

UNEXPENDED OR UNENCUMBERED BOND PROCEEDS SHALL BE DISPOSED OF AS PROVIDED IN § 8-129 OF THE STATE FINANCE AND PROCUREMENT ARTICLE:

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 2005.

Approved April 26, 2005.

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**CHAPTER 142**

**(Senate Bill 341)**

AN ACT concerning

**Income Tax - Corporations - Payments to Related Entities - Foreign Taxes**

FOR the purpose of altering certain exceptions to a requirement 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; providing for the application of this Act; and generally relating to a requirement 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.

BY repealing and reenacting, with amendments,

Article - Tax - General

Section 10-306.1

Annotated Code of Maryland

(2004 Replacement Volume)

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

**Article - Tax - General**

10-306.1.

(a) (1) In this section the following words have the meanings indicated.

(2) "Aggregate effective tax rate" means the sum of the effective rates of tax imposed by [all states, including] this State [and], other states or possessions of the United States, AND FOREIGN NATIONS THAT HAVE ENTERED INTO COMPREHENSIVE TAX TREATIES WITH THE UNITED STATES GOVERNMENT, where a related member receiving a payment of interest expense or intangible expense is subject to tax and where the measure of the tax imposed included the payment.

(3) "Bank" means: