

(2) UNLESS IT IS ESTABLISHED BY THE COMPTROLLER THAT THE PARTNER PARTICIPATED IN A PATTERN OF DISTRIBUTIONS TO ONE OR MORE PARTNERS WITH THE INTENTION OF DEFEATING THE PARTNERSHIP LIABILITY FOR THE TAX IMPOSED UNDER SUBSECTION (B) OF THIS SECTION, ANY PARTNER OTHERWISE LIABLE UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE LIABLE FOR THE TAX IMPOSED ON THE PARTNERSHIP ONLY TO THE EXTENT OF DISTRIBUTIONS FROM THE PARTNERSHIP TO THAT PARTNER AFTER THE TAX WAS DUE TO BE PAID BY THE PARTNERSHIP.

(G) EXCEPT AS PROVIDED IN § 10-701.1 OF THIS TITLE, NOTHING IN THIS SECTION LIMITS OR AFFECTS IN ANY WAY THE LIABILITY OF AN INDIVIDUAL NONRESIDENT SHAREHOLDER OR PARTNER FOR THE TAX IMPOSED ON THE INDIVIDUAL UNDER § 10-102 OF THIS SUBTITLE.

10-104.

The income tax does not apply to the income of:

- (1) a common trust fund, as defined in § 3-501(b) of the Financial Institutions Article;
- (2) except as provided in § 10-304(2) of this title, an organization that is exempt from taxation under § 501 of the Internal Revenue Code;
- (3) the Development Credit Corporation of Maryland;
- (4) a financial institution that is subject to the financial institution franchise tax;
- (5) an insurance company, within the meaning of Article 48A of the Code;
- (6) EXCEPT AS PROVIDED IN § 10-102.1 OF THIS SUBTITLE, a partnership, ~~IF THE PARTNERSHIP, DURING THE TAXABLE YEAR, HAS NO NONRESIDENT PARTNERS,~~ as defined in § 761 of the Internal Revenue Code; or
- (7) ~~an S corporation, IF THE S CORPORATION, DURING THE TAXABLE YEAR, HAS NO NONRESIDENT SHAREHOLDERS,~~ except as provided in § 10-102.1 OF THIS SUBTITLE AND § 10-304(3) of this title, AN S CORPORATION.

10-105.

(a) ~~The State income tax rate for an individual is:~~

- ~~(1) 2% of Maryland taxable income of \$1 through \$1,000;~~
- ~~(2) 3% of Maryland taxable income of \$1,001 through \$2,000;~~
- ~~(3) 4% of Maryland taxable income of \$2,001 through \$3,000; and~~
- ~~(4) 5% of Maryland taxable income in excess of \$3,000.~~