Q3 8lr1078

By: Delegate Lafferty

Introduced and read first time: January 25, 2018

Assigned to: Ways and Means

A BILL ENTITLED

1	AN ACT concerning
2 3	Income Tax - Corporate Returns - Disclosure of Settlement Payments to Governmental Units
4	FOR the purpose of requiring certain corporations to attach to the Maryland income tax
5	return a certain statement identifying certain settlement payments to governmental
6	units under certain circumstances; requiring that certain statements be treated as
7	confidential taxpayer information; requiring the Comptroller to collect and compile
8	certain information and to submit a certain annual report to the Governor and the
9 10	General Assembly on or before a certain date; providing for the application of this Act; and generally relating to corporate income tax returns.
11	BY repealing and reenacting, with amendments,
12	Article – Tax – General
13	Section 10–804(e)
14	Annotated Code of Maryland
15	(2016 Replacement Volume and 2017 Supplement)
16	BY adding to
17	Article - Tax - General
18	Section 10–804.2
19	Annotated Code of Maryland
20	(2016 Replacement Volume and 2017 Supplement)
21	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
22	That the Laws of Maryland read as follows:
23	Article – Tax – General
24	10-804.
25	(e) Each person required under this subtitle to file an income tax return or

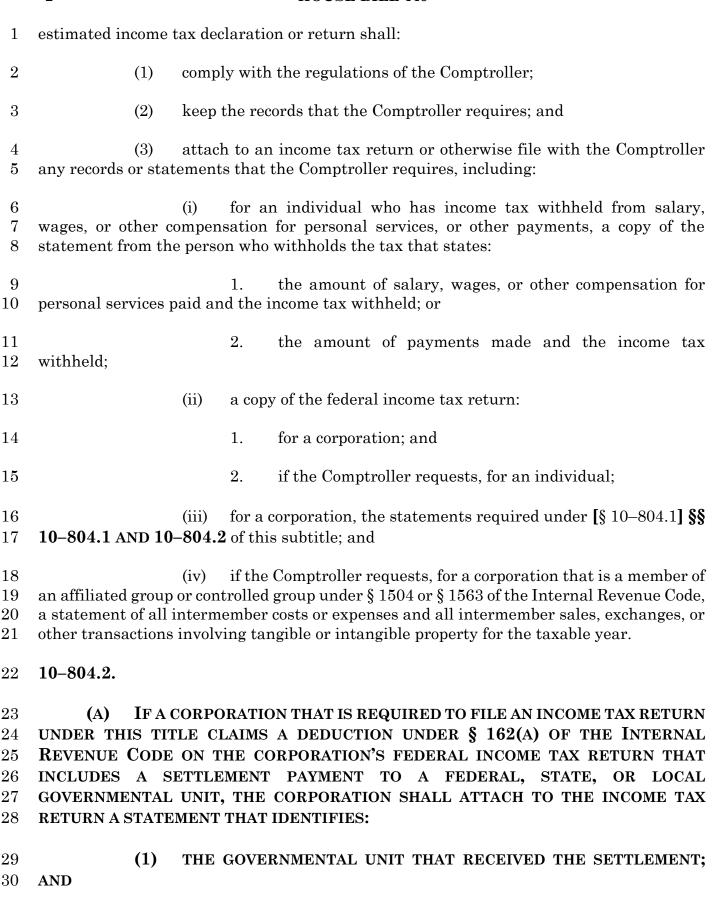
EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



31

(2)



THE AMOUNT PAID TO THE GOVERNMENTAL UNIT UNDER THE

1 SETTLEMENT AGREEMENT.

- 2 (B) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, THE STATEMENT
- 3 REQUIRED UNDER SUBSECTION (A) OF THIS SECTION SHALL BE TREATED AS
- 4 CONFIDENTIAL TAXPAYER INFORMATION SUBJECT TO TITLE 13, SUBTITLE 2 OF
- 5 THIS ARTICLE.
- 6 (C) THE COMPTROLLER SHALL:
- 7 (1) COLLECT AND COMPILE THE INFORMATION SUBMITTED UNDER 8 THIS SECTION; AND
- 9 (2) ON OR BEFORE MARCH 1 EACH YEAR, SUBMIT A REPORT TO THE
- 10 GOVERNOR AND, SUBJECT TO § 2–1246 OF THE STATE GOVERNMENT ARTICLE, THE
- 11 GENERAL ASSEMBLY THAT:
- 12 (I) INCLUDES THE AGGREGATE AMOUNT OF CORPORATE
- 13 SETTLEMENT PAYMENTS DEDUCTED AS ORDINARY AND NECESSARY BUSINESS
- 14 EXPENSES UNDER § 162(A) OF THE INTERNAL REVENUE CODE; AND
- 15 (II) IDENTIFIES THE GOVERNMENTAL UNITS THAT RECEIVED
- 16 THE SETTLEMENT PAYMENTS AND THE AGGREGATE AMOUNT OF SETTLEMENT
- 17 PAYMENTS RECEIVED BY EACH GOVERNMENTAL UNIT.
- SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
- 19 1, 2018, and shall be applicable to all taxable years beginning on or after December 31,
- 20 2018.