# HOUSE BILL 171

Q3 4lr1568
SB 565/13 – B&T CF 4lr0834

By: **Delegates Schulz, Afzali, Arentz, Frank, George, Hogan, Jacobs, W. Miller, Myers, Norman, Parrott, Ready, and Schuh**
Introduced and read first time: January 15, 2014
Assigned to: Ways and Means

A BILL ENTITLED

AN ACT concerning

**Corporate Income Tax – Federal Repatriation Holiday**

FOR the purpose of providing a subtraction modification under the Maryland corporate income tax for certain dividends included in federal taxable income as a result of a certain repatriation holiday enacted by certain federal legislation; requiring the Comptroller to provide for the administration of this Act if certain federal legislation is enacted; stating the intent of the General Assembly; providing for the application of this Act; and generally relating to an income tax subtraction modification for certain dividends.

BY repealing and reenacting, without amendments,
Article – Tax – General
Section 10–307(a)
Annotated Code of Maryland
(2010 Replacement Volume and 2013 Supplement)

BY adding to
Article – Tax – General
Section 10–307(e)
Annotated Code of Maryland
(2010 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

**Article – Tax – General**

10–307.

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
**[**Brackets**]** indicate matter deleted from existing law.

(a) To the extent included in federal taxable income, the amounts under this section are subtracted from the federal taxable income of a corporation to determine Maryland modified income.

**(E) (1) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES DIVIDENDS RECEIVED BY A CORPORATION FROM A CONTROLLED FOREIGN CORPORATION IF THE DIVIDENDS ARE INCLUDED IN FEDERAL TAXABLE INCOME AS PART OF A REPATRIATION HOLIDAY UNDER § 965 OF THE INTERNAL REVENUE CODE OR ANOTHER SIMILAR PROVISION OF THE INTERNAL REVENUE CODE.**

**(2) THE COMPTROLLER SHALL PROVIDE FOR THE ADMINISTRATION OF THIS SUBSECTION IF FEDERAL LEGISLATION IS ENACTED ESTABLISHING A REPATRIATION HOLIDAY FOR THE DIVIDENDS DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION.**

SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that, if federal legislation is enacted that provides for favorable income tax treatment for corporate profits from outside the country that are brought back into the United States, the profits may not be taxable under the Maryland corporate income tax.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014, and shall be applicable to all taxable years beginning after December 31, 2013.