



April 5, 2024

Re: Pass-Through Entity Tax Return Processing

Dear Tax Professional,

This notification is to respond to two frequently asked questions that we received following our correspondence dated February 28, 2024.

1. What event marks the “first filing” for a PTE that wants to elect for tax year 2024?
 - a. The first filing is not limited to the 510/511D; could also be the 510/511E.
 - b. If you make estimated payments, you make the irrevocable election/nonelection on the first Form 510/511D you submit with a payment. Please note, if you file a 510/511D without a payment, we do not process it and it is not a valid election. Likewise, if you submit an estimated payment with no form, it is a nonelection. If you do not need to make estimated payments, you do not have to submit a 510/511D just to make the election. You may, however, submit a 510/511D with a small payment, and, if the box is checked, it is a valid election.
 - c. If you do not make estimated payments, but you do file a request for extension on Form 510/511E, you make the irrevocable election on that the 510/511D.
 - d. If you do not make estimated payments or file a request for extension, you make the election by filing Form 511 as the year-end return. You “nonelect” by filing the 510.
 - e. An overpayment from a prior year that is applied to estimated payments for the following year is **NOT** an election or nonelection. The rules described above apply even when an overpayment from the previous tax year has been applied to the current tax year.
 - f. More information can be found in the [Tax Alert -- HERE](#)
2. How can we pay PTE taxes online?



- a. PTE taxes can be paid online through our BSERVICES BILLPAY application that is accessible [at this link](#)
 - b. Or, you can get there by visiting marylandtaxes.gov – then hover over the “Pay” option that is in the top banner for our site – then choose “Business Payment” – then in the “Make A Payment” drop down box, select the type of PTE account (i.e., PTE, S-Corp, or LLC) **and make sure to choose the relevant option with “Election” at the end if you are electing for that tax year or have already elected for that tax year.**
3. Additional communication for filing a Pass-Through Entity in Maryland can be found on our website: <https://www.marylandtaxes.gov/pte>

Sincerely,

A handwritten signature in black ink, appearing to read "Andy Schaufele". The signature is written in a cursive, flowing style.

Andrew “Andy” Schaufele