

~~(b) [The] EXCEPT AS PROVIDED FOR IN SUBSECTION (D) OF THIS SECTION, THE State income tax rate for a corporation is 7% of Maryland taxable income.~~

~~(c) THE STATE INCOME TAX RATE FOR PARTNERSHIPS HAVING NONRESIDENT PARTNERS IS 5% OF MARYLAND TAXABLE INCOME.~~

~~(d) THE STATE INCOME TAX RATE FOR THAT PORTION OF S CORPORATION INCOME INCLUDED IN MARYLAND MODIFIED INCOME UNDER § 10-304(4) OF THIS TITLE IS 5% OF MARYLAND TAXABLE INCOME.~~

~~10-304.~~

~~Except as provided in Subtitle 4 of this title, the Maryland modified income of a corporation, including a real estate investment trust or regulated investment company, is:~~

~~(1) the corporation's federal taxable income for the taxable year as determined under the Internal Revenue Code and as adjusted under this Part II of this subtitle;~~

~~(2) if the corporation is exempt from taxation under § 501 of the Internal Revenue Code, the corporation's unrelated business taxable income, as defined under § 512 of the Internal Revenue Code, for the taxable year, as adjusted under this Part II of this subtitle; [or]~~

~~(3) if the corporation is an S corporation, its income that is subject to federal income tax, for the taxable year, as adjusted under this Part II of this subtitle; OR~~

~~(4) IF AN S CORPORATION HAS, DURING THE TAXABLE YEAR, ANY NONRESIDENT SHAREHOLDERS, THE SUM OF EACH NONRESIDENT SHAREHOLDER'S PRO RATA SHARE OF S CORPORATION INCOME ATTRIBUTABLE TO THE STATE.~~

~~10-707.~~

~~A CREDIT IS ALLOWED A NONRESIDENT PARTNER OR SHAREHOLDER OF A PARTNERSHIP OR S CORPORATION EQUAL TO THE AMOUNT OF TAX PAID BY THE PARTNERSHIP OR S CORPORATION FOR MARYLAND TAXABLE INCOME ATTRIBUTABLE TO THE PARTNER OR SHAREHOLDER.~~

~~10-701.1.~~

AN INDIVIDUAL MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX FOR A TAXABLE YEAR IN THE AMOUNT OF TAX PAID BY A PARTNERSHIP OR S CORPORATION UNDER § 10-102.1 OF THIS TITLE THAT IS ATTRIBUTABLE TO THE INDIVIDUAL'S SHARE OF THE PARTNERSHIP'S OR S CORPORATION'S NONRESIDENT TAXABLE INCOME, AS DEFINED IN § 10-102.1(A)(4) OF THIS TITLE.

10-706.