

~~STATES TO THE EXTENT RECOGNIZED UNDER § 807 OF THE INTERNAL REVENUE CODE; AND~~

~~(VI) UNDER THE CIRCUMSTANCES AND TO THE EXTENT PROVIDED BY REGULATIONS THAT THE COMPTROLLER ADOPTS:~~

~~1. A CORPORATION NOT DESCRIBED IN ITEMS (I) THROUGH (V) OF THIS PARAGRAPH, TO THE EXTENT OF ITS INCOME DERIVED FROM OR ATTRIBUTABLE TO SOURCES WITHIN THE UNITED STATES AND ITS FACTORS ASSIGNABLE TO A LOCATION WITHIN THE UNITED STATES, AS DETERMINED BY REGULATIONS THAT THE COMPTROLLER ADOPTS; OR~~

~~2. AN AFFILIATED CORPORATION THAT IS A CONTROLLED FOREIGN CORPORATION, AS DEFINED IN § 957 OF THE INTERNAL REVENUE CODE.~~

~~(3) THE USE OF THE WATER'S EDGE METHOD IS SUBJECT TO THE TERMS AND CONDITIONS THAT THE COMPTROLLER REQUIRES BY REGULATION, INCLUDING ANY CONDITIONS THAT ARE NECESSARY OR APPROPRIATE TO PREVENT THE AVOIDANCE OF TAX OR TO CLEARLY REFLECT INCOME FOR ANY PERIOD.~~

~~(E) (1) THE COMPTROLLER SHALL ADOPT REGULATIONS THAT ARE NECESSARY OR APPROPRIATE TO CARRY OUT THIS SECTION.~~

~~(2) THE REGULATIONS ADOPTED BY THE COMPTROLLER SHALL BE CONSISTENT WITH THE "PRINCIPLES FOR DETERMINING THE EXISTENCE OF A UNITARY BUSINESS" (REG. IV.1.(B)) ADOPTED BY THE MULTISTATE TAX COMMISSION.~~

~~10-811.~~

~~(A) [Each member of] EXCEPT AS PROVIDED BY AND SUBJECT TO REGULATIONS ADOPTED BY THE COMPTROLLER, an affiliated group of corporations [shall file a separate income tax return] ENGAGED IN A UNITARY BUSINESS SHALL FILE A COMBINED INCOME TAX RETURN REFLECTING THE AGGREGATE INCOME TAX LIABILITY OF ALL OF THE MEMBERS OF THE AFFILIATED GROUP THAT ARE ENGAGED IN A UNITARY BUSINESS.~~

~~(B) THE COMPTROLLER SHALL ADOPT REGULATIONS THAT ARE NECESSARY OR APPROPRIATE TO CARRY OUT THIS SECTION.~~

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