

10-110.

(A) THERE IS A MARYLAND BUSINESS TAX REFORM COMMISSION.

(B) (1) THE COMMISSION SHALL REVIEW AND EVALUATE THE STATE'S CURRENT BUSINESS TAX STRUCTURE AND MAKE SPECIFIC RECOMMENDATIONS FOR CHANGES TO THE STATE'S BUSINESS TAX STRUCTURE TO PROVIDE FOR FAIR AND EQUITABLE TAXATION FOR ALL CORPORATIONS AND OTHER BUSINESS ENTITIES DOING BUSINESS IN THE STATE.

(2) THE COMMISSION'S RECOMMENDATIONS MAY INCLUDE, WITHOUT LIMITATION, CHANGES SUCH AS TAX RATE CHANGES, TAX BASE BROADENING MEASURES, MEASURES TO ADDRESS TAX AVOIDANCE STRATEGIES, AND ELIMINATION OF INEFFECTIVE OR INEFFICIENT TAX POLICIES INTENDED AS ECONOMIC DEVELOPMENT INCENTIVES.

(3) THE COMMISSION'S STUDY SHALL INCLUDE, AT A MINIMUM, A REVIEW AND EVALUATION OF THE FOLLOWING OPTIONS FOR BUSINESS TAX REFORM:

(i) THE IMPOSITION OF COMBINED REPORTING USING THE "WATER'S EDGE METHOD" UNDER THE CORPORATE INCOME TAX FOR UNITARY GROUPS OF AFFILIATED CORPORATIONS;

(ii) THE IMPOSITION OF OTHER TYPES OF BUSINESS TAXES, IN LIEU OF OR IN ADDITION TO THE CURRENT TAXES IMPOSED, INCLUDING GROSS RECEIPTS TAXES, VALUE ADDED TAXES, AND ALTERNATIVE MINIMUM TAXES; AND

(iii) IMPROVED METHODS FOR EVALUATION OF THE EFFECTIVENESS AND EFFICIENCY OF TAX POLICIES INTENDED AS ECONOMIC DEVELOPMENT INCENTIVES.

(C) THE COMMISSION SHALL BE COMPOSED OF 17 MEMBERS, AS FOLLOWS:

(1) A CHAIR, APPOINTED BY THE GOVERNOR;

(2) THREE MEMBERS OF THE SENATE BUDGET AND TAXATION COMMITTEE, APPOINTED BY THE PRESIDENT OF THE SENATE;