

CHAPTER 656

(House Bill 260)

AN ACT to add new Section 279(m) to Article 81 of the Annotated Code of Maryland (1967 Supplement), title "Revenue and Taxes," subtitle "Income Tax," to follow immediately after Section 279(1) thereof, and to repeal and re-enact, with amendments, Sections 280(a), 280(b), 280(c), 280A, 281(A), and 283(a) of said Article, title, and subtitle, and to repeal Section 313(a) of said Article, (1967 Supplement), title, and subtitle, and to repeal Section 316 of said Article, (1965 Replacement Volume), title, and subtitle, and enact new Section 316 to stand in the place of the section repealed, providing generally for the determination of taxable net income of individuals and net income of corporations, effective for taxable years ending after December 31, 1966, by clarifying the reference to the laws of the United States, the modifications with respect to the net operating loss deduction, the modifications with respect to income and distributions from Subchapter "S" corporations, the modifications with respect to long-term capital gain income, and the modification for refunds of State and local income taxes, and by eliminating a superfluous provision for determination of the income tax of beneficiaries, defining "resident" and providing generally for the determination of resident status for purposes of local income tax effective for taxable years ending after December 31, 1966; and revising and providing generally for the allocation of corporate net income to this State, including definitions and promulgation of regulations by the Comptroller; and declaring this Act to be an emergency measure.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That new Section 279(m) be and it is hereby added to Article 81 of the Annotated Code of Maryland (1967 Supplement), title "Revenue and Taxes," subtitle "Income Tax," to follow immediately after Section 279(1) thereof; and Sections 280(a), 280(b), 280(c), 280A, 281(A), and 283 of said Article (1967 Supplement), title, and subtitle, be and they are hereby repealed and re-enacted, with amendments, and Section 313(a) of said Article (1967 Supplement), title, and subtitle be and it is hereby repealed, and Section 316 of said Article (1965 Replacement Volume) be and it is hereby repealed, and new Section 316 enacted to stand in the place of the section repealed, and all to read as follows:

ARTICLE 81

REVENUE AND TAXES

279.

(m) *"Commercial domicile" means the principal place from which the trade or business of the taxpayer is directed or managed.*

280.

(a) The taxable net income of an individual taxpayer of this State shall be that taxpayer's federal adjusted gross income as defined in the laws of the United States, *as amended from time to time*