

(2) THE EXPIRATION OF THE 15TH TAXABLE YEAR AFTER THE TAXABLE YEAR IN WHICH THE QUALIFIED RESEARCH AND DEVELOPMENT EXPENSES WERE PAID OR INCURRED.

(E) (1) IN DETERMINING THE AMOUNT OF THE CREDIT UNDER THIS SECTION:

(I) ALL MEMBERS OF THE SAME CONTROLLED GROUP OF CORPORATIONS, AS DEFINED UNDER § 41(F) OF THE INTERNAL REVENUE CODE, SHALL BE TREATED AS A SINGLE TAXPAYER; AND

(II) THE CREDIT ALLOWABLE BY THIS SECTION TO EACH MEMBER SHALL BE ITS PROPORTIONATE SHARE OF THE QUALIFIED RESEARCH AND DEVELOPMENT EXPENSES GIVING RISE TO THE CREDIT.

(2) THE COMPTROLLER SHALL ADOPT REGULATIONS PROVIDING FOR:

(I) DETERMINATION OF THE AMOUNT OF THE CREDIT UNDER THIS SECTION IN THE CASE OF TRADES OR BUSINESSES, WHETHER OR NOT INCORPORATED, THAT ARE UNDER COMMON CONTROL;

(II) PASS-THROUGH AND ALLOCATION OF THE CREDIT IN THE CASE OF ESTATES AND TRUSTS, PARTNERSHIPS, UNINCORPORATED TRADES OR BUSINESSES, AND S CORPORATIONS;

(III) ADJUSTMENTS IN THE CASE OF ACQUISITIONS AND DISPOSITIONS DESCRIBED IN § 41(F)(3) OF THE INTERNAL REVENUE CODE; AND

(IV) DETERMINATION OF THE CREDIT IN THE CASE OF SHORT TAXABLE YEARS.

(F) (1) THE DEPARTMENT AND THE COMPTROLLER JOINTLY SHALL ADOPT REGULATIONS TO PRESCRIBE STANDARDS FOR DETERMINING WHEN RESEARCH OR DEVELOPMENT IS CONSIDERED CONDUCTED IN THE STATE FOR PURPOSES OF DETERMINING THE CREDIT UNDER THIS SECTION.

(2) IN ADOPTING REGULATIONS UNDER THIS SUBSECTION, THE DEPARTMENT AND THE COMPTROLLER MAY CONSIDER: