

BY: Committee on Ways and Means

AMENDMENTS TO HOUSE BILL NO. 11

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in the sponsor line, strike “and Wood” and substitute “Wood, Barve, Bozman, Burns, Cadden, Cane, Clagett, Cole, Conway, D’Amato, DeCarlo, Donoghue, Finifter, Giannetti, Goldwater, Hammen, Hecht, Hubers, James, Kirk, Krysiak, Love, Moe, Ports, Riley, Rosso, Rudolph, Stern, and Weir”.

AMENDMENT NO. 2

On page 1, in line 6, after “State;” insert “requiring a manufacturing corporation to certify certain facts in filing its income tax return;”; in line 7, after “returns” insert “for certain taxable years”; in line 8, strike “each year” and substitute “in certain years”; and in line 9, after “Assembly;” insert “requiring the Comptroller, in consultation with the Department of Business and Economic Development, to adopt certain regulations;”.

AMENDMENT NO. 3

On page 2, in line 25, strike the comma; in the same line, strike ““MANUFACTURING CORPORATION””; strike in their entirety lines 26 through 30, inclusive, and substitute:

“1. “MANUFACTURING CORPORATION” MEANS A DOMESTIC OR FOREIGN CORPORATION WHICH IS PRIMARILY ENGAGED IN ACTIVITIES THAT, IN ACCORDANCE WITH THE NORTH AMERICAN INDUSTRIAL CLASSIFICATION SYSTEM (NAICS), UNITED STATES MANUAL, UNITED STATES OFFICE OF MANAGEMENT AND BUDGET, 1997 EDITION, WOULD BE INCLUDED IN SECTOR 11, 31, 32, OR 33; AND

2. “MANUFACTURING CORPORATION” DOES NOT INCLUDE A REFINER, AS DEFINED IN § 10-101 OF THE BUSINESS REGULATION ARTICLE.”;

(Over)

and strike in their entirety lines 31 through 37, inclusive.

AMENDMENT NO. 4

On page 3, strike lines 8 through 26 in their entirety and substitute:

“(III) IN FILING ITS TAX RETURN FOR EACH YEAR, A MANUFACTURING CORPORATION SHALL CERTIFY THAT THE NAICS CODE REPORTED ON ITS MARYLAND RETURN IS CONSISTENT WITH THAT REPORTED TO OTHER GOVERNMENT AGENCIES.

(IV) IF THE COMPTROLLER DETERMINES THAT A CORPORATION HAS SUBMITTED INFORMATION THAT INCORRECTLY CLASSIFIES THE CORPORATION AS A MANUFACTURING CORPORATION UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH, THE COMPTROLLER SHALL RECLASSIFY THE CORPORATION IN AN APPROPRIATE MANNER.

(V) THE COMPTROLLER, IN CONSULTATION WITH THE DEPARTMENT OF BUSINESS AND ECONOMIC DEVELOPMENT, SHALL ADOPT REGULATIONS NECESSARY TO CARRY OUT THE PROVISIONS OF THIS SUBSECTION.”;

in line 27, strike “(V)” and substitute “(VI)”; in the same line, strike “EACH YEAR” and substitute “A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2000 BUT BEFORE JANUARY 1, 2003”; and strike in their entirety lines 32 through 37, inclusive.

AMENDMENT NO. 5

On page 4, in lines 1, 5, 6, and 7, strike “4.”, “5.”, “6.” and “7.”, respectively, and substitute “1.”, “2.”, “3.”, and “4.”, respectively; in line 2, strike the first “THE” and substitute “SINGLE”; in the same line, after “FACTOR” insert “APPORTIONMENT METHOD”; in line 3, after the first “THE” insert “3-FACTOR DOUBLE WEIGHTED SALES FACTOR”; in the same line, strike “FIRST” and substitute “LAST”; in line 4, strike “AFTER” and substitute “BEFORE”; in line 6, after “WORLDWIDE;” insert “AND”; in line 8, strike the semicolon and substitute a period; strike in their entirety lines 9 through 15, inclusive; in line 16, strike “OF EACH YEAR” and substitute “2003 AND OCTOBER 1, 2004, AND NOTWITHSTANDING ANY CONFIDENTIALITY REQUIREMENTS”; in the same line, strike “(VI)” and substitute “(VII)”; in the same line, strike “1.”; in line 19, after “REPORT” insert “ON THE USE OF SINGLE SALES FACTOR APPORTIONMENT BY MANUFACTURING CORPORATIONS”; strike beginning with

“USING” in line 19 down through “YEAR” in line 29 and substitute “THAT PROVIDES, AT A MINIMUM:”

1. THE NUMBER OF CORPORATIONS FILING TAX RETURNS FOR THE TAXABLE YEAR THAT ENDED DURING THE PRECEDING CALENDAR YEAR THAT USE SINGLE SALES FACTOR APPORTIONMENT AND THE NUMBER OF SUCH CORPORATIONS HAVING A MARYLAND INCOME TAX LIABILITY FOR THAT TAXABLE YEAR;

2. THE NUMBER OF CORPORATIONS PAYING LESS IN MARYLAND INCOME TAX FOR THAT TAXABLE YEAR AS A RESULT OF USING SINGLE SALES FACTOR APPORTIONMENT AND THE AGGREGATE AMOUNT OF MARYLAND INCOME TAX SAVINGS FOR ALL SUCH CORPORATIONS FOR THAT TAXABLE YEAR AS A RESULT OF USING SINGLE SALES FACTOR APPORTIONMENT; AND

3. THE NUMBER OF CORPORATIONS PAYING MORE IN MARYLAND INCOME TAX FOR THE TAXABLE YEAR AS A RESULT OF USING SINGLE SALES FACTOR APPORTIONMENT AND THE AGGREGATE AMOUNT OF ADDITIONAL MARYLAND INCOME TAX OWED BY THOSE CORPORATIONS FOR THE TAXABLE YEAR AS A RESULT OF USING SINGLE SALES FACTOR APPORTIONMENT”.

AMENDMENT NO. 6

On page 5, in line 13, strike “2001” and substitute “2000”.