

The defined term "Maryland taxable income" is substituted for the former reference to "income ... for the purposes of this subtitle", for clarity and consistency.

The reference to the "same annual accounting period" is substituted for the former reference to the "same calendar or fiscal year", for clarity and brevity.

Similarly, the reference to the "same accounting method" is substituted for the former reference to the "same basis (cash or accrual)", for clarity and brevity.

The first sentence of former Art. 81, § 284(b), which specified the requirements of cash basis and accrual basis accounting, is deleted as unnecessary in light of the reference to the "method" used to compute federal income tax.

Defined terms: "Maryland taxable income" § 10-101  
"Person" § 1-101

10-502. WHEN FEDERAL RETURN NOT FILED.

(A) CASH OR ACCRUAL METHOD.

IF A PERSON DOES NOT FILE A FEDERAL INCOME TAX RETURN, THE PERSON SHALL COMPUTE MARYLAND TAXABLE INCOME IN ACCORDANCE WITH THE CASH OR ACCRUAL ACCOUNTING METHOD THAT:

(1) THE PERSON USES TO COMPUTE INCOME REGULARLY IN KEEPING THE PERSON'S BOOKS; OR

(2) THE COMPTROLLER REQUIRES TO REFLECT CLEARLY THE PERSON'S INCOME.

(B) CALENDAR OR FISCAL ACCOUNTING PERIOD.

IF A PERSON DOES NOT FILE A FEDERAL INCOME TAX RETURN, THE PERSON SHALL COMPUTE MARYLAND TAXABLE INCOME:

(1) FOR THE CALENDAR YEAR; OR

(2) IF THE PERSON KEEPS ADEQUATE RECORDS FOR AN ANNUAL FISCAL YEAR ACCOUNTING PERIOD, FOR THE FISCAL YEAR.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 81, § 284(a).

The introductory clauses of subsections (a) and (b) of this section, "[i]f a person does not file a federal income tax return", are added to clarify the applicability of this section, since § 10-501 of this