

SB0945/939338/1

BY: Budget and Taxation Committee

AMENDMENT TO SENATE BILL 945

(First Reading File Bill)

On page 1, in the sponsor line, after “Madaleno,” insert “Kramer,”; and in line 18, strike the first comma and substitute “:

(1)”.

On page 2, in lines 1, 3, and 4, strike “(1)”, “(2)”, and “(3)”, respectively, and substitute “(I)”, “(II)”, and “(III)”, respectively; in line 3, strike “PUBLICLY TRADED” and substitute “REGULARLY TRADED ON AN ESTABLISHED SECURITIES MARKET”; in line 5, strike “ARE” and substitute “, AT ANY TIME DURING THE LAST HALF OF THE TAXABLE YEAR, IS”; in line 6, strike “PERSON OTHER THAN:” and substitute “ENTITY THAT IS SUBJECT TO THE PROVISIONS OF SUBCHAPTER C OF CHAPTER 1 OF THE INTERNAL REVENUE CODE; AND”; and after line 6, insert:

“(2) “CAPTIVE REIT” DOES NOT INCLUDE:

(I) A CORPORATION, TRUST, OR ASSOCIATION MORE THAN 50% OF THE VOTING POWER OR VALUE OF THE BENEFICIAL INTEREST OR SHARES OF WHICH, AT ANY TIME DURING WHICH THE CORPORATION, TRUST, OR ASSOCIATION SATISFIES ITEM (1)(III) OF THIS SUBSECTION, IS OWNED OR CONTROLLED, DIRECTLY OR INDIRECTLY, BY:”;

in line 7, strike “(I)” and substitute “1.”; in the same line, after “TRUST” insert “OTHER THAN A REAL ESTATE INVESTMENT TRUST DESCRIBED IN ITEM (1) OF THIS SUBSECTION”; in the same line, strike “OR”; strike in their entirety lines 8 and 9 and substitute:

(Over)

“2. A PERSON EXEMPT FROM TAXATION UNDER § 501 OF THE INTERNAL REVENUE CODE; OR

3. A LISTED AUSTRALIAN PROPERTY TRUST; OR

(II) SUBJECT TO REGULATIONS THAT THE COMPTROLLER ADOPTS, A REAL ESTATE INVESTMENT TRUST THAT IS INTENDED TO BECOME REGULARLY TRADED ON AN ESTABLISHED SECURITIES MARKET AND THAT SATISFIES THE REQUIREMENTS OF § 856(A)(5) AND (6) OF THE INTERNAL REVENUE CODE BY REASON OF § 856(H)(2) OF THE INTERNAL REVENUE CODE.”;

and after line 14, insert:

“(C) FOR PURPOSES OF THIS SECTION, THE CONSTRUCTIVE OWNERSHIP RULES PRESCRIBED UNDER § 318(A) OF THE INTERNAL REVENUE CODE, AS MODIFIED BY § 856(D)(5) OF THE INTERNAL REVENUE CODE, SHALL APPLY IN DETERMINING THE OWNERSHIP OF STOCK, ASSETS, OR NET PROFITS OF ANY PERSON.”.