

Subsection (a) of this section is revised to incorporate the substance of former Art. 81, § 128(a)(1), which imposed a franchise tax on every savings bank and savings and loan association. As to the transfer of former Art. 81, § 128(a) through (h-1) to the Session Laws, see the General Revisor's Note to this subtitle.

In subsection (a) of this section, the reference to a financial institution "existing or doing business in the State during that year" is substituted for the former phrase "for the privilege of existing as a corporation during any part of the State's fiscal year" and "for the privilege of engaging in business in this State during any part of the State's fiscal year", for clarity and brevity. In light of this substitution, the words "domestic" and "not organized under the laws of this State", which formerly modified the separate references to a "financial institution", are deleted as surplusage.

In subsection (b) of this section, the specific reference to a "special taxing district" is added to clarify the broad scope of the reference to a "political subdivision". Several provisions preempt imposition of taxes where the State imposes a tax under this article, but the former law referred generally to a "political subdivision" or specifically to a "county, municipal corporation, or other political subdivision". In this article, each preemption provision specifically enumerates "county, municipal corporation, special taxing district, or other political subdivision", to avoid the inference that failure to mention a particular type of subdivision allows that subdivision to impose a tax.

Also in subsection (b) of this section, the defined term "savings and loan association" is substituted for the former term "building, savings and loan associations", for clarity.

Also in subsection (b) of this section, the former reference to a January 1, 1966 effective date is deleted as obsolete.

The Tax - General Article Review Committee notes, for the consideration of the General Assembly, a possibly unintended result of imposing the financial institution franchise tax based on the fiscal year of the State but measured by earnings during the fiscal year of the financial institution. An institution could avoid tax liability for part of the first year in which the institution operates in this State by beginning business after the close of the State's fiscal year and using an accounting period that does