

Income/Franchise:

Maryland: New Law Narrows Definition of “Captive REIT” Subject to Dividends Paid Deduction Addback

S.B. 968, signed by gov. 5/8/23. New law narrows the definition of a captive real estate investment trust (“Captive REIT”) subject to Maryland’s income tax addition modification in the amount of the federal dividends paid deduction for Captive REITs by excluding, under certain circumstances, corporations, trusts, or associations owned or controlled by certain qualified foreign entities and certain trusts owned or controlled by a listed Australian property trust. The revisions are based on provisions of the Multistate Tax Commission’s (MTC’s) Proposed Model Statute for Taxation of Captive Real Estate Investment Trusts as amended by the MTC’s Executive Committee on January 3, 2008. Please contact us with any questions.

URL: <https://mgaleg.maryland.gov/mgaweb/Legislation/Details/SB0968>

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