



**Peter Franchot**  
*Comptroller*

**David Roose**  
*Director*  
*Bureau of Revenue Estimates*

June 13, 2011

Honorable Martin O'Malley  
Governor of Maryland  
State House  
Annapolis, Maryland 21404

Honorable Thomas V. "Mike" Miller, Jr.  
President of the Senate  
State House  
Annapolis, Maryland 21404

Honorable Michael E. Busch  
Speaker of the House  
State House  
Annapolis, Maryland 21404

Dear Governor, President and Speaker:

Section §10-108(b) of the Tax-General Article of the Annotated Code of Maryland requires that the Comptroller's Office report the impact of changes in federal income tax law on State revenues. H.R. 4, the *Small Business Paperwork Mandate Elimination Act of 2011*, was signed by the President on April 14, 2011. The Act repeals Section §9006 of the Patient Protection & Affordable Care Act of 2010, which includes a provision requiring an information tax return to be filed by every person with payments totaling \$600 or more to a corporation.

In addition to amending the Internal Revenue Code to repeal requirements for the reporting to the Internal Revenue Service of payments of \$600 or more to corporations that are not tax-exempt and of gross proceeds paid in consideration for any type of property, the Act also repeals requirements for reporting payments made with respect to rental property which is not part of a trade or business. The Act also increases, for taxable years ending after December 31, 2013, the advance applicable dollar amount of the tax credit for health care premium assistance for taxpayers whose household income is less than 400% of the poverty line.

The primary purpose of this bill is to prevent imposing a substantial tax compliance burden on small businesses; it does not affect tax liability. As the baseline revenue forecast does not include any impact from the reporting requirements of the Patient Protection & Affordable Care Act of 2010, there is no revenue impact from its repeal.

Letter to Honorable Martin O'Malley,  
Thomas V. "Mike" Miller, Jr., and  
Michael E. Busch  
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Please do not hesitate to contact me at (410) 260-7450 if you have any questions regarding this report.

Sincerely,

A handwritten signature in cursive script, appearing to read "David F. Roose".

David F. Roose

cc: Honorable Peter Franchot