

All net 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 net 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 net income shall be allocated outside this State. The portion of the net income derived from or reasonably attributable to the trade or business carried on within this State may be determined by a 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 net 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.]

316.

(A) IN COMPUTING MARYLAND TAXABLE INCOME, A CORPORATION SHALL ALLOCATE NET INCOME DERIVED FROM OR REASONABLY ATTRIBUTABLE TO ITS TRADE OR BUSINESS IN THIS STATE IN THE FOLLOWING MANNER:

(1) IF A CORPORATION CARRIES ON ITS TRADE OR BUSINESS WHOLLY IN THE STATE, THE CORPORATION SHALL ALLOCATE ALL OF ITS NET INCOME TO THE STATE;

(2) IF A CORPORATION CARRIES ON ITS TRADE OR BUSINESS IN AND OUT OF THE STATE, THE CORPORATION SHALL ALLOCATE TO THE STATE THE PART OF THE CORPORATION'S NET INCOME THAT IS DERIVED FROM OR REASONABLY ATTRIBUTABLE TO THE PART OF ITS TRADE OR BUSINESS CARRIED ON IN THE STATE, IN THE MANNER REQUIRED IN SUBSECTION (B), (C), OR (D) OF THIS SECTION.

(B) EXCEPT AS PROVIDED IN SUBSECTIONS (C) OR (D) OF THIS SECTION, THE PART OF THE CORPORATION'S NET INCOME DERIVED FROM OR REASONABLY ATTRIBUTABLE TO TRADE OR BUSINESS CARRIED ON IN THE STATE MAY BE DETERMINED BY SEPARATE ACCOUNTING IF PRACTICAL.

(C) (1) IF THE TRADE OR BUSINESS IS A UNITARY BUSINESS, THE PART OF THE CORPORATION'S MARYLAND MODIFIED INCOME DERIVED FROM