

(7) "PASS-THROUGH ENTITY" MEANS:(I) AN S CORPORATION;(II) A PARTNERSHIP; OR(III) A LIMITED LIABILITY COMPANY THAT IS NOT TAXED AS A CORPORATION UNDER THIS TITLE.

(b) In addition to any other tax imposed under this title, a tax is imposed on each [S corporation, partnership, and limited liability company.] PASS-THROUGH ENTITY that has:

(1) any [shareholder, partner, or] member who is a nonresident of the State OR IS A NONRESIDENT ENTITY; and

(2) any nonresident taxable income for the taxable year.

(c) (1) The tax imposed under subsection (b) of this section shall be treated as a tax imposed on the [individual] nonresident [shareholders, partners,] or NONRESIDENT ENTITY members that is paid on behalf of the [individuals] NONRESIDENTS OR NONRESIDENT ENTITIES by the [S corporation, partnership, or limited liability company] PASS-THROUGH ENTITY.

(2) THE COMPTROLLER SHALL PROVIDE BY REGULATION FOR THE TREATMENT OF THE TAX IMPOSED UNDER SUBSECTION (B) OF THIS SECTION THAT IS PAID ON BEHALF OF A NONRESIDENT ENTITY MEMBER THAT IS ITSELF A PASS-THROUGH ENTITY.

(d) (1) Except as provided in paragraph (2) of this subsection, the tax imposed under subsection (b) of this section is THE SUM OF:

(I) A RATE EQUAL TO THE SUM OF THE RATE OF THE TAX IMPOSED UNDER § 10-106.1 OF THIS TITLE AND the top marginal State tax rate for individuals under § 10-105(a)(4) of this subtitle applied to[

(i)] the sum of each nonresident [partner's] INDIVIDUAL MEMBER'S distributive share OR PRO-RATA SHARE of a [partnership's] PASS-THROUGH ENTITY'S nonresident taxable income; AND

(II) THE RATE OF THE TAX FOR A CORPORATION UNDER § 10-105(B) OF THIS SUBTITLE APPLIED TO THE SUM OF EACH NONRESIDENT ENTITY MEMBER'S DISTRIBUTIVE SHARE OR PRO-RATA SHARE OF A PASS-THROUGH ENTITYS NONRESIDENT TAXABLE INCOME.

[(ii) the sum of each nonresident shareholder's pro rata share of an S corporation's nonresident taxable income; or

(iii) the sum of each nonresident member's distributive share of a limited liability company's nonresident taxable income.]

(2) The tax required to be paid for any taxable year on behalf of [nonresident shareholders, nonresident partners, or] nonresident OR NONRESIDENT