

2. IS NOT ATTRIBUTABLE TO MARYLAND SOURCES.

280B.

(c) The determination of the tax preference items of a nonresident individual under subsection (a) of this section for purposes of this subtitle are governed by the following provisions:

(1) The items of tax preference of a nonresident individual of this State include only those items [which are properly allocated to this State in accordance with the provisions of § 287 of this subtitle] BASED ON INCOME TAXABLE IN THIS STATE.

(2) Nonresident individuals having tax preference items [allocable] BASED ON INCOME DERIVED both [within and without] IN AND OUT OF this State, are allowed only that proportion of the exclusion, as provided in this section, as the items of tax preference [allocable to] BASED ON INCOME TAXABLE IN this State bear to their total items of tax preference.

281.

(c) A nonresident individual may claim deductions pursuant to subsection (a) [only to the extent that such deductions are properly allocable to income taxable pursuant to this subtitle] IN THE AMOUNT CALCULATED BY:

(1) MULTIPLYING FEDERAL ITEMIZED DEDUCTIONS BY A FRACTION WITH MARYLAND ADJUSTED GROSS INCOME AS ITS NUMERATOR AND FEDERAL ADJUSTED GROSS INCOME AS ITS DENOMINATOR; OR

(2) USING ANOTHER METHOD THE COMPTROLLER REQUIRES TO COMPUTE THE DEDUCTIONS PAID FROM MARYLAND ADJUSTED GROSS INCOME.

287.

IN COMPUTING THE MODIFICATION UNDER § 280(C)(20) OF THIS SUBTITLE, A NONRESIDENT INDIVIDUAL SHALL ALLOCATE TO THE STATE INCOME DERIVED IN CONNECTION WITH A BUSINESS, OCCUPATION, PROFESSION, OR TRADE CARRIED ON BOTH IN AND OUT OF THE STATE IN THE FOLLOWING MANNER:

(1) BY SEPARATE ACCOUNTING, IF THE COMPTROLLER PERMITS; OR

(2) BY THE METHOD THE COMPTROLLER REQUIRES TO FAIRLY DETERMINE THE PART OF THE INCOME DERIVED FROM OR REASONABLY ATTRIBUTABLE TO THE TRADE, BUSINESS, PROFESSION, OR OCCUPATION CARRIED ON IN THE STATE.