

Subtitle 04 INCOME TAX

Notice of Proposed Action
[17-060-P]

The Comptroller of the Treasury proposes to amend:

- (1) Regulation .01 under **COMAR 03.04.01 General Regulations**;
- (2) Regulation .04 under **COMAR 03.04.03 Corporations**; and
- (3) Regulation .03 under **COMAR 03.04.07 Pass-Through Entity Nonresident Tax**.

Statement of Purpose

The purpose of this action is to update language so as to be consistent with the statutory language of Tax-General Article, §10-911(b), Annotated Code of Maryland, and amend language to conform with statutory language of Tax-General Article, §10-821(a), Annotated Code of Maryland.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

The proposed action has no economic impact.

Economic Impact on Small Businesses

The proposed action has minimal or no economic impact on small businesses.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Wayne P. Green, Director, Revenue Administration Division, Comptroller of the Treasury, 110 Carroll Street, Annapolis, MD 21411, or call 410-260-7445, or email to wgreen@comp.state.md.us, or fax to 410-974-3456. Comments will be accepted through February 21, 2017. A public hearing has not been scheduled.

03.04.01 General Regulations

Authority: Tax-General Article, §§2-103, 10-822, and 10-911, Annotated Code of Maryland

.01 Withholding of Tax at Source.

- A. — D. (text unchanged)
- E. Year-end Reconciliation Return of Monthly, Quarterly, Annual, and Periodic Returns and Employer Withholding Returns.
 - (1) (text unchanged)
 - (2) On or before [February 28] *January 31* of each year, the employer or payor shall file with the Comptroller the following forms, returns, and information:
 - (a) — (f) (text unchanged)
- F. — G. (text unchanged)

03.04.03 Corporations

Authority: Tax-General Article, §§2-103 and 10-306.1(h), Annotated Code of Maryland

.04 Filing of Returns.

- A. A corporation shall file a corporation income tax return by the 15th day of the [3rd] *4th* month following the end of the tax year or period. The return shall be filed with a copy of the federal return for the corresponding tax year or period.
- B. — D. (text unchanged)

03.04.07 Pass-Through Entity Nonresident Tax

Authority: Tax-General Article, §§2-103 and 10-102.1(c) and (f), Annotated Code of Maryland

.03 Filing of Returns and Payment of Tax.

- A. Information Returns.
 - (1) — (2) (text unchanged)
 - (3) Due Date. Except as provided in §A(4) of this regulation, the due date for filing an information return is:
 - (a) (text unchanged)
 - (b) For a pass-through entity that is an S corporation, the 15th day of the [3rd] *4th* month following the close of the taxable year.
 - (4) Extension of Time to File.
 - (a) — (b) (text unchanged)
 - (c) Time for Filing. The due date for filing an extension is:
 - (i) (text unchanged)
 - (ii) For a pass-through entity that is an S corporation, the 15th day of the [3rd] *4th* month following the close of the S corporation’s taxable year.
- B. — E. (text unchanged)

PETER FRANCHOT
Comptroller

Title 08

DEPARTMENT OF NATURAL RESOURCES

Subtitle 02 FISHERIES SERVICE

08.02.03 Crabs

Authority: Natural Resources Article, §§4-215 and 4-803, Annotated Code of Maryland

Notice of Proposed Action
[17-050-P]

The Secretary of Natural Resources proposes to amend Regulations .01, .09, .11, .12, and .14 under **COMAR 08.02.03 Crabs**.

Statement of Purpose

The purpose of this action is to change the time for commercially harvesting blue crabs in the coastal bays of the Atlantic Ocean and their tidal tributaries and update statewide blue crab regulations by clarifying text.

In Regulation .01, the proposed action clarifies the definition of “net ring”. The definition is clarified by stating that a net ring only has one ring, not a ring. A ring could be interpreted by some to mean one or more rings and the intention of the definition when first adopted was one ring.

In Regulation .09, the proposed action clarifies that there are exceptions to the crab license requirements and corrects inconsistency relating to the use of recreational gear. It was not completely clear that anyone could help a licensed crabber use trotlines and traps. Even though the exemptions are in regulation, the statement that anyone needed a license created confusion. The proposed action adds text to highlight the exemptions. Code of Maryland Regulations (COMAR) 08.02.03.09 Section A says that individuals with a crabbing license may use all recreational gear, meaning an individual may use trotlines and collapsible traps at the same time. Section B says that an individual with a crabbing boat license cannot use the gear at the same time. Anyone with a crabbing

license (individual or boat) may use all gear simultaneously. The proposed action fixes the inconsistency.

In Regulation .11, the proposed action removes the commercial female closure periods. The commercial female crab daily catch limit is determined by license type, based on the abundance target and published by public notice. The text in Regulation .11 is obsolete because the process for determining female harvest is described in Regulation .14.

In Regulation .12, the proposed action changes the times that licensees can remove crabs from commercial gear and set or retrieve crab pots in the coastal bays of the Atlantic Ocean and their tidal tributaries to be consistent with Chesapeake Bay. Currently, a harvester may not remove crabs from gear or set or retrieve crab pots between 2 p.m. and 5:30 a.m. from April through October. The change maintains the 8.5 hour workday, is more consistent with the Chesapeake Bay regulations and gives harvesters flexibility. Additionally, it would allow harvest to occur earlier in the day to avoid high air temperatures which will reduce mortality and allow more crabs to reach the market.

In Regulation .14, the proposed action clarifies the intent of the regulation by adding text that allows a licensee to operate as a mate or an authorized user for a different licensee on Sundays and Mondays and combines text in two sections to make it clearer. Currently, the wording in the regulation could be interpreted as prohibiting a harvester from working on the water on their day off. By clarifying the regulation a harvester can mate or be an authorized user for someone else. The statements regarding declaration of days off in section C are combined for clarity. The two statements are very similar and it is unnecessary to keep both. The statement is added to section D because the process for declaring days off is the same.

Comparison to Federal Standards

There is no corresponding federal standard to this proposed action.

Estimate of Economic Impact

I. Summary of Economic Impact. This action may benefit the commercial crab industry.

	Revenue (R+/R-)	
	Expenditure (E+/E-)	Magnitude
II. Types of Economic Impact.		
A. On issuing agency:	NONE	
B. On other State agencies:	NONE	
C. On local governments:	NONE	
	Benefit (+) Cost (-)	Magnitude
D. On regulated industries or trade groups:		
Harvesters/dealers/ processors	(+)	Indeterminable
E. On other industries or trade groups:	NONE	
F. Direct and indirect effects on public:	NONE	

III. Assumptions. (Identified by Impact Letter and Number from Section II.)

D. Changing the times for harvest in the coastal bays of the Atlantic Ocean and their tidal tributaries may provide business

flexibility for harvesters allowing them to choose when to start harvesting. It could also lead to better harvest because if they can land before the heat of the day, they may have less mortality. The actual amount of impact is indeterminable because we cannot predict harvester actions and how much that will affect the industry (harvester, dealer, processor). Clarifying that a licensee may work for another licensee on their day off may benefit several individuals. The actual impact is indeterminable because the Department does not know how many individuals work for other licensees and how much compensation they receive.

Economic Impact on Small Businesses

The proposed action has a meaningful economic impact on small business. An analysis of this economic impact follows.

Changing the times for harvest in the coastal bays of the Atlantic Ocean and their tidal tributaries may provide business flexibility for harvesters allowing them to choose when to start harvesting. It could also lead to better harvest because if they can land before the heat of the day, they may have less mortality. Clarifying that a licensee may work for another licensee on their day off may benefit several individuals.

Impact on Individuals with Disabilities

The proposed action has no impact on individuals with disabilities.

Opportunity for Public Comment

Comments may be sent to Blue Crab Regulations, Regulatory Staff, Department of Natural Resources Fishing and Boating Services, 580 Taylor Avenue, B-2, Annapolis, MD 21401, or call 410-260-8300, or email to fisheriespubliccomment.dnr@maryland.gov, or fax to 410-260-8310. Comments will be accepted through February 21, 2017. A public hearing will be held on February 6, 2017, at 5 p.m., at Tawes State Office Building, 580 Taylor Avenue, Conference Room C-1, Annapolis, MD 21401.

.01 Crabbing Gear.

- A. (text unchanged)
- B. Recreational Gear—Definitions.
 - (1)—(2) (text unchanged)
 - (3) “Crab net ring” means netting supported by [a] *one* ring-shaped rim *that is* less than or equal to 30 inches in diameter.
 - (4)—(8) (text unchanged)
- C. (text unchanged)

.09 Recreational Crabbing Licenses — Chesapeake Bay and Its Tidal Tributaries.

- A. Recreational Crabbing License.
 - (1) [An] *Except as provided in §E of this regulation, an individual who catches or attempts to catch crabs for recreational purposes in the waters of the Chesapeake Bay and its tidal tributaries shall pay the fee and obtain a recreational crabbing license in order to use the following gear to catch crabs:*
 - (a)—(d) (text unchanged)
 - (2)—(3) (text unchanged)
- B. Recreational Crabbing Boat License.
 - (1) A recreational crabbing boat license authorizes an individual to use the following gear to catch or attempt to catch crabs in the licensed boat in the Chesapeake Bay and its tidal tributaries:
 - (a) Trotline; [or] *and*
 - (b) (text unchanged)
 - (2)—(4) (text unchanged)
- C.—F. (text unchanged)

.11 Season and Time for Catching Crabs.

- A. Commercial.
 - (1)—(4) (text unchanged)

[(5) An individual licensed to catch crabs for commercial purposes may not harvest mature female hard crabs from the Chesapeake Bay and its tidal tributaries during the periods:

- (a) June 1 through June 15, inclusive;
- (b) September 26 through October 4, inclusive; and
- (c) November 11 through December 15 inclusive.]

B.—C. (text unchanged)

.12 Special Regulations for Crabbing in Worcester County.

A.—C. (text unchanged)

D. Commercial Daily Time Restrictions. A person licensed to catch crabs for sale may [not] *remove crabs from commercial gear and set or retrieve crab pots in the coastal bays of the Atlantic Ocean and their tidal tributaries only during the following time periods:*

[(1) Remove crabs from commercial gear in the coastal bays of the Atlantic Ocean and their tidal tributaries between 2 p.m. and 5:30 a.m.; or

(2) Set or retrieve crab pots in the coastal bays of the Atlantic Ocean and their tidal tributaries between 2 p.m. and 5:30 a.m.]

(1) *Between sunrise and 8-½ hours after sunrise during April and October; and*

(2) *Between 1/2 hour before sunrise to 8 hours after sunrise during the period May through September.*

E.—F. (text unchanged)

.14 General Prohibitions.

A. (text unchanged)

B. Commercial — General.

(1) [Except for a person who declares intent under §C of this regulation, a] A person licensed to catch crabs for sale may not set or retrieve gear or catch crabs for commercial purposes in the Chesapeake Bay and its tidal tributaries on Sundays and Mondays[.] *unless the person:*

(a) *Declares intent under §C of this regulation;*

(b) *Is granted an alternate day off under §D of this regulation;*

(c) *Is operating as a licensee’s authorized user on the vessel designated in accordance with Natural Resources Article, §4-701, Annotated Code of Maryland; or*

(d) *Is assisting as an unlicensed crew member on another licensee’s vessel.*

(2)—(12) (text unchanged)

C. Closed Day Declaration of Intent.

(1)—(2) (text unchanged)

(3) A person licensed to catch crabs for sale who declares a day off under §C(1) of this regulation shall declare a Sunday or Monday day off *only* at the time of license renewal *or issuance* on forms provided by the Department.

[(4) A person licensed to catch crabs for sale may only declare a day off at the time of license renewal or issuance.]

D. Alternate Closed Day.

(1)—(3) (text unchanged)

(4) *A person licensed to catch crabs for sale who declares a day off under §D(1) of this regulation shall declare an alternate day off only at the time of license renewal or issuance on forms provided by the Department.*

E.—G. (text unchanged)

MARK J. BELTON
Secretary of Natural Resources

Subtitle 02 FISHERIES SERVICE

08.02.25 Gear

Authority: Natural Resources Article, §§4-221 and 4-701.1, Annotated Code of Maryland

Notice of Proposed Action

[17-049-P]

The Secretary of Natural Resources proposes to amend Regulations .01—.03 and adopt new Regulation .04 under **COMAR 08.02.25 Gear**.

Statement of Purpose

The purpose of this action is to implement regulations to reflect legislative changes from the 2016 Legislative Session and amend regulations to reflect current practice.

The proposed action removes the definition for “bow” and replaces it with a definition for “archery equipment.” The term “archery equipment” is in line with terminology used by the Wildlife and Heritage Service and is more reflective of current practices. References to this gear throughout the chapter have also been changed.

House Bill 766, Chapter Law 117 of the 2016 Laws of Maryland removed certain references to recreational fishing gear. As a result of these changes, the proposed action amends provisions regarding bush bobs, bank poles, and dip nets.

The proposed action removes bush bobs and bank poles as legal gears in nontidal waters. Bush bobs and bank poles, both nonactive line fishing gears that either dangle lines from overhead limbs (bush bobs) or from sticks wedged into a river bank (bank poles), previously had been allowed in nontidal waters. The removal of these gears is due to recommendations from Departmental biologists as well as public safety concerns. These gears are typically used at night, with a high likelihood of bycatch of species which had been prohibited under the old statute. By removing these gears, the Department will cut down on bycatch of nontarget species. Furthermore, there was the potential for other anglers, boaters, or float tubers to become entangled in the gear if it was not well marked, unattended, or not collected by the owner. Removing this gear from the water will mitigate this concern. This gear is already not allowed in tidal waters.

The proposed action amends the use of dip nets in nontidal waters. Previously under Natural Resources Article, §4-617, Annotated Code of Maryland, dip nets had been allowed in the Susquehanna River in Harford and Cecil counties, in the Monocacy and Potomac rivers in Carroll and Frederick counties, and in Allegany and Washington counties, from January 1 through April 15. These rules had allowed for traditional shad fisheries in the Susquehanna River and sucker fisheries in the western counties. HB 766 removed the rules for dip nets from this statute. The proposed action does not reinstate the use of dip nets in the Susquehanna River due to the closure of the shad and herring fisheries. The proposed action will allow dip nets in Allegany, Carroll, Frederick, and Washington counties to catch carp, catfish, Northern snakehead, and suckers. This maintains the traditional fishery and allows the gear to be used to target invasive species.

The proposed action amends the rules for the recreational use of gigs in both nontidal and tidal waters. The action clarifies that gigs are a hand-propelled gear, which is in line with current practice, and removes the requirement that a retrieval line be attached to a gig. The safety zone requirement for gigs is also removed.

The proposed action establishes a regulation for commercial gear. House Bill 63, Chapter 86 of the 2016 Laws of Maryland provided the Department the authority to regulate finfish trotlines. This authority will sunset on June 30, 2019 unless the Maryland General