



# This Week in State Tax (TWIST)

August 4, 2025



## Maryland: Comptroller issues guidance on using MPUs for newly taxable products

The Maryland Comptroller recently issued guidance regarding the use of Multiple Points of Use certificates (MPUs) in connection with the purchase of certain digital products, digital codes, data and information technology services, and software publishing services. Effective July 1, 2025, when a buyer knows at the time of purchase of one or more of these products or services will be used concurrently both inside and outside Maryland, or resold to a member of an affiliated group, the buyer may present to the vendor an MPU. A valid MPU certificate relieves the vendor of the obligation to collect and remit sales tax on the transaction and shifts responsibility for payment of the tax on the proportion of the product to be used in Maryland to the buyer or the related party. [See [Chapter 604](#) of the Acts of 2025 (HB 352) for provisions governing MPUs as well as the imposition of tax on data and information technology services and software publishing services.]

[Technical Bulletin No. 54](#) outlines the procedures that buyers must use in issuing MPUs and the parameters required for vendors to accept one. Buyers intending to issue an MPU must follow several steps. First, if a buyer does not have an existing sales tax account, they must register for one with the Comptroller's office; businesses with an existing account are not required to register for a separate account. Second, all buyers intending to issue MPUs (both new and existing account holders) must apply to the Comptroller via [e-mail](#) to become qualified to use MPUs. Once qualified, a buyer intending to issue an MPU certificate to a vendor must submit a request for authorization to the Comptroller through [MDTaxConnect.gov](#). For software subscriptions, one request is sufficient to cover all future recurring payments and automatic renewals. Each MPU authorization request must include ten specific pieces of information, including the names of the parties involved, the transaction date, price, and an estimate of the percentage of use in Maryland. Any reasonable method of apportionment that is supported by the buyer's records may be used in estimating the use in Maryland. If the transaction involves resale to related parties, the request must also include the identity of the related parties. Buyers are responsible for providing the MPU certificate to the vendor either before or at the time of purchase.

Vendors may not accept and will not be relieved from their obligation to collect Maryland sales tax on a transaction if they: (a) fail to verify, through [MDTaxConnect.gov](#), that the buyer was authorized to issue the certificate; (b) "know or should have known" that the sale was not for a qualifying product; or (c) "know or should have known" the sale was not for use both inside and outside Maryland. If a vendor does not accept an MPU certificate, or the buyer chooses not to issue one, the buyer may still seek a refund for any sales tax paid on use of the product that occurred outside Maryland. If no MPU is issued, Maryland sales tax is to be charged on the full price of the product.

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The process outlined in Technical Bulletin No. 54 supersedes that described in [Maryland Tax Tips #29](#) for the purchase of digital products and codes to be used concurrently inside and outside Maryland. For further information, please contact [Jeremy Jester](#) and see our earlier TWIST of [June 23, 2025](#).

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