$\mathrm{Q3}$ $\mathrm{9lr}2989$ $\mathrm{CF}\,\mathrm{HB}\,361$

By: Senator McCray

Introduced and read first time: February 4, 2019

Assigned to: Budget and Taxation

A BILL ENTITLED

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ı	AN	\mathbf{ACT}	concerning
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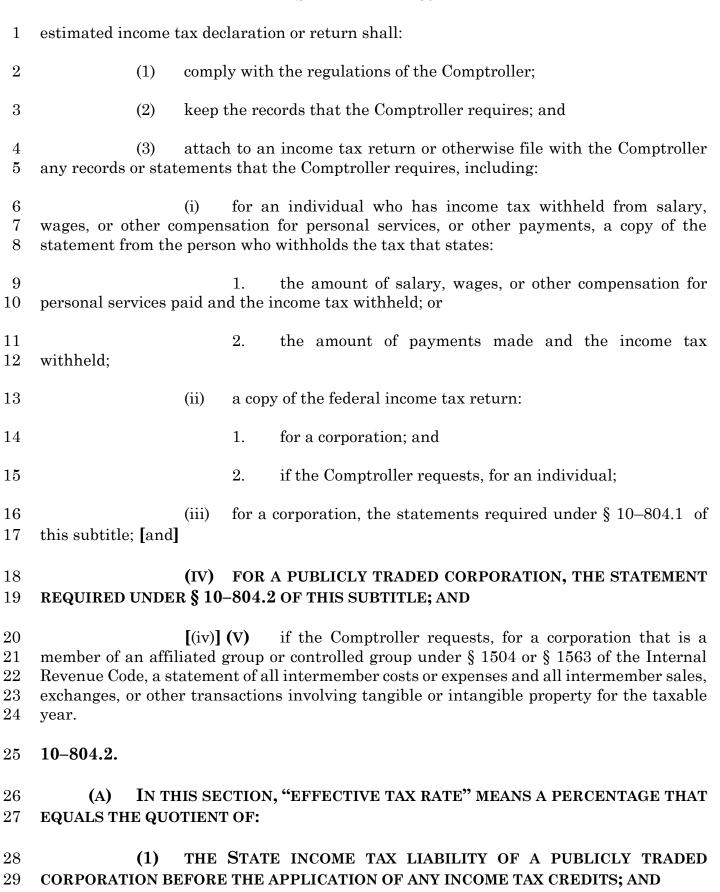
Effective Corporate Tax Rate Transparency Act of 2019

- 3 FOR the purpose of requiring certain corporations to attach to their Maryland income tax return a certain statement that includes certain information; requiring that the 4 5 statement be made under oath and signed in a certain manner, subject to audit by 6 the Comptroller, and treated as confidential taxpayer information; requiring the 7 Comptroller to collect and compile certain information and to submit a certain 8 annual report to the Governor and the General Assembly on or before a certain date; defining a certain term; providing for the application of this Act; and generally 9 relating to corporate income tax returns. 10
- 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 2018 Supplement)
- 16 BY adding to
- 17 Article Tax General
- 18 Section 10–804.2
- 19 Annotated Code of Maryland
- 20 (2016 Replacement Volume and 2018 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.

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(e) Each person required under this subtitle to file an income tax return or

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(2) THE BOOK INCOME OF THE CORPORATION:

1 2	(I) DETERMINED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES; AND
3 4	(II) AS ALLOCATED TO THE STATE UNDER SUBTITLE 4 OF THIS TITLE.
5 6 7	(B) A PUBLICLY TRADED CORPORATION THAT IS REQUIRED TO FILE AN INCOME TAX RETURN UNDER THIS TITLE SHALL ATTACH TO THE INCOME TAX RETURN A STATEMENT THAT:
8	(1) IDENTIFIES THE CORPORATION'S EFFECTIVE TAX RATE; AND
9 10	(2) INCLUDES AN ITEMIZED EXPLANATION OF HOW THE CORPORATION'S EFFECTIVE TAX RATE WAS CALCULATED.
11	(C) THE STATEMENT REQUIRED UNDER SUBSECTION (B) OF THIS SECTION:
12	(1) SHALL BE:
13 14	(I) MADE UNDER OATH AND SIGNED IN THE SAME MANNER AS REQUIRED FOR INCOME TAX RETURNS UNDER § 10–804 OF THIS SUBTITLE; AND
15 16 17	(II) SUBJECT TO AUDIT BY THE COMPTROLLER IN THE COURSE OF AND UNDER THE NORMAL PROCEDURES APPLICABLE TO CORPORATE INCOME TAX RETURN AUDITS; AND
18 19 20	(2) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, SHALL BE TREATED AS CONFIDENTIAL TAXPAYER INFORMATION SUBJECT TO TITLE 13, SUBTITLE 2 OF THIS ARTICLE.
21	(D) (1) THE COMPTROLLER SHALL:
22 23	(I) COLLECT AND COMPILE THE INFORMATION SUBMITTED UNDER THIS SECTION; AND
24 25 26 27	(II) ON OR BEFORE MARCH 1 EACH YEAR, SUBMIT A REPORT TO THE GOVERNOR AND, IN ACCORDANCE WITH § 2–1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL ASSEMBLY THAT IDENTIFIES THE AVERAGE EFFECTIVE TAX RATE FOR ALL PUBLICLY TRADED CORPORATIONS REQUIRED TO FILE THE

(2) THE REPORT REQUIRED UNDER PARAGRAPH (1)(II) OF THIS

STATEMENT UNDER SUBSECTION (B) OF THIS SECTION.

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- SUBSECTION SHALL INCLUDE THE AVERAGE EFFECTIVE TAX RATE OF PUBLICLY
- 2 TRADED CORPORATIONS BY VARIOUS CATEGORIES, INCLUDING BY:
- 3 (I) TYPES OF BUSINESS; AND
- 4 (II) VARIOUS MEASURES OF SIZE, SUCH AS INCOME, PAYROLL,
- 5 AND GROSS RECEIPTS.
- 6 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2019, and shall be applicable to all taxable years beginning after December 31, 2018.