

than this State and its political subdivisions and authorities); (2) salaries and wages and interest or dividends on obligations of any authority, commission, instrumentality, territory or possession of the United States or of any foreign government, which by the laws or treaties of the United States are exempt from federal income tax but not from State income taxes; [(3) except in the case of disaster losses, as defined in § 165 (h) of the Internal Revenue Code as amended from time to time, occurring on or after June 1, 1972, the net operating loss deduction as defined in § 172 of the Internal Revenue Code, as amended from time to time; (4)] (3) dividends received by individuals excluded from federal adjusted gross income pursuant to § 116 of the Internal Revenue Code; and [(5)] (4) distributions of corporate prior years' earnings not previously taxed in Maryland to individuals and current year losses of corporations claimed for the taxable year by individuals, resulting from an election of a small business corporation, as defined by § 1371 of the Internal Revenue Code as amended from time to time, to be taxed in accordance with the provisions of subchapter "S" of the Internal Revenue Code.

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(b) There shall be added to the taxable income of such taxpayer: [(1) except in the case of disaster losses, as defined in § 165 (h) of the Internal Revenue Code as amended from time to time, occurring on or after June 1, 1972, the net operating loss deduction as defined in § 172 of the Internal Revenue Code, as amended from time to time; (2)] (1) income taxes imposed by the State of Maryland, and any other state, the District of Columbia and any political subdivision of the State of Maryland or any other state; [(3)] (2) the net capital loss carry-back as defined in § 1212 of the Internal Revenue Code, as amended from time to time and [(4)] (3) for all taxable years beginning after December 31, 1973, the oil percentage depletion allowance as claimed and allowed under Section 613 of the Internal Revenue Code.

(c) There shall be subtracted from taxable income of such taxpayer the following items to the extent included in federal income: (1) operating revenue subject to gross receipts taxes imposed by this article (less related expenses) of railroads, other public utilities and contract carriers; [(2) fifty (50) percent of the excess of net long-term capital gain over net short-term capital loss as defined in the laws of the United States, as amended from time to time; (3)] (2) the amount of any refunds of income taxes paid to the State of Maryland, any other state, the District of Columbia, and any political subdivision of the State of Maryland and any