

*of the trust shall attach to the holders of beneficial interests in the trust or to the trustees; provided, however, that nothing herein shall relieve any trustee from liability to the trust or its security holders to which he might otherwise be subject by reason of acts constituting bad faith, wilful misfeasance, gross negligence or reckless disregard of his duties.*

SEC. 2. *And be it further enacted, That a new Section 313A be and the same is hereby added to Article 81 of said Code (1957 Edition), title "Revenue and Taxes," subtitle "Income Tax," to follow immediately after Section 313 thereof, and to read as follows:*

**313A.**

*(a) Any real estate investment trust doing business in this state shall pay such fees, ordinary taxes and special taxes, with the exception of income taxes as provided hereafter in (b), and shall make such tax reports as are required by the laws and ordinances of this state and any counties and municipalities thereof on domestic and foreign ordinary business corporations on an identical basis therewith; provided, however, that the franchise tax on a domestic real estate investment trust shall be \$25 per year and that the filing fees paid by such trusts shall be the same as the filing and recording fees paid by domestic corporations. In computing taxes and fees the certificates of beneficial interests of a real estate investment trust shall have the character for tax purposes of shares of stock in a private corporation.*

*(b) The income tax imposed by this Article upon corporations shall be imposed upon real estate investment trusts only with respect to that part of the net income of the trust which has not been distributed; provided, that at least 90% of the taxable income of the trust for the taxable year, without regard to its capital gain, is declared and distributed to holders of shares or certificates of beneficial interest within the taxable year or before the time prescribed by law for the filing of its return for the taxable year (including the period of any extension of time granted for filing such return), otherwise all of the net income of the trust shall be taxable; provided, further, that no real estate investment trust shall enjoy the advantage of this section unless it complies with Sections 856-858 of the Federal Internal Revenue Code of 1954, as amended from time to time, or such section or sections of any subsequent Internal Revenue Code as may be applicable to any organization described in Public Law 86-779.*

*(c) The taxes and fees referred to in subsections (a) and (b) of this section, and all increases, interests and penalties thereon, shall be a lien upon the property of the real estate investment trust from and after the time when notice has been given that such tax has become due and payable as provided herein. Notice of such liens shall be filed by the Comptroller with the clerk of the circuit court of the county in which said property is located, or if located in Baltimore City, with the clerk of the Superior Court of Baltimore City. Each clerk of court shall accurately and promptly record and index all such notices of lien filed with him by the Comptroller by entering such lien in the judgment docket of the court, stating the name of the delinquent real estate investment trust, the amount*