

In accordance with Article II, Section 17 of the Maryland Constitution, I have today vetoed Senate Bill 701 - Income Tax - Single Sales Factor Apportionment for Manufacturing Corporations.

This bill changes the formula used to apportion income to the State, for purposes of the corporate income tax, for manufacturing corporations that carry on a trade or business in and out of the State from a three-factor apportionment formula to a single sales factor apportionment.

House Bill 11, which was passed by the General Assembly and signed by me, accomplishes the same purpose. Therefore, it is not necessary for me to sign Senate Bill 701.

Sincerely,  
Parris N. Glendening  
Governor

### Senate Bill No. 701

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 certain corporations engaged in a manufacturing corporation to certify certain facts as part of their income tax returns in filing its income tax return; requiring certain corporations engaged in manufacturing to submit certain reports as a part of their income tax returns for certain taxable years; requiring the Comptroller to prepare and submit a certain report 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