

H.B. 200
ADDITION TO INCOME REVISIONS

Senator **Lincoln Fillmore** proposes the following amendments:

1. *Page 3, Lines 70 through 82:*

70 (12) any deduction on a return filed under this chapter for a royalty or other expense
71 [~~paid to a captive insurance company~~] that a corporation pays to an entity related by common
72 ownership for the use of an intangible asset where the intangible asset is owned by the [~~captive~~
73 ~~insurance company and used, in exchange for a royalty or other fee, by an entity related by~~
74 ~~common ownership to the captive insurance company:~~] entity related by common ownership
75 unless the corporation can demonstrate to the satisfaction of the commission or a court on
76 judicial review in accordance with Section 59-1-602 or Title 63G, Chapter 4, Part 4, Judicial
77 Review, that :

(a) for the same taxable year, the entity related by common ownership is subject to
78 income taxes on the royalty or other expense:

{(a)} (i) under this chapter;

{(b)} (ii) under the laws of another state; or

{(c)} (iii) by a foreign government that has in force an income tax treaty with the United

82 States ; or

(b) if Subsection (12)(a) does not apply, the corporation paying the royalty or other expenses never
owned the intangible asset.