

2. Derives earnings from a foreign exchange trading or hedging transaction that is related to such a loan and

(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[.], AND SHALL FURTHER INCLUDE IN ITS INCOME, § 280A(C)(6) OF THIS ARTICLE NOTWITHSTANDING, ANY PROFIT REALIZED FROM THE SALE OR EXCHANGE OF BONDS ISSUED BY THIS STATE OR ITS POLITICAL SUBDIVISIONS.

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1984.

Approved May 8, 1984.

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CHAPTER 282

(Senate Bill 253)

AN ACT concerning

Franchise Tax - Rate

FOR the purpose of requiring the Director of the Department of Assessments and Taxation to administer the franchise tax beginning with a certain date; deleting obsolete language; defining certain terms; clarifying language; providing for