

SENATE BILL 33

Q3, Q7

5lr0662

(PRE-FILED)

By: **Senator Lewis Young**

Requested: September 6, 2024

Introduced and read first time: January 8, 2025

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **Office of the Comptroller and Department of Legislative Services – Maryland**
3 **Business Taxes – Study**

4 FOR the purpose of requiring the Office of the Comptroller and the Department of
5 Legislative Services to study and make recommendations regarding the State’s
6 business tax structure and the imposition of combined reporting; and generally
7 relating to Maryland business taxes.

8 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,
9 That:

10 (a) The Office of the Comptroller and the Department of Legislative Services shall
11 study and make recommendations regarding the State’s current business tax structure and
12 changes to the State’s business tax structure to provide fair and equitable taxation for all
13 corporations and other business entities doing business in the State.

14 (b) In conducting the study, the Office of the Comptroller and the Department of
15 Legislative Services shall review and evaluate the following:

16 (1) the imposition of combined reporting using the “water’s edge method”
17 under the corporate income tax for unitary groups of affiliated corporations;

18 (2) the experiences and outcomes of the states that have already
19 implemented combined reporting;

20 (3) the effects of implementing combined reporting on different industries;

21 (4) the imposition of other types of business taxes, in lieu of or in addition
22 to the current taxes imposed, including gross receipts taxes, value added taxes, and
23 alternative minimum taxes; and

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (5) improved methods for evaluation of the effectiveness and efficiency of
2 tax policies intended as economic development incentives.

3 (c) On or before December 15, 2026, the Office of the Comptroller and the
4 Department of Legislative Services shall report their findings and recommendations to the
5 Governor and, in accordance with § 2-1257 of the State Government Article, to the General
6 Assembly.

7 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
8 1, 2025.