

SB1090/795360/1

BY: Committee on Ways and Means

AMENDMENTS TO SENATE BILL 1090
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “requiring” in line 7 down through “date;” in line 9; and in line 9, after “making” insert “stylistic and”.

AMENDMENT NO. 2

On page 2, strike in their entirety lines 1 through 26, inclusive; in line 27, strike “(4)” and substitute “(A) IN THIS SECTION,”; and in the same line, strike “WORLDWIDE” and substitute “WORLDWIDE”.

On page 3, in lines 1, 3, and 4, strike “(I)”, “(II)”, and “(III)”, respectively, and substitute “(1)”, “(2)”, and “(3)”, respectively.

On pages 3 and 4, strike in their entirety the lines beginning with line 26 on page 3 through line 12 on page 4, inclusive.

On page 4, before line 13, insert:

“(D) (1) EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION:

(I) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2017, BUT BEFORE JANUARY 1, 2019, IF THE TRADE OR BUSINESS IS A UNITARY BUSINESS, THE PART OF THE CORPORATION’S MARYLAND MODIFIED INCOME DERIVED FROM OR REASONABLY ATTRIBUTABLE TO TRADE OR BUSINESS CARRIED ON IN THE STATE SHALL BE DETERMINED USING A 3-FACTOR APPORTIONMENT FRACTION:

(Over)

1. THE NUMERATOR OF WHICH IS THE SUM OF THE PROPERTY FACTOR, THE PAYROLL FACTOR, AND 3 TIMES THE SALES FACTOR; AND

2. THE DENOMINATOR OF WHICH IS 5;

(II) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2018, BUT BEFORE JANUARY 1, 2020, IF THE TRADE OR BUSINESS IS A UNITARY BUSINESS, THE PART OF THE CORPORATION'S MARYLAND MODIFIED INCOME DERIVED FROM OR REASONABLY ATTRIBUTABLE TO TRADE OR BUSINESS CARRIED ON IN THE STATE SHALL BE DETERMINED USING A 3-FACTOR APPORTIONMENT FRACTION:

1. THE NUMERATOR OF WHICH IS THE SUM OF THE PROPERTY FACTOR, THE PAYROLL FACTOR, AND 4 TIMES THE SALES FACTOR; AND

2. THE DENOMINATOR OF WHICH IS 6;

(III) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2019, BUT BEFORE JANUARY 1, 2021, IF THE TRADE OR BUSINESS IS A UNITARY BUSINESS, THE PART OF THE CORPORATION'S MARYLAND MODIFIED INCOME DERIVED FROM OR REASONABLY ATTRIBUTABLE TO TRADE OR BUSINESS CARRIED ON IN THE STATE SHALL BE DETERMINED USING A 3-FACTOR APPORTIONMENT FRACTION:

1. THE NUMERATOR OF WHICH IS THE SUM OF THE PROPERTY FACTOR, THE PAYROLL FACTOR, AND 5 TIMES THE SALES FACTOR; AND

2. THE DENOMINATOR OF WHICH IS 7;

(IV) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2020, BUT BEFORE JANUARY 1, 2022, IF THE TRADE OR BUSINESS IS A UNITARY BUSINESS, THE PART OF THE CORPORATION'S MARYLAND MODIFIED INCOME DERIVED FROM OR REASONABLY ATTRIBUTABLE TO TRADE OR BUSINESS CARRIED ON IN THE STATE SHALL BE DETERMINED USING A 3-FACTOR APPORTIONMENT FRACTION:

1. THE NUMERATOR OF WHICH IS THE SUM OF THE PROPERTY FACTOR, THE PAYROLL FACTOR, AND 6 TIMES THE SALES FACTOR; AND

2. THE DENOMINATOR OF WHICH IS 8; AND

(V) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2021, IF THE TRADE OR BUSINESS IS A UNITARY BUSINESS, THE PART OF THE CORPORATION'S MARYLAND MODIFIED INCOME DERIVED FROM OR REASONABLY ATTRIBUTABLE TO TRADE OR BUSINESS CARRIED ON IN THE STATE SHALL BE DETERMINED USING A SINGLE SALES FACTOR APPORTIONMENT FORMULA, BY MULTIPLYING ITS MARYLAND MODIFIED INCOME BY 100% OF THE SALES FACTOR.”;

strike in their entirety lines 13 through 17, inclusive; after line 17, insert:

“(2) (I) EACH YEAR A WORLDWIDE HEADQUARTERED COMPANY THAT FILED A FEDERAL CORPORATE INCOME TAX RETURN FOR THE TAXABLE YEAR MAY ELECT TO CALCULATE ITS MARYLAND MODIFIED INCOME DERIVED

(Over)

**SB1090/795360/1 Committee on Ways and Means
Amendments to SB 1090
Page 4 of 4**

FROM OR REASONABLY ATTRIBUTABLE TO TRADE OR BUSINESS CARRIED ON IN THE STATE USING A 3-FACOR APPORTIONMENT FRACTION:;

and in line 21, strike “**(III)**” and “**(II)**”, respectively, and substitute “**(II)**” and “**(I)**”, respectively.

On page 6, in line 13, strike the first set of brackets; in the same line, strike “**(IV)**”; in the same line, after “(1)” insert “**] PARAGRAPHS (1) AND (2)**”; in line 14, strike “**] SUBPARAGRAPH (II) OF THIS PARAGRAPH**”; in lines 15 and 16, in each instance, strike the brackets; and in the same lines, strike “**1.**” and “**2.**”, respectively.

AMENDMENT NO. 3

On pages 6 and 7, strike in their entirety the lines beginning with line 28 on page 6 through line 5 on page 7, inclusive.

On page 7, in line 6, strike “**3.**” and substitute “**2.**”.