

Maryland Business Tax Reform Commission Issues

- Adopt combined reporting?
 - Definition of “unitary group”
 - Level of ownership required (50%, 80%, or other)
 - Specific functional integration definition
 - Exclude specific types of entities
 - Include specific types of entities
 - Water’s edge or worldwide reporting
 - Affiliated group election
 - Term of election
 - Joyce or Finnigan
 - Allow credits and NOLs to be shared among group members
 - Disallow effect of activity of non-nexus members prior to the start of combined reporting
 - Effective date
 - Allow subtraction for effect of combined reporting on financial statements
 - Reduce corporate income tax rate
 - Maintain special apportionment formulas
 - Require electronic filing
- Require throwback?
- Require throwout?
- Adopt gross receipts tax (in lieu of or in addition to current taxes)?
 - Incorporate deductions (cost of goods sold, percent of gross receipts, etc.)
 - Filing threshold
 - Different rates for different industries
- Adopt alternative minimum tax (in lieu of or in addition to current taxes)?
- Adopt value added tax (in lieu of or in addition to current taxes)?
- Require 100% allocation of nonoperational income?
- Change tax rates?
- Broaden sales tax base?
- Find methods to better measure the effectiveness and efficiency of tax credits?
 - Require credits to be claimed in a specific sequence
 - Capture more data fields on the 500 CR
 - Require additional information on the 500 CR
 - Require electronic filing to claim credits
 - Require other agencies to share data with the Comptroller’s office related to credit certification
 - Include independent experts from within and without the State in the study

- Require regular sunset studies of credits, including recommendation whether or not to allow credits to sunset
- Eliminate ineffective or inefficient tax policies intended as economic development incentives?
- Adopt Streamlined Sales and Use Tax Agreement?
- Allow credit for taxes paid to other states to apply against local income tax portion of personal income tax?
- Single sales apportionment for all corporations?
- Graduated corporate income tax rates?
- Provide counties enhanced authority in authorizing property tax credits?