

of this subparagraph may allow the subtraction to the nearest \$100. The allowed subtraction shall be reduced by the amount of disability benefits received under the Social Security Act, the Railroad Retirement Act, or both, as the case may be.

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(c) There shall be subtracted from taxable income of the 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) 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 other state; (3) interest income on obligations of the United States and its instrumentalities; (4) any amounts included therein by operation of the provisions of § 78 of the Internal Revenue Code of 1954; (5) TO THE EXTENT INCLUDED, ANY PROFIT REALIZED FROM THE SALE OR EXCHANGE OF BONDS ISSUED BY THIS STATE OR ITS POLITICAL SUBDIVISIONS; and [(5)] (6) to the extent that the dividends are included in taxable income, the percentage of dividends received from an affiliated domestic international sales corporation (as defined by Internal Revenue Code of 1954 Section 992 (a)), which is equivalent to the percentage that would be excluded if the domestic international sales corporation was not qualified under Section 992 (a). However, this exclusion shall be available only if at least 50 percent of the net taxable income of the domestic international sales corporation is subject to Maryland taxation.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1979 and shall apply to all taxable years beginning after December 31, 1978.

Approved May 29, 1979.

CHAPTER 535

{House Bill 304}

AN ACT concerning

Admissions and Amusement Tax

FOR the purpose of specifying that the admissions and amusement tax provisions apply to the gross receipts derived from ~~certain admissions charges for use of sporting or recreational facilities or equipment and of~~ games of entertainment.