

Approved May 18, 2001.

## CHAPTER 633

### (House Bill 11)

AN ACT concerning

### **Income Tax - Single Sales Factor Apportionment for Manufacturing Corporations**

FOR the purpose of altering a formula used to apportion certain income to the State for certain corporations that are engaged in manufacturing and carry on a trade or business in and out of the State; requiring a manufacturing corporation to certify certain facts in filing its income tax return; requiring certain corporations engaged in manufacturing to submit certain reports as part of their income tax returns for certain taxable years; requiring the Comptroller to prepare and submit a certain report each year in certain years to the Governor and the General Assembly; requiring the Comptroller, in consultation with the Department of Business and Economic Development, to adopt certain regulations; defining a certain term; providing for the application of this Act; and generally relating to an apportionment formula under the Maryland income tax for certain corporations engaged in manufacturing.

BY repealing and reenacting, with amendments,

Article - Tax - General

Section 10-402

Annotated Code of Maryland

(1997 Replacement Volume and 2000 Supplement)

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

#### **Article - Tax - General**

10-402.

(a) In computing Maryland taxable income, a corporation shall allocate Maryland modified 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 within the State, the corporation shall allocate to the State all of the Maryland modified income of the corporation; and

(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