

CHAPTER 556

(House Bill 297)

AN ACT concerning

Office of the Comptroller - Tax Compliance - Holding Companies

FOR the purpose of authorizing the Comptroller to distribute, apportion, or allocate certain tax attributes between and among two or more organizations, trades, or businesses under certain circumstances; requiring that certain interest expenses and certain intangible expenses be added to the federal taxable income of a corporation to determine Maryland modified income under certain circumstances; requiring certain corporations under certain circumstances to include with an income tax return or otherwise file with the Comptroller a certain statement regarding certain dealings and transactions with related corporations; ~~providing for a certain tax credit~~ allowing a subtraction modification for certain royalties, interest, or similar income from intangibles under certain circumstances; providing for a certain estimated payment; allowing the Comptroller to assess interest and penalty for failure to provide the required estimated payment; requiring the Comptroller to adopt certain regulations; defining certain terms; making the provisions of this Act severable; providing for the effective date and application of this Act; and generally relating to tax administration and compliance.

BY adding to

Article - Tax - General
Section 10-109, and 10-306.1, ~~and 10-725~~
Annotated Code of Maryland
(1997 Replacement Volume and 2003 Supplement)

BY repealing and reenacting, with amendments,

Article - Tax - General
Section 10-804(e)(3)
Annotated Code of Maryland
(1997 Replacement Volume and 2003 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Tax - General

10-109.

(A) ~~FOR ORGANIZATIONS, TRADES, OR BUSINESSES DOING BUSINESS IN THE STATE OF MARYLAND,~~ THE COMPTROLLER MAY DISTRIBUTE, APPORTION, OR ALLOCATE GROSS INCOME, DEDUCTIONS, CREDITS, OR ALLOWANCES BETWEEN AND