

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. \_\_\_\_\_



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

**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\*\***