

TAL GAINS AND LOSSES FROM SALES OF TANGIBLE PERSONAL PROPERTY ARE ALLOCABLE TO THIS STATE IF: (A) THE PROPERTY HAD A SITUS IN THIS STATE AT THE TIME OF THE SALE; OR, (B) THE TAXPAYER'S COMMERCIAL DOMICILE IS IN THIS STATE AND THE TAXPAYER IS NOT TAXABLE IN THE STATE IN WHICH THE PROPERTY HAD A SITUS. 3. CAPITAL GAINS AND LOSSES FROM SALES OF INTANGIBLE PERSONAL PROPERTY ARE ALLOCABLE TO THIS STATE IF THE TAXPAYER'S COMMERCIAL DOMICILE IS IN THIS STATE.

~~(b)~~ (C) The remaining net income, hereinafter referred to as business income, shall be allocated to this State if the trade or business of the corporation is carried on wholly within this State, but if the trade or business of the corporation is carried on partly within and partly without this State so much of the business income of the corporation as is derived from or reasonably attributable to the trade or business of the corporation carried on within this State, shall be allocated to this State and any balance of the business income shall be allocated outside this State. The portion of the business income derived from or reasonably attributable to the trade or business carried on within this State may be determined by separate accounting where practicable, but never in the case of a unitary business; however, where separate accounting is neither allowable nor practicable the portion of the business income of the corporation allowable to this State shall be determined in accordance with a three-factor formula of property, payroll and sales, in which each factor shall be given equal weight and in which the property factor shall include rented as well as owned property and tangible personal property having a permanent situs within this State and used in the trade or business shall be included as well as real property. The Comptroller of the treasury shall have the right, in those cases where circumstances warrant, to alter any of the above rules as to the use of the separate accounting method or the formula method, the weight to be given the various factors in the formula, the manner of valuation of rented property included in the property factor and the determination of the extent to which tangible personal property is permanently located within the State.}]

*The Comptroller of the Treasury under the general power to administer this subtitle, conferred upon him by Section 204, shall promulgate such regulations as are necessary to allocate the net income as defined by Section 280A of every corporation (domestic or foreign) doing business within and without this State so as to apportion to Maryland that portion of the corporate net income (1) which is derived from or reasonably attributable to the trade or business of the corporation carried on within this State, (2) which is derived from tangible property, real or personal, located in this State, and (3) capital gains and losses realized from the sale or exchange of property, real or personal, tangible or intangible, of corporations with either a commercial domicile in this State or the property sold had a situs in this State.*

SEC. 2. *And be it further enacted, That all provisions of this Act, being clarification of the intent of Chapter 142, Acts of 1967, or of prior law shall apply to all taxable years ending after December 31, 1966.*