

HB1252/113328/1

BY: Delegate B. Wilson

AMENDMENTS TO HOUSE BILL 1252  
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 5, after “provisions;” insert “authorizing certain corporations to claim a certain tax credit against the State income tax for a certain period of years under certain circumstances;”; and after line 11, insert:

“BY adding to

Article - Tax - General

Section 10-737

Annotated Code of Maryland

(2010 Replacement Volume and 2015 Supplement)”.

AMENDMENT NO. 2

On page 4, after line 18, insert:

“10-737.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “NET DEFERRED TAX ASSETS” MEANS DEFERRED TAX ASSETS THAT EXCEED THE DEFERRED TAX LIABILITY OF THE TAXPAYER, CALCULATED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

(3) “NET DEFERRED TAX LIABILITY” MEANS DEFERRED TAX LIABILITY THAT EXCEEDS THE DEFERRED TAX ASSETS OF THE TAXPAYER, CALCULATED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.

(Over)

**(B) A CORPORATION THAT IS A PUBLICLY TRADED COMPANY, INCLUDING AN AFFILIATED CORPORATION PARTICIPATING IN THE FILING OF THE PUBLICLY TRADED COMPANY'S FINANCIAL STATEMENTS, MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IF, AS A DIRECT RESULT OF COMPUTING MARYLAND MODIFIED INCOME UNDER § 10-402(C) OF THIS ARTICLE, THERE IS:**

**(1) AN AGGREGATE INCREASE TO THE TAXPAYER'S NET DEFERRED TAX LIABILITY;**

**(2) AN AGGREGATE DECREASE IN THE TAXPAYER'S NET DEFERRED TAX ASSETS; OR**

**(3) AN AGGREGATE CHANGE FROM A NET DEFERRED TAX ASSET TO A NET DEFERRED TAX LIABILITY.**

**(C) FOR THE TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 2016, AND ENDING ON DECEMBER 31, 2023, THE CREDIT UNDER THIS SECTION SHALL BE IN AN AMOUNT EQUAL TO ONE-SEVENTH OF THE AMOUNT NECESSARY TO OFFSET:**

**(1) AN INCREASE IN NET DEFERRED TAX LIABILITY;**

**(2) A DECREASE IN NET DEFERRED TAX ASSETS; OR**

**(3) AN AGGREGATE CHANGE FROM A NET DEFERRED TAX ASSET TO A NET DEFERRED TAX LIABILITY.**

**(D) (1) THE CREDIT UNDER THIS SECTION:**

(I) MAY NOT BE REDUCED FOR ANY REASON, INCLUDING ANY DISPOSITION OR ABANDONMENT OF ASSETS;

(II) SHALL BE CALCULATED WITHOUT REGARD TO THE FEDERAL TAX EFFECT; AND

(III) MAY NOT ALTER THE TAX BASIS OF ANY ASSET.

(2) IF THE CREDIT UNDER THIS SECTION IN ANY TAXABLE YEAR EXCEEDS THE STATE INCOME TAX FOR THAT TAXABLE YEAR, THE CORPORATION MAY APPLY THE EXCESS AS A CREDIT AGAINST THE STATE INCOME TAX FOR SUCCEEDING TAXABLE YEARS UNTIL THE FULL AMOUNT OF THE EXCESS IS USED.”.