
By: **Delegate C. Davis**
Introduced and read first time: February 18, 2003
Assigned to: Rules and Executive Nominations

A BILL ENTITLED

1 AN ACT concerning

2 **Corporate Income Tax - Intercompany Pricing**

3 FOR the purpose of authorizing the Comptroller to distribute, apportion, or allocate
4 certain tax attributes between and among two or more organizations, trades, or
5 businesses under certain circumstances; providing for the application of this
6 Act; and generally relating to authorization for the Comptroller to distribute,
7 apportion, or allocate certain tax attributes between and among two or more
8 organizations, trades, or businesses under certain circumstances.

9 BY adding to
10 Article - Tax - General
11 Section 10-109
12 Annotated Code of Maryland
13 (1997 Replacement Volume and 2002 Supplement)

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

16 **Article - Tax - General**

17 10-109.

18 (A) THE COMPTROLLER MAY DISTRIBUTE, APPORTION, OR ALLOCATE GROSS
19 INCOME, DEDUCTIONS, CREDITS, OR ALLOWANCES BETWEEN AND AMONG TWO OR
20 MORE ORGANIZATIONS, TRADES, OR BUSINESSES, WHETHER OR NOT
21 INCORPORATED, WHETHER OR NOT ORGANIZED IN THE UNITED STATES, AND
22 WHETHER OR NOT AFFILIATED, IF:

23 (1) THE ORGANIZATIONS, TRADES, OR BUSINESSES ARE OWNED OR
24 CONTROLLED DIRECTLY OR INDIRECTLY BY THE SAME INTERESTS; AND

25 (2) THE COMPTROLLER DETERMINES THAT THE DISTRIBUTION,
26 APPORTIONMENT, OR ALLOCATION IS NECESSARY IN ORDER TO REFLECT AN ARM'S
27 LENGTH STANDARD, WITHIN THE MEANING OF § 1.482-1 OF THE REGULATIONS OF

1 THE INTERNAL REVENUE SERVICE OF THE U.S. TREASURY AND TO CLEARLY
2 REFLECT THE INCOME OF THOSE ORGANIZATIONS, TRADES, OR BUSINESSES.

3 (B) THE COMPTROLLER SHALL APPLY THE ADMINISTRATIVE AND JUDICIAL
4 INTERPRETATIONS OF § 482 OF THE INTERNAL REVENUE CODE IN ADMINISTERING
5 THIS SECTION.

6 SECTION 2. AND BE IT FURTHER ENACTED, That, except as otherwise
7 provided in this section, this Act shall take effect June 1, 2003 and shall be applicable
8 to any taxable year for which an assessment is not barred by the statute of
9 limitations.