

# SENATE BILL 336

Q3, Q7

0lr2143  
CF HB 395

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By: **Senators King, Currie, Harrington, Lenett, McFadden, Pinsky, and Raskin**

Introduced and read first time: January 28, 2010

Assigned to: Budget and Taxation

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Committee Report: Favorable

Senate action: Adopted

Read second time: March 10, 2010

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Maryland Business Tax Reform Commission – Reporting Requirements**

3 FOR the purpose of repealing a requirement that the Maryland Business Tax Reform  
4 Commission submit an interim report of its findings and recommendations to  
5 the Governor and General Assembly by a certain date; altering the due date for  
6 the Commission to submit a final report; and generally relating to the Maryland  
7 Business Tax Reform Commission.

8 BY repealing and reenacting, with amendments,  
9 Article – Tax – General  
10 Section 10–110  
11 Annotated Code of Maryland  
12 (2004 Replacement Volume and 2009 Supplement)

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

15 **Article – Tax – General**

16 10–110.

17 (a) There is a Maryland Business Tax Reform Commission.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike-out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1           (b)   (1)   The Commission shall review and evaluate the State's current  
2 business tax structure and make specific recommendations for changes to the State's  
3 business tax structure to provide for fair and equitable taxation for all corporations  
4 and other business entities doing business in the State.

5           (2)   The Commission's recommendations may include, without  
6 limitation, changes such as tax rate changes, tax base broadening measures, measures  
7 to address tax avoidance strategies, and elimination of ineffective or inefficient tax  
8 policies intended as economic development incentives.

9           (3)   The Commission's study shall include, at a minimum, a review and  
10 evaluation of the following options for business tax reform:

11                   (i)   the imposition of combined reporting using the "water's edge  
12 method" under the corporate income tax for unitary groups of affiliated corporations;

13                   (ii)   the imposition of other types of business taxes, in lieu of or  
14 in addition to the current taxes imposed, including gross receipts taxes, value added  
15 taxes, and alternative minimum taxes; and

16                   (iii)   improved methods for evaluation of the effectiveness and  
17 efficiency of tax policies intended as economic development incentives.

18           (c)   The Commission shall be composed of 19 members, as follows:

19                   (1)   a chair, appointed by the Governor;

20                   (2)   three members of the Senate Budget and Taxation Committee,  
21 appointed by the President of the Senate;

22                   (3)   three members of the House Committee on Ways and Means,  
23 appointed by the Speaker of the House;

24                   (4)   the Comptroller of the Treasury, or the Comptroller's designee;

25                   (5)   the Secretary of Business and Economic Development, or the  
26 Secretary's designee;

27                   (6)   the Secretary of Budget and Management, or the Secretary's  
28 designee;

29                   (7)   the Director of the State Department of Assessments and Taxation,  
30 or the Director's designee;

31                   (8)   a representative of the Maryland Association of Counties;

32                   (9)   a representative of the Maryland Municipal League;

1 (10) a representative of the Maryland Chamber of Commerce;

2 (11) a representative of the Greater Baltimore Committee;

3 (12) a representative of an organization that represents Maryland  
4 manufacturers, appointed by the Governor; and

5 (13) three members of the public, each of whom shall be an attorney at  
6 law or an accountant knowledgeable about the State’s business tax structure,  
7 appointed by the Governor.

8 (d) The Comptroller and the Department of Budget and Management shall  
9 provide staff support to the Commission.

10 (e) A member of the Commission:

11 (1) may not receive compensation; but

12 (2) is entitled to reimbursement for expenses under the Standard  
13 State Travel Regulations, as provided in the State budget.

14 (f) On or before December 15, 2010, [the Commission shall submit an  
15 interim report of its findings and recommendations to the Governor and, in accordance  
16 with § 2–1246 of the State Government Article, to the General Assembly.

17 (g) On or before December 15, 2011,] the Commission shall submit a final  
18 report of its findings and recommendations to the Governor and, in accordance with §  
19 2–1246 of the State Government Article, to the General Assembly.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
21 July 1, 2010.

Approved:

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Governor.

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President of the Senate.

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Speaker of the House of Delegates.