

# SENATE BILL 205

Q3  
SB 400/16 – B&T

7lr2039

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By: **Senator Serafini**

Introduced and read first time: January 19, 2017

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Corporate Income Tax – Federal Repatriation Holiday**

3 FOR the purpose of providing a subtraction modification under the Maryland corporate  
4 income tax for certain dividends included in federal taxable income as a result of a  
5 certain repatriation holiday enacted by certain federal legislation; requiring the  
6 Comptroller to provide for the administration of this Act if certain federal legislation  
7 is enacted; stating the intent of the General Assembly; providing for the application  
8 of this Act; and generally relating to an income tax subtraction modification for  
9 certain dividends.

10 BY repealing and reenacting, without amendments,  
11 Article – Tax – General  
12 Section 10–307(a)  
13 Annotated Code of Maryland  
14 (2016 Replacement Volume)

15 BY adding to  
16 Article – Tax – General  
17 Section 10–307(e)  
18 Annotated Code of Maryland  
19 (2016 Replacement Volume)

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

22 **Article – Tax – General**

23 10–307.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



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

4 (E) (1) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION  
5 INCLUDES DIVIDENDS RECEIVED BY A CORPORATION FROM A CONTROLLED  
6 FOREIGN CORPORATION IF THE DIVIDENDS ARE INCLUDED IN FEDERAL TAXABLE  
7 INCOME AS PART OF A REPATRIATION HOLIDAY UNDER § 965 OF THE INTERNAL  
8 REVENUE CODE OR ANOTHER SIMILAR PROVISION OF THE INTERNAL REVENUE  
9 CODE.

10 (2) THE COMPTROLLER SHALL PROVIDE FOR THE ADMINISTRATION  
11 OF THIS SUBSECTION IF FEDERAL LEGISLATION IS ENACTED ESTABLISHING A  
12 REPATRIATION HOLIDAY FOR THE DIVIDENDS DESCRIBED IN PARAGRAPH (1) OF  
13 THIS SUBSECTION.

14 SECTION 2. AND BE IT FURTHER ENACTED, That it is the intent of the General  
15 Assembly that, if federal legislation is enacted that provides for favorable income tax  
16 treatment for corporate profits from outside the country that are brought back into the  
17 United States, the profits may not be taxable under the Maryland corporate income tax.

18 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July  
19 1, 2017, and shall be applicable to all taxable years beginning after December 31, 2016.