

FORM
500A MARYLAND
CALCULATION OF CORPORATION
MODIFIED INCOME



2010

For fiscal year beginning _____ 2010, ending _____

Corporation Name
FEIN

Important Note: Maryland Form 500 must be filled out prior to using this form. See instructions for corporations required to file this form.

BACKGROUND FIGURES

- A. Enter the Maryland Modified Income from Form 500, line 5. (Enter losses as a negative) . . . A. _____
- B. Enter accumulated NOL according to your NOL Schedule B. _____

ADJUSTMENTS: Form 500, Line 1

*Entries 2 through 6 must be entered as a positive amount

- 1. Federal Taxable Income
(Enter amount exactly as it appears on the federal Form 1120, line 28)
(Enter losses as a negative) 1. _____
- 2. Special Deductions (federal Form 1120, line 29b). 2. _____
- 3. Section 10-306.1 related party transactions (Form 500, line 2d). 3. _____
- 4. Section 10-306.1 related party transactions (Form 500, line 4d). 4. _____
- 5. Decoupling Modification Addition adjustment (See instructions). 5. _____
- 6. Decoupling Modification Subtraction adjustment (See instructions) 6. _____
- 7. Adjusted Federal Taxable Income before NOL and FDSC are applied
(Line 1 + Line 3 + Line 5 - Line 2 - Line 4 - Line 6). 7. _____

NET ADDITION CALCULATIONS (See Form 500 for instructions)

*Entries 8 through 14 must be entered as a positive amount

- 8. Form 500 Addition Modifications
 - a. State and local income tax (Form 500, line 2a). 8a. _____
 - b. Dividends and interest from another state, local or federal tax-exempt obligation
(Form 500, line 2b) b. _____
 - c. Net operating loss modification (Do not enter NOL carryover)(Form 500, line 2c) c. _____
 - d. Domestic Production Activities Deduction (Form 500, line 2e)d. _____
 - e. Deduction for dividends paid by Captive REIT (Form 500, line 2f) e. _____
 - f. Other additions
(Exclude Decoupling Modification Adjustments, see instructions).f. _____
- 9. Total Addition Modifications (Add lines 8a through 8f). 9. _____
- 10. Maryland Subtraction Modifications (See Form 500, for instructions)
 - a. Income from U.S. Obligations (Form 500, line 4c) 10a. _____
 - b. Other Subtractions (Exclude Decoupling Modification Adjustments, see instructions). b. _____
- 11. Total Subtraction Modifications (Add lines 10a and 10b). 11. _____
- 12. Net Addition Modification (NAM) excluding FDSC Modification
(Subtract line 11 from line 9; if less than 0, enter 0) 12. _____



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- 13. Foreign Dividend Subtraction Modification
(See Form 500, or Administrative Release 18 for instructions)
 - a. Dividends for domestic corporations claiming foreign tax credits
(Form 500, line 4a) 13a. _____
 - b. Dividends from related foreign corporations (Form 500, line 4b) b. _____
 - 14. Total Foreign Dividends Subtraction (Add lines 13a and 13b). 14. _____
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ADJUSTMENT CALCULATIONS

- 15. Adjusted Federal Taxable Income before NOL and FDSC are applied
(Enter the amount from line 7 of this form) 15. _____
- 16. Foreign Dividend Subtraction Carry forward (FDSC)
(Subtract line 12 from line 14; if less than 0, enter 0) 16. _____
- 17. Adjusted Federal Taxable Income before NOL is applied
(Subtract line 16 from line 15) 17. _____
- 18. NOL Utilized
(If line 17 is less than or equal to 0, enter 0; if line 17 is greater than 0 and greater
than line B, enter the amount from line B; if line 17 is greater than 0 and less than
line B, enter the amount from line 17) 18. _____
- 19. Adjusted Federal Taxable Income (Subtract line 18 from line 17) 19. _____
- 20. Maryland Modified Adjustments (Net) (Line 9 + Line 16 - Line 11 - Line 14). 20. _____
- 21. Maryland Modified Income (Add lines 19 and 20) 21. _____
- 22. Subtract Line A from Line 21, enter the result on Line 22
* If line 22 is greater than 0, add the result to any existing amount on Form 500,
line 2g with code letter "H" in the code letter box.
* If line 22 is less than 0, add the result to any existing amount on Form 500,
line 4e with code letter "O" in the code letter box.
. 22. _____

MARYLAND CALCULATION OF CORPORATE
MODIFIED INCOME INSTRUCTIONS

Purpose of Form

The purpose of this form is to calculate an adjustment on Maryland Form 500 for corporations that have modifications related to one or more of the following: decoupling, Tax-General Section 10-306.1 related party transactions, or foreign dividend subtractions.

General Instructions

You must complete Form 500 through line 5 before completing Form 500A. Form 500A is required for corporations who have an amount on one or more of the following lines from Form 500: line 2d, line 2g [when the entry is the result of decoupling (codes: e, f, cd, dm, and dp)], line 4a, line 4b, line 4d, line 4e [when the entry is a result of decoupling (codes: j, k, cd, dm, and dp)].

A corporation that only has a federal net operating loss (NOL) without any of the aforementioned items is not required to complete and attach Form 500A.

Specific Instructions

Background Figures

Line A Enter the Maryland Modified Income from Maryland Form 500, line 5.

Line B Enter accumulated NOL according to your NOL Schedule. Enter any available NOL that can be used to offset taxable income.

Form 500, Line 1 Adjustments

Line 1 Enter the amount on federal Form 1120, line 28. If line 28 is a negative amount, enter it as a negative amount.

Line 2 Special Deductions on federal Form 1120, line 29b.

Line 3 Enter Section 10-306.1 related party transactions that were added back on the Form 500, line 2d.

Line 4 Enter Section 10-306.1 related party transactions that were subtracted on the Form 500, line 4d.

Line 5 Enter only the amount from Form 500, line 2g that is attributable to amounts from Form 500DM; represented by addition modifications code letters e, f, cd, dm, dp.

Line 6 Enter only the amount from Form 500, line 4e that is attributable to amounts from Form 500DM; represented by subtraction modification code letters j, k, cd, dm, dp.

Line 7 Add the amounts on lines 1, 3, and 5; then subtract the sum of lines 2, 4, and 6. Enter the result on line 7.

Form 500, Net Addition Calculations

Line 8 (a through f) Enter the values from Form 500 on lines 8a through 8e; for 8f enter the amount from Form 500, line 2g excluding decoupling modifications.

*DO NOT INCLUDE THE DECOUPLING ADDITION MODIFICATION ON LINE 8F

*DECOUPLING ADDITION MODIFICATION SHOULD ONLY BE ENTERED ON LINE 5

Line 9 Add lines 8a through 8f; enter the result on line 9.

Line 10 a. Enter the amounts from Form 500.

b. Enter the amount from Form 500, line 4e excluding decoupling modifications.

*DO NOT INCLUDE THE DECOUPLING MODIFICATION SUBTRACTION ON LINE 10B

*DECOUPLING SUBTRACTION MODIFICATION SHOULD ONLY BE ENTERED ON LINE 6

Line 11 Add lines 10a and 10b; enter the result on line 11.

Line 12 Subtract line 11 from line 9; enter the result on line 12. If less than or equal to 0, enter 0 on line 12.

Lines 13 (a and b) Enter the values from Form 500.

Line 14 Add lines 13a and 13b; enter the result on line 14.

Adjustment Calculations

Line 15 Enter the amount from line 7 on line 15.

Line 16 Subtract line 12 from line 14; enter the result on line 16. If less than or equal to 0, enter 0 on line 16.

Line 17 Subtract line 16 from line 15; enter the result on line 17.

Line 18 If line 17 is less than or equal to 0, enter 0 on line 18.

If line 17 is greater than 0; follow steps 1 and 2.

Step 1: If line B is greater than the amount on line 17, enter the amount from line 17 on line 18.

Step 2: If line B is less than the amount on line 17, enter the amount from line B on line 18.

Line 19 Subtract line 18 from line 17; enter the result on line 19.

Line 20 Add the amounts from lines 9 and 16; then subtract the sum of lines 11 and 14. Enter the result on line 20.

Line 21 Add line 19 and line 20.

Line 22 Subtract line A from line 21; enter the result on line 22.

- If the result is greater than 0; add the result to any existing amount on Form 500, line 2g, and put code "H" in the addition code letter box.

- If the result is less than 0; add the result to any existing amount on Form 500, line 4e, and put code "O" in the subtraction code letter box.

****AFTER MAKING THIS ADJUSTMENT ON FORM 500, THE NEW TOTAL ON FORM 500, LINE 5 SHOULD EQUAL THE AMOUNT ON FORM 500A, LINE 21****