

SENATE BILL 929

Q3

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By: **Senator Washington**

Introduced and read first time: February 15, 2019

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Income Tax – Subtraction Modification From Unrelated Business Taxable**
3 **Income – Employee Benefits**

4 FOR the purpose of providing a subtraction modification under the Maryland income tax
5 for certain expenses of certain tax exempt corporations that are required to be
6 included in the corporation's unrelated business taxable income; providing for the
7 application of this Act; and generally relating to a subtraction modification under
8 the Maryland income tax for expenses of tax exempt corporations.

9 BY repealing and reenacting, without amendments,
10 Article – Tax – General
11 Section 10–304(2) and 10–307(a)
12 Annotated Code of Maryland
13 (2016 Replacement Volume and 2018 Supplement)

14 BY adding to
15 Article – Tax – General
16 Section 10–307(e)
17 Annotated Code of Maryland
18 (2016 Replacement Volume and 2018 Supplement)

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

21 **Article – Tax – General**

22 10–304.

23 Except as provided in Subtitle 4 of this title, the Maryland modified income of a
24 corporation, including a real estate investment trust or regulated investment company, is:

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) if the corporation is exempt from taxation under § 501 of the Internal
2 Revenue Code, the sum for the taxable year of the corporation's unrelated business taxable
3 income, as defined under § 512 of the Internal Revenue Code, and its income that is subject
4 to tax under § 527(f)(1) of the Internal Revenue Code, as adjusted under this Part II of this
5 subtitle;

6 10-307.

7 (a) To the extent included in federal taxable income, the amounts under this
8 section are subtracted from the federal taxable income of a corporation to determine
9 Maryland modified income.

10 **(E) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES**
11 **THE AMOUNT INCLUDED IN A CORPORATION'S UNRELATED BUSINESS TAXABLE**
12 **INCOME UNDER § 512(A)(7) OF THE INTERNAL REVENUE CODE.**

13 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July
14 1, 2019, and shall be applicable to all taxable years beginning after December 31, 2018.