

HOUSE COMMITTEE OF REFERENCE AMENDMENT

Committee on Finance.

HB24-1134 be amended as follows:

1 Amend printed bill, page 15, line 14, strike "(9);" and substitute
2 "(10)(b)(II) and (10)(b)(III);".

3 Page 15, line 17, strike "(9) (a) (I) FOR".

4 Page 15, strike lines 18 through 27.

5 Page 16, strike lines 1 and 2 and substitute:

6 "(10) As used in this subsection (10), "foreign source income"
7 means taxable income from sources without the United States, as used in
8 section 862 of the internal revenue code. In apportioning and allocating
9 income pursuant to section 39-22-303.5, 39-22-303.6, or 39-22-303.7,
10 foreign source income shall be considered only to the extent provided in
11 this subsection (10):

12 (b) (II) For income tax years commencing prior to January 1,
13 2000, the amount to be excluded ~~shall be~~ IS determined by multiplying the
14 foreign source income by a fraction, the numerator of which is the total
15 of taxes paid or accrued to foreign countries and United States
16 possessions by or on behalf of the C corporation pursuant to section 901
17 ~~or 902~~ of the internal revenue code, deemed paid pursuant to section ~~902~~
18 ~~or~~ 960 of the internal revenue code for the tax year, or carried over or
19 carried back to such tax year pursuant to section 904 (c) of the internal
20 revenue code. The denominator of said fraction shall be forty-six percent
21 of the foreign source income.

22 (III) For income tax years commencing on or after January 1,
23 2000, the amount to be excluded ~~shall be~~ IS determined by multiplying the
24 foreign source income by a fraction, the numerator of which is the total
25 of taxes paid or accrued to foreign countries and United States
26 possessions by or on behalf of the C corporation pursuant to section 901
27 ~~or 902~~ of the internal revenue code, deemed paid pursuant to section ~~902~~
28 ~~or~~ 960 of the internal revenue code for the tax year, or carried over or
29 carried back to such tax year pursuant to section 904 (c) of the internal
30 revenue code. The denominator of said fraction shall be the same
31 percentage as the effective federal corporate income tax rate multiplied
32 by the foreign source income. As used in this subsection (10), "effective
33 federal corporate income tax rate" means the taxpayer's federal corporate
34 income tax calculated in accordance with section 11 (a) and (b) of the
35 internal revenue code for such tax year divided by the taxpayer's federal
36 taxable income."

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