

BY: Delegate B. Wilson

AMENDMENTS TO HOUSE BILL 1252
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 4, after “State” insert “, subject to a certain exception for certain electricity providers; authorizing certain electricity providers to make a certain election to use a certain formula when apportioning certain income to the State”.

AMENDMENT NO. 2

On page 2, in line 31, strike “**IF**” and substitute “**EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, IF**”; and after line 36, insert:

“(2) (I) IN THIS PARAGRAPH, “COMPETITIVE ELECTRICITY PROVIDER” MEANS A DOMESTIC OR FOREIGN CORPORATION:

1. THAT IS PRIMARILY ENGAGED IN THE BUSINESS OF PROVIDING ELECTRICITY, PROCURED THROUGH COMPETITION WITH OTHER ELECTRICITY PROVIDERS, TO THE WHOLESALE AND RETAIL ELECTRICITY MARKETS IN THE STATE; AND

2. WHOSE SALES TO WHOLESALE AND RETAIL ELECTRICITY MARKETS IN THE STATE ACCOUNT FOR GREATER THAN 50% OF THE SALES IN THE NUMERATOR OF ITS SALES FACTOR.

(II) IF A COMPETITIVE ELECTRICITY PROVIDER CARRIES ON ITS TRADE OR BUSINESS IN AND OUT OF THE STATE AND THE TRADE OR BUSINESS IS A UNITARY BUSINESS, THE COMPETITIVE ELECTRICITY PROVIDER MAY ELECT TO CALCULATE THAT PART OF ITS MARYLAND MODIFIED INCOME DERIVED FROM

(Over)

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

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

2. THE DENOMINATOR OF WHICH IS 4.

(III) THE ELECTION UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH:

1. SHALL BE MADE ON THE COMPETITIVE ELECTRICITY PROVIDER'S ORIGINAL AND TIMELY FILED TAX RETURN IN THE MANNER PRESCRIBED BY THE COMPTROLLER; AND

2. IS BINDING AND EFFECTIVE FOR A PERIOD OF 5 CONSECUTIVE TAXABLE YEARS AFTER THE TAXABLE YEAR IN WHICH THE ELECTION IS MADE.

(IV) UNLESS A COMPETITIVE ELECTRICITY PROVIDER RENEWS AN ELECTION UNDER THIS PARAGRAPH IN THE FIRST TAXABLE YEAR AFTER THE TAXABLE YEAR IN WHICH THE ELECTION EXPIRES, THE PROVIDER MAY NOT MAKE A NEW ELECTION UNTIL THE FOURTH TAXABLE YEAR AFTER THE TAXABLE YEAR IN WHICH THE PREVIOUS ELECTION EXPIRES."

On page 3, in line 8, strike "(2)" and substitute "(3)".

AMENDMENT NO. 3

On page 4, in line 15, after "(3)" insert a closing bracket; in line 16, strike the bracket and substitute "(3)"; and in line 17, strike "(3)" and substitute "(4)".