

In subsection (a)(2)(i)2. and (ii)4. of this section, the references to an entity that "is not organized under the laws of the United States or of a state" are substituted for the former references to a "foreign" entity "as defined in the tax laws of the United States" and to a "foreign" entity, to state expressly that the entity is created in a jurisdiction outside the United States.

In subsection (a)(2)(i)3. of this section, the former parenthetical "(including the taxpayer)" is deleted as included in the reference to "a company".

In subsection (a)(3)(ii) of this section, the former reference to "Baltimore City" is deleted as unnecessary in light of the defined term "county".

In subsection (a)(4) of this section, the reference to the "total liabilities shown in the records" is substituted for the former references to "liabilities, including deposits and other sources of funds", for clarity.

In subsections (b) and (c) of this section, the words "qualifying amount" and "amount" are substituted for the former references to "adjusted eligible net earnings", for clarity.

Subsection (c) of this section is revised to incorporate the substance of former Art. 81, § 128A(i)(2) through (5), which defined "[a]pplicable expenses", "[e]ligible gross earnings", "[e]ligible net earnings" and "[i]neligible funding amount", since the former definitions appeared only once.

Defined terms: "Approved foreign trade zone" § 8-201

"Company" § 8-101 "County" § 1-101

"Financial institution" § 8-101 "Person" § 1-101

"State" § 1-101 "Taxable net earnings" § 8-201

8-206. SAME -- ALLOCATION.

(A) IN GENERAL.

IN COMPUTING TAXABLE NET EARNINGS, A FINANCIAL INSTITUTION WITH NET EARNINGS DERIVED OUTSIDE THE STATE SHALL ALLOCATE ITS NET EARNINGS, IN THE MANNER THAT THE DEPARTMENT REQUIRES, BASED ON THE GROSS VOLUME OF THE TRANSACTIONS OF THE FINANCIAL INSTITUTION INSIDE AND OUTSIDE THE STATE.

(B) INTEREST FROM HOLDING COMPANY.