

~~the lesser of a prescribed minimum or of an amount calculated as the difference between the revenue equivalent to a specified levy and revenue of the subdivision in fiscal 1967-68 from taxation of shares of stock of financial institutions; correcting a cross-reference to income tax provisions in determining net earnings of savings banks and building, savings and loan associations; establishing as a special tax and providing generally for a franchise tax on net earnings of financial institutions, including determination of net earnings, rate of tax, reporting requirements, penalties, civil collection and enforcement procedures, administration, and powers and duties of the Director of the State Department of Assessments and Taxation with respect to said franchise tax; replacing the schedule of rates of gross receipts tax on railroads by a flat rate of said tax; eliminating the gross receipts tax on safe deposit and trust companies; enabling every subdivision to fix the rate of recordation tax applicable therein; requiring every county and Baltimore City to levy an income tax at a rate sufficient to service obligations under school construction loans, imposing duties on the Comptroller of the Treasury in connection therewith and providing generally therefor; eliminating the provision for subtraction of certain dividends in arriving at taxable net income of individuals; providing a permanent formula for computation of income tax by taxpayers whose taxable year includes the effective date of a rate change or repeal; increasing the basic rate of tax on net income of corporations; exempting finance companies from corporate income tax and conforming the exemption for banks to the definitions for the franchise tax on net earnings of financial institutions; TO PROVIDE A CREDIT AGAINST INCOME TAX FOR PERSONAL PROPERTY TAXES FOR STATE TAXATION ONLY; including sale or charges for telecommunication messages or services in the definition of "sale at retail" for sales tax purposes; exempting such sales or charges from sales tax subject to automatic termination of the exemption upon elimination or reduction of Federal excise tax on such sales or charges; exempting certain property destroyed or incorporated in research and development from sales and use tax; reducing the rate of sales and use tax on manufacturing machinery and equipment; providing that exemption from sales or use tax of sales to the State or its subdivisions shall not be construed to exempt certain sales to contractors; exempting sales to financial institutions from sales and use tax to the extent and so long as federal law requires sales to national banks to be so exempted; declaring the provisions of the act to be severable; and preserving all liabilities for taxes accrued prior to the effective date of the act or provisions thereof.~~

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Sections 36 and 37 of Article 15A, Annotated Code of Maryland (1967 Supplement), title "Budget and Procurement," subtitle "State Aid for Police Protection Fund," be and they are hereby repealed, and new Sections 36 and 37 enacted in lieu thereof, to stand in the place of the sections repealed, respectively; and that new Section 39 be and it is hereby added to said Article, title, and subtitle, to follow immediately after Section 38 thereof, and all to read as follows:

36.

The State Aid for Police Protection Fund is a continuing grant,