deadline to July 15, 2021.

Q: How much are eligible recipients able to claim?

A: Eligible vendors may claim a credit against their sales and use tax for either the amount of the sales and use tax collected during the month for which the vendor claims the credit, or \$3,000, **whichever is less**. For example:

- If your business collected \$5,000 in total sales tax for the March filing period, you could claim the full \$3,000 RELIEF Act Credit;
- If your business collected \$1,500 in sales tax for the March filing period, you could claim a RELIEF Act credit for the full \$1,500 you collected;
- If your business collected \$6,500 in sales tax for the March filing period, you would not be eligible to claim a RELIEF Act credit, as you exceed the \$6,000 eligibility threshold.

Q: If the gross sales tax my business collects for March, April and May is less than \$3,000, do we still need to file a sales and use tax return?

A: Yes, you must first file your monthly (or quarterly) sales tax return in order to claim the RELIEF Act credit.

Q: How do I claim the Sales and Use Tax Credit?

A: Once the Comptroller's bFile system is updated to accept the RELIEF Act credit, you will claim the RELIEF Act credit when filing your returns for sales tax collected for March, April, and May.

NOTE:

To claim the RELIEF Act Credit, please wait until the bFile system has been updated to accept this credit. The Comptroller anticipates this feature to be available by May 17, 2021. Please monitor the [bFile welcome page](#) for announcement that this feature is available and note the extended filing deadline to July 15, 2021.

Q: If I take advantage of the extended sales and use tax deadline, may I still take the credit?

A: Yes, you may still claim the credit if you take advantage of the extended July 15th deadline. The July 15th deadline also applies to businesses who opt for the “Vendor Discount”, instead of the RELIEF Act Credit, on their March, April and May tax filings (normally filed in April, May and June).

NOTE:

The Comptroller also provided a filing extension to April 15th for returns filed between January 20th and April 14th; however, those filing periods (for December, January, and February) are not eligible for claiming Relief Act credits.

Q: What if we are a quarterly filer for sales taxes? Can we still claim the RELIEF Act credit?

A: Yes, if your quarterly reported gross sales tax does not exceed \$6,000. If you file returns quarterly, claim the March credit (up to \$3,000 credit) on the return you file in April, and claim the April and May credits (up to \$3,000) on the return you file in July.

Q: I already filed my return for the period ending March 31, 2021, but didn't claim the RELIEF Act credit. How can I amend my return to claim the credit?

A: Eligible taxpayers may only claim the vendor discount OR the RELIEF Act credit, NOT BOTH. If you already filed your March return and believe you are eligible for the credit, you will need to amend your sales and use tax return by emailing taxpayerrelief@marylandtaxes.gov. Your request to amend must include:

- the name of your business and your Combined Registration (CR) number,
- a statement that you wish to claim the RELIEF Act credit in lieu of the vendor discount, and
- the amount of credit you are claiming, up to \$3,000. Please note that the maximum credit is the lesser of the amount of sales and use tax collected for the period or \$3,000. You may not claim a credit in excess of the amount of sales and use tax collected.