

10-504. CHANGING ACCOUNTING PERIOD.

(A) IN GENERAL.

A PERSON MAY CHANGE THE ACCOUNTING PERIOD USED TO COMPUTE MARYLAND TAXABLE INCOME TO ANY OTHER PERIOD THAT THE COMPTROLLER APPROVES.

(B) SHORT-PERIOD RETURN REQUIRED.

IF A PERSON CHANGES ACCOUNTING PERIODS, THE PERSON SHALL FILE A SEPARATE RETURN FOR THE PERIOD BETWEEN THE CLOSE OF THE PREVIOUS ACCOUNTING PERIOD AND THE BEGINNING OF THE NEWLY ADOPTED ACCOUNTING PERIOD.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 81, § 284(e) and the first clause of (d).

In subsection (a) of this section, the reference to computation of "Maryland taxable income" is added to clarify the purpose of the accounting period.

Also in subsection (a) of this section, the defined term "person" is substituted for the former word "he", for clarity.

Also in subsection (a) of this section, the general reference to a "change ... to any other period" is substituted for the former enumeration of the different changes in accounting periods that could be made.

Also in subsection (a) of this section, the former clause "[i]f the taxpayer does not file a federal income tax return" is deleted to avoid the inaccurate inference that a person who files a federal return is precluded from changing accounting periods even with the approval of the Comptroller.

Subsection (b) of this section is revised in the active voice to state expressly that the person must file the short-period return.

In subsection (b) of this section, the term "annual accounting periods" is substituted for the former references to "the period of computing income" and "the change", for clarity.

Also in subsection (b) of this section, the general references to "the previous accounting period" and "the newly adopted accounting period" are substituted for the former enumeration of the different periods and dates that could be applied.