

For fiscal year beginning \_\_\_\_\_ 2011, ending \_\_\_\_\_

Corporation Name	FEIN
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**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**

\*Entries B and C must be entered as a positive amount

- 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. \_\_\_\_\_
- C. Enter charitable contributions (federal Form 1120, line 19 or Form 1120-C, line 17) . . . . . C. \_\_\_\_\_

**ADJUSTMENTS: Form 500, Line 1**

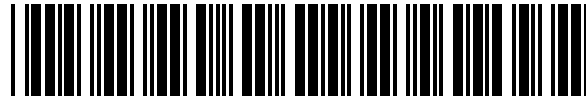
\*Entries 2 through 6 must be entered as a positive amount

- 1. Federal Taxable Income (Enter amount from federal Form 1120, line 28 or Form 1120-C, line 25 less line 26a) . . . . . 1. \_\_\_\_\_
- 2. Special Deductions (federal Form 1120, line 29b or Form 1120-C, line 26c) . . . . . 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 MODIFICATION 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 (see Note of instruction)
  - 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, 8b, 8d, 8e and 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. Total additions less subtractions, excluding FDSC Modification (Subtract line 11 from line 9; if less than 0, enter 0) . . . . . 12. \_\_\_\_\_



- 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. \_\_\_\_\_

**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 Carryforward (FDSC)  
(Subtract line 14 from line 12; if greater than zero, enter 0) . . . . . 16. \_\_\_\_\_
- 17. Federal charitable deduction limitation . . . . . 17. \_\_\_\_\_
- 18. Adjusted Federal Taxable Income before NOL is applied  
(Add lines 15, 16 and 17). . . . . 18. \_\_\_\_\_
- 19. NOL Utilized  
(If line 18 is less than or equal to 0, enter 0; if line 18 is greater than 0 and greater than line B, enter the amount from line B; if line 18 is greater than 0 and less than line B, enter the amount from line 18). . . . . 19. \_\_\_\_\_
- 20. Adjusted Federal Taxable Income (Subtract line 19 from line 18). . . . . 20. \_\_\_\_\_
- 21. Maryland Modified Adjustments (Net) (Line 9 - Line 16 - Line 11 - Line 14) . . . . . 21. \_\_\_\_\_
- 22. Maryland Modified Income (Add lines 20 and 21). . . . . 22. \_\_\_\_\_
- 23. Subtract Line A from Line 22, enter the result on Line 23  
\* If result 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 result 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.  
. . . . . 23. \_\_\_\_\_

**INFORMATIONAL PURPOSES ONLY (lines 24 through 27)**

- 24. NAM generated in current year (carried forward or back with NOL on line 26) . . . . . 24. \_\_\_\_\_
- 25. FDSC generated in current year (converts to NOL) . . . . . 25. \_\_\_\_\_
- 26. NOL generated in current year (carry forward 20 years and back 2 years) . . . . . 26. \_\_\_\_\_
- 27. Total NOL carryforward (includes lines 25, 26 and the remaining accumulated NOL) . . 27. \_\_\_\_\_

**FORM 500A 2011 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.

Use this form if you file federal Form 1120 or 1120-C.

**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.

When completing Form 500 lines 1 through 5, do not take any NOL deduction on Form 500 line 1 or recapture any NAM on Form 500 line 2c. Utilization of NOL carryforward or carryback should be applied against line 18 of Form 500A, Adjusted Federal Taxable Income, and reported on line 19 of Form 500A. Recapture of NAM should be included on line 2c of Form 500, after completing Form 500A. See Note of line 8's instruction below.

**Specific Instructions**

**Background Figures**

- Line A Enter the Maryland Modified Income from Maryland Form 500, line 5.
- Line B Enter the federal NOL carryforward from previous tax years (including FDSC carryforward) on a separate company basis.
- Line C Enter charitable contributions from line 19 of federal Form 1120, or line 17 of federal Form 1120-C.

**Form 500, Line 1 Adjustments**

- Line 1 Enter the amount on federal Form 1120, line 28 or Form 1120-C, line 25 less line 26a.
- Line 2 Special Deductions on federal Form 1120, line 29b or Form 1120C, line 26c.
- 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

Note: NAM recapture per Tax-General Article, Section 10-205(e). If applicable, determine the net addition modification (NAM) to be recaptured on line 2c of the Maryland Form 500 based on NOL utilized on line 19 of this form, Form 500A. Enter the NAM recapture amount on line 2c of Form 500 at the same time you are adjusting Form 500 with the calculation from line 23 of this form.

- 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.
- Line 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 If line 14 is less than line 12, enter 0; else subtract line 14 from line 12.
- Line 17 Enter 10% of the sum of line C, line 1 and line 8d (domestic production activities deduction). If result is greater than or equal to line C, enter 0; else subtract the 10% result from line C.
- Line 18 Add lines 15,16 and 17; enter the result on line 18.
- Line 19 If line 18 is less than or equal to 0, enter 0.  
 If line 18 is greater than 0; follow steps 1 and 2.  
 Step 1: If line B is greater than the amount on line 18, enter the amount from line 18 on line 19.  
 Step 2: If line B is less than the amount on line 18, enter the amount from line B on line 19.
- Line 20 Subtract line 19 from line 18; enter the result here.
- Line 21 Subtract lines 11, 14 and 16 from line 9. Enter the result here.
- Line 22 Add line 20 and line 21.
- Line 23 Subtract line A from line 22; enter the result here.  
 • 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.

**Informational Purposes Only**

- Line 24 If line 18 is less than 0 and line 12 less line 14 is greater than 0, subtract line 14 from line 12, else enter 0.
- Line 25 If line 18 is less than 0, enter the greater line 16 and line 18, else enter 0.
- Line 26 If line 18 is less than 0, subtract line 25 from line 18 and enter the result on line 28, else enter 0.
- Line 27 Subtract line B from line 19, 25 and 26.