

as defined in Section 161B of Article 23 of this Code (1965 Replacement Volume), as amended from time to time; (3) net earnings is an amount equal to the net income of a taxpayer as if computed for the particular savings bank or building, saving and loan association under the provisions of the subtitle "Income Tax" in Article 81 of this Code (1957 Edition), as amended from time to time; provided, however, that in computing net income, the taxpayer shall not be entitled to exclude from his gross income any amounts which might otherwise be excluded by Section 280 [(1)] A (c) (4) of Article 81 as amended from time to time.

**FRANCHISE TAX ON NET EARNINGS
OF FINANCIAL INSTITUTIONS**

128A.

(a) *A franchise tax is hereby annually levied and imposed for each year beginning after December 31, 1967, and for the period after December 31, 1967 to the end of any taxable year which is a fiscal year as defined in Section 279(h) of this Article, upon every domestic financial institution for the privilege of existing as a corporation during any part of its taxable year, and upon every financial institution organized under the laws of the United States or another state or nation for the grant to it of the privilege of transacting or for the actual transaction by it of any business within this State during any part of its taxable year, in corporate or organized form. "Financial institution" as used in this subtitle shall include all commercial banks, safe deposit and trust companies, and finance corporations as defined in Section 2(a) (9) of this Article; but shall not include domestic or foreign finance corporations which make loans exclusively to farmers for agricultural purposes OR ANY CORPORATION LICENSED UNDER THE SMALL BUSINESS INVESTMENT ACT OF 1958, AS AMENDED (15 USCA 661 ET SEQ., AS AMENDED).*

(b) *The tax imposed by this subtitle shall be measured by the net earnings of such financial institution. "Net earnings" for purposes of this subtitle shall mean the net income of such financial institution for the taxable year for which the tax is imposed, determined in accordance with the provisions of Section 280A of this Article, allocable to this State under the provisions of Section 316; provided however, that the financial institution shall include in its income interest upon obligations of the United States, of any state including Maryland, of any county, municipal or public corporation, authority, special district, or political subdivision of any state including Maryland, and of the respective instrumentalities thereof, and shall further include in its income, Section 280A(c) (4) of this Article notwithstanding, all other interest and dividends to the extent included in its taxable income as defined in the laws of the United States, as amended from time to time and in effect for the corresponding taxable year.*

(c) *The rate of tax shall be seven per cent (7%) of net earnings allocable to this State under the provisions of Section 316 and of this subtitle.*

(d) *Every financial institution shall file a report of its net earnings with the Director of the State Department of Assessments and Taxation of its net earnings for the taxable year, on or before the*