

(4) (6) "INTEREST EXPENSE" MEANS AN AMOUNT DIRECTLY OR INDIRECTLY ALLOWED AS A DEDUCTION UNDER § 163 OF THE INTERNAL REVENUE CODE FOR PURPOSES OF DETERMINING TAXABLE INCOME UNDER THE INTERNAL REVENUE CODE.

(6) (7) "RELATED MEMBER" MEANS A PERSON THAT, WITH RESPECT TO THE TAXPAYER DURING ALL OR ANY PORTION OF THE TAXABLE YEAR, IS:

(I) A RELATED ENTITY;

(II) A COMPONENT MEMBER, AS DEFINED IN § 1563(B) OF THE INTERNAL REVENUE CODE; OR

(III) A PERSON TO OR FROM WHOM THERE IS ATTRIBUTION OF STOCK OWNERSHIP IN ACCORDANCE WITH § 1563(E) OF THE INTERNAL REVENUE CODE.

(6) (8) "RELATED ENTITY" MEANS A PERSON THAT, APPLYING THE ATTRIBUTION RULES OF § 318 OF THE INTERNAL REVENUE CODE, IS:

(I) A STOCKHOLDER WHO IS AN INDIVIDUAL, OR A MEMBER OF THE STOCKHOLDER'S FAMILY ENUMERATED IN § 318 OF THE INTERNAL REVENUE CODE, IF THE STOCKHOLDER AND THE MEMBERS OF THE STOCKHOLDER'S FAMILY OWN, DIRECTLY, INDIRECTLY, BENEFICIALLY, OR CONSTRUCTIVELY, IN THE AGGREGATE, AT LEAST 50% OF THE VALUE OF THE TAXPAYER'S OUTSTANDING STOCK;

(II) A STOCKHOLDER, OR A STOCKHOLDER'S PARTNERSHIP, LIMITED LIABILITY COMPANY, ESTATE, TRUST, OR CORPORATION, IF THE STOCKHOLDER AND THE STOCKHOLDER'S PARTNERSHIPS, LIMITED LIABILITY COMPANIES, ESTATES, TRUSTS, AND CORPORATIONS OWN DIRECTLY, INDIRECTLY, BENEFICIALLY, OR CONSTRUCTIVELY, IN THE AGGREGATE, AT LEAST 50% OF THE VALUE OF THE TAXPAYER'S OUTSTANDING STOCK; OR

(III) A CORPORATION, OR A PARTY RELATED TO THE CORPORATION IN A MANNER THAT WOULD REQUIRE AN ATTRIBUTION OF STOCK FROM THE CORPORATION TO THE PARTY OR FROM THE PARTY TO THE CORPORATION UNDER THE ATTRIBUTION RULES OF § 318 OF THE INTERNAL REVENUE CODE, IF THE TAXPAYER OWNS, DIRECTLY, INDIRECTLY, BENEFICIALLY, OR CONSTRUCTIVELY, AT LEAST 50% OF THE VALUE OF THE CORPORATION'S OUTSTANDING STOCK.

(B) (1) IN ADDITION TO THE MODIFICATIONS UNDER §§ 10-305 AND 10-306 OF THIS SUBTITLE, EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION, THE AMOUNTS UNDER PARAGRAPH (2) OF THIS SUBSECTION ARE ADDED TO THE FEDERAL TAXABLE INCOME OF A CORPORATION TO DETERMINE MARYLAND MODIFIED INCOME.

(2) THE ADDITION UNDER THIS SUBSECTION INCLUDES ANY OTHERWISE DEDUCTIBLE INTEREST EXPENSE OR INTANGIBLE EXPENSE, IF THE INTEREST EXPENSE OR INTANGIBLE EXPENSE IS DIRECTLY OR INDIRECTLY PAID,