

(III) THE SUM OF EACH NONRESIDENT MEMBER'S DISTRIBUTIVE SHARE OF A LIMITED LIABILITY COMPANY'S NONRESIDENT TAXABLE INCOME.

(2) The tax required to be paid for any taxable year on behalf of nonresident shareholders [or], nonresident partners, OR NONRESIDENT MEMBERS by an S corporation [or], a partnership, OR A LIMITED LIABILITY COMPANY may not exceed the sum of all of the nonresident shareholders' [or], partners', OR MEMBERS' shares of the entity's distributable cash flow.

(e) The Comptroller may provide by regulation for:

(1) the filing of composite returns by an S corporation [or], partnership, OR LIMITED LIABILITY COMPANY on behalf of its nonresident shareholders [and], partners, AND MEMBERS; and

(2) application of or exemption from the tax imposed under subsection (b) of this section for an S corporation [or], partnership, OR LIMITED LIABILITY COMPANY:

(i) that files a composite return on behalf of nonresident shareholders [or], partners, OR MEMBERS; or

(ii) the nonresident shareholders [or], partners, OR MEMBERS of which are tax exempt or pass-through entities.

(f) (1) Subject to paragraph (2) of this subsection, if a partnership fails to pay the tax when due the tax may be collected from the partners under the law applicable to debts of the partnership, with the partnership and partners having rights of contribution against any nonresident partner on whose behalf the tax is paid.

(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, OR MEMBER 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 §§ 10-203(2) and 10-304(2) of this title, an organization that is exempt from taxation under § 408(e)(1) or § 501 of the Internal Revenue Code;