

INTERNATIONAL--BANKING--INSTITUTION'S--FINANCIAL-ACCOUNT-FOR
THE-TAXABLE-YEARS 1975, 1976, 1977, 1978, 1979, AND 1980,
MINUS

B--THE--AVERAGE--AGGREGATE-AMOUNT-OF
THESE-LOANS-AND-DEPOSITS-(BUT-NOT-INCLUDING--THE--LOANS--AND
DEPOSITS--OF--AN--INTERNATIONAL--BANKING--FACILITY)--FOR--THE
INTERNATIONAL-BANKING-FACILITY'S-TAXABLE-YEAR--HOWEVER,--THE
AMOUNT-IN-THIS-CLAUSE-MAY-NOT-EXCEED--THE--AMOUNT--IN--CLAUSE
(VI)-A-

2--THE--ALLOWABLE--PERCENTAGE-IS-100
PERCENT-FOR--THE--FIRST-TAXABLE-YEAR--IN--WHICH--THE--TAXPAYER
ESTABLISHES--AN--INTERNATIONAL--BANKING--FACILITY--AND--FOR--THE
NEXT-SUCCESSIVE-4-TAXABLE-YEARS,--80-PERCENT-FOR--THE--FIFTH,
60-PERCENT--FOR--THE--SIXTH,--40-PERCENT-FOR--THE--SEVENTH,--20
PERCENT-FOR--THE--EIGHTH-YEAR,--AND--ZERO--FOR--THE--NINTH--AND
SUCCEEDING-YEARS-

3--THE--DENOMINATOR--IS--THE--AVERAGE
AGGREGATE-AMOUNT-OF--THE--LOANS--TO--ANY--FOREIGN--PERSON--AND
DEPOSITS--WITH--ANY--FOREIGN-PERSON--THAT--IS--A--BANK--OR--FOREIGN
BRANCH--OF--A--BANK--(INCLUDING--ANY--FOREIGN--SUBSIDIARY--OR
FOREIGN--BRANCH--OF--THE--TAXPAYER)--THAT--WERE--RECORDED--IN--THE
FINANCIAL-ACCOUNTS--OF--THE--INTERNATIONAL-BANKING-FACILITY--FOR
THE-TAXABLE-YEAR-

(2) TO THE EXTENT NOT DEDUCTIBLE IN DETERMINING
FEDERAL TAXABLE INCOME, THE ADJUSTED ELIGIBLE NET EARNINGS
OF AN INTERNATIONAL BANKING FACILITY SHALL BE ALLOWED AS A
DEDUCTION FROM NET EARNINGS. IF THE ADJUSTED ELIGIBLE NET
EARNINGS OF AN INTERNATIONAL BANKING FACILITY IS A LOSS, THE
AMOUNT OF THE LOSS SHALL BE ADDED TO NET EARNINGS.

(3) THE ADJUSTED ELIGIBLE NET EARNINGS IS
DETERMINED BY SUBTRACTING FROM ELIGIBLE NET EARNINGS THE
INELIGIBLE FUNDING AMOUNT AND--THEN--SUBTRACTING--THE--FLOOR
AMOUNT-FROM--THE-REMAINDER.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act
shall take effect July 1, 1981.

May 19, 1981

The Honorable James Clark, Jr.
President of the Senate
State House
Annapolis, Maryland 21404

Dear Mr. President:

In accordance with Article II, Section 17 of the
Maryland Constitution, I have today vetoed Senate Bill 914.