

EXPENSE, LOSS, OR COST IS ALLOWED AS A DEDUCTION OR COST IN DETERMINING TAXABLE INCOME FOR THE TAXABLE YEAR UNDER THE INTERNAL REVENUE CODE;

(II) A LOSS RELATED TO OR INCURRED IN CONNECTION DIRECTLY OR INDIRECTLY WITH FACTORING TRANSACTIONS OR DISCOUNTING TRANSACTIONS;

(III) A ROYALTY, PATENT, TECHNICAL, OR COPYRIGHT FEE;

(IV) A LICENSING FEE; OR

(V) ANY OTHER SIMILAR EXPENSE OR COST.

(4) (6) "INTANGIBLE PROPERTY" MEANS PATENTS, PATENT APPLICATIONS, TRADE NAMES, TRADEMARKS, SERVICE MARKS, COPYRIGHTS, AND SIMILAR TYPES OF INTANGIBLE ASSETS.

(5) (7) "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) (8) "RELATED ENTITY" MEANS A PERSON THAT, UNDER 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 PARTNERSHIP, LIMITED LIABILITY COMPANY, ESTATE, TRUST, OR CORPORATION 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.

(7) (9) "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