



March 15, 2023

**Senate Bill 968**

**Income Tax - Captive Real Estate Investment Trusts -  
Alterations**

**Senate Budget & Taxation Committee**

**Position: FAVORABLE**

Anne Arundel County **SUPPORTS** Senate Bill 968 - Income Tax - Captive Real Estate Investment Trusts - Alterations. This legislation clarifies the captive Real Estate Investment Trust (REIT) rules in State law to mirror model legislation from the Multistate Taxation Commission (MTC).

In 2007, Maryland passed legislation to prevent national corporations from taking advantage of the Maryland tax code by forming captive REITs. The 2007 legislation provided an exemption for Australian-owned REITs. At the time, this included Unibail-Rodamco-Westfield, which owns Westfield shopping centers. Westfield operates three shopping center locations in Maryland, including one in Annapolis. In 2016, Westfield was sold to a French/Dutch REIT.

Maryland was ahead of other jurisdictions and adopted our legislation one year before the Multistate Taxation Commission (MTC) released model legislation for captive REITs in 2008. Senate Bill 968 will align Maryland law with the MTC model legislation and exempt all international REITs that meet stated standard, rather than only those that are Australian-owned. This clarity is essential when pursuing investors for new projects.

For all of these reasons, I respectfully request a **FAVORABLE** report on Senate Bill 968.

A handwritten signature in blue ink that reads "Stuart Pittman".

Stuart Pittman  
County Executive