

~~OF THE CHIEF EXECUTIVE OFFICER AND APPROVAL BY RESOLUTION OF THE LEGISLATIVE BODY OF THE COUNTY WHEREIN THE FINANCIAL INSTITUTION IS LOCATED~~

(II) 1. MEETS THE REQUIREMENTS TO BE AN INTERNATIONAL BANKING FACILITY AS SET FORTH IN THE LAWS OF THE UNITED STATES OR REGULATIONS OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM; AND

2. IS LOCATED WITHIN A COUNTY WHERE THERE IS AN APPROVED FOREIGN TRADE ZONE. FOR PURPOSES OF THIS SECTION "COUNTY" SHALL INCLUDE BALTIMORE CITY.

(6) "NET EARNINGS" MEANS THE NET INCOME OF A FINANCIAL INSTITUTION FOR ITS ANNUAL ACCOUNTING PERIOD ENDING WITH OR WITHIN THE FISCAL YEAR OF THE STATE FOR WHICH THE TAX IS IMPOSED UNDER THIS SECTION, DETERMINED UNDER § 280A(A) OF THIS ARTICLE AND ALLOCABLE TO THIS STATE UNDER THE PROVISIONS OF SUBSECTION (E) OF THIS SECTION AND ADJUSTED UNDER SUBSECTION (I) OF THIS SECTION; 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, § 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 YEAR.

(B) (1) A FRANCHISE TAX IS IMPOSED FOR EACH FISCAL YEAR OF THE STATE UPON:

(I) EVERY DOMESTIC FINANCIAL INSTITUTION FOR THE PRIVILEGE OF EXISTING AS A CORPORATION DURING ANY PART OF THE STATE'S FISCAL YEAR; AND

(II) EVERY FINANCIAL INSTITUTION NOT ORGANIZED UNDER THE LAWS OF THIS STATE FOR THE PRIVILEGE OF ENGAGING IN BUSINESS IN THIS STATE DURING ANY PART OF THE STATE'S FISCAL YEAR.

(2) THE FRANCHISE TAX IMPOSED BY THIS SECTION SHALL BE MEASURED BY THE NET EARNINGS OF THE TAXPAYER'S ANNUAL ACCOUNTING PERIOD (WHETHER IT IS A CALENDAR YEAR OR FISCAL YEAR AS DEFINED IN § 279(H) OF THIS ARTICLE) ENDING WITHIN THE FISCAL YEAR OF THE STATE FOR WHICH THE TAX IS IMPOSED.

(c) The rate of tax shall be [seven] 7 percent [(7%)] of net earnings allocable to this State under the provisions of this section.

(d) (1) [For all taxable years beginning after June 30, 1976, every] EVERY financial institution subject to