

Income Tax - Captive Real Estate Investment Trusts

FOR the purpose of requiring that a certain deduction for dividends paid be added to federal taxable income to determine Maryland modified income of certain real estate investment trusts for Maryland income tax purposes; defining a certain term; providing for the application of this Act; and generally relating to a Maryland income tax addition modification in the amount of the dividends paid deduction for certain real estate investment trusts.

BY adding to

Article - Tax - General

Section 10-306.2

Annotated Code of Maryland

(2004 Replacement Volume and 2006 Supplement)

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

Article - Tax - General

10-306.2.

(A) IN THIS SECTION:

(1) "CAPTIVE REIT" MEANS A CORPORATION, TRUST, OR ASSOCIATION:

~~(1) (I)~~ THAT IS CONSIDERED A REAL ESTATE INVESTMENT TRUST FOR THE TAXABLE YEAR UNDER § 856 OF THE INTERNAL REVENUE CODE;

~~(2) (II)~~ THAT IS NOT PUBLICLY-TRADED REGULARLY TRADED ON AN ESTABLISHED SECURITIES MARKET; AND

~~(3) (III)~~ MORE THAN 50% OF THE VOTING POWER OR VALUE OF THE BENEFICIAL INTERESTS OR SHARES OF WHICH ARE, AT ANY TIME DURING THE LAST HALF OF THE TAXABLE YEAR, IS OWNED OR CONTROLLED, DIRECTLY OR INDIRECTLY, BY A SINGLE PERSON OTHER THAN: ENTITY THAT IS SUBJECT TO THE PROVISIONS OF SUBCHAPTER C OF CHAPTER 1 OF THE INTERNAL REVENUE CODE; AND

(2) "CAPTIVE REIT" DOES NOT INCLUDE: