

# Maryland sales tax guide

## Standard rate

The standard sales tax rate in Maryland for 2024 is 6%.

## Reduced rate

There is no reduced sales tax rate in Maryland.

## Sales of tax-free products and services

Some tax-free products and services in Maryland include:

Machinery and equipment used in production activities;

Tangible personal property for consumption in production activities;

Tangible personal property for resale or incorporation as a material or part of another tangible personal property;

Servicing, maintaining, or repairing tangible personal property other than production machinery or equipment, or providing for the health and comfort of employees are not production activities.

## Who is obliged to register sales tax in Maryland

When you sell in Louisiana and qualify as a dealer under the definition and meet the threshold, you need to be [registered to collect and pay sales tax](#) in Maryland.

## Threshold

Starting October 1, 2018, out-of-state dealers with sufficient physical or economic presence for establishing nexus in Maryland must [register to collect sales tax](#). This includes online sellers or remote sellers that have over \$100,000 in sales annually in the state or more than 200 or more separate transactions in the state in the previous or current calendar year.

[Merchant thresholds by state](#)

[Marketplace thresholds by state](#)

The special rules are applicable to the SAAS business.

[Software as Service Tax Thresholds by state.](#)

## **Online Marketplaces**

If all of your sales in Maryland are through a marketplace platform, and you are not a marketplace facilitator, you can not register for paying Maryland sales tax. Your marketplace facilitator pays the sales tax itself.

If you are selling through your own marketplace, then you will need to register for paying sales tax if you meet the threshold.

## **Sales tax payment and filing date**

Depending on your tax liability, determine your filing frequency – either annual, semiannual, monthly, or quarterly:

Annual – At the state’s discretion;

Semiannual – At the state’s discretion;

Quarterly – \$0 to \$700.00;

Monthly – \$700.01 and up.

Returns are always due on the 20th day of the month following the reporting period. If the filing due date falls on a weekend or holiday, sales tax is due the next day.

## **Penalty and interest**

Late Filing – 10% and interest at no less than 1% per month.

## **Discount**

You can avail of a discount of 1.2% of the first \$6,000 collected and 0.9% for the amount above \$6,000 if you file in a timely manner. There is a maximum discount of \$500 for each return.



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