

CHAPTER 140

(Senate Bill 210)

AN ACT concerning

Franchise Tax - Tax Increment Financing Bonds

FOR the purpose of requiring that tax increment financing bonds shall be included in the net earnings of financial institutions, savings banks, and savings and loan associations for purposes of measuring the State franchise tax; providing for the effective date of this Act; and providing for the application of this Act to certain taxable years of financial institutions, savings banks, and savings and loan associations.

BY repealing and reenacting, with amendments,

Article 41 - Governor - Executive and Administrative  
Departments  
Section 266JJ-11  
Annotated Code of Maryland  
(1982 Replacement Volume and 1985 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article 41 - Governor - Executive and Administrative  
Departments

266JJ-11.

The principal amount of the bonds, the interest payable thereon, their transfer, and any income derived therefrom, including any profit made in the sale or transfer thereof, shall be exempt from taxation by the State of Maryland and by the several counties and municipalities of this State [and may not] BUT SHALL be included, TO THE EXTENT REQUIRED BY ARTICLE 81, § 128 AND § 128A OF THE CODE, in the [income] NET EARNINGS of financial institutions, SAVINGS BANKS, AND SAVINGS AND LOAN ASSOCIATIONS for purposes of measuring the State franchise tax.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect June 1, 1986 and apply to the taxable year of any financial institution, savings bank, or savings and loan associations ending on or after January 1, 1985.

Approved April 29, 1986.

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