

Section 10-824
to be Section 10-823
Annotated Code of Maryland
(As enacted by Chapter _____ (S.B. 1) of the
Acts of the General Assembly of 1988)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Tax - General

8-101.

(c) (2) "Financial institution" does not include:

(i) a finance company that makes loans only to farmers for agricultural purposes; [or]

(ii) a company licensed under the federal Small Business Investment Act of 1958; OR

(III) A CORPORATION THAT ELECTS TO BE TAXED AS A SMALL BUSINESS CORPORATION UNDER SUBCHAPTER S OF THE INTERNAL REVENUE CODE.

10-101.

(i) "S corporation" means a corporation that elects to be taxed as a small business corporation under Subchapter S of the Internal Revenue Code.

10-104.

The income tax does not apply to the income of:

(2) except as provided in § 10-304(2) of this title, an organization that is exempt from taxation under § 501 of the Internal Revenue Code;

(7) EXCEPT AS PROVIDED IN § 10-304(3) OF THIS TITLE, an S corporation.

10-304.

Except as provided in Subtitle 4 of this title, the Maryland modified income of a corporation, including a real estate investment trust or regulated investment company, is:

(1) the corporation's federal taxable income for the taxable year as determined under the Internal Revenue Code and as adjusted under this Part II of this subtitle; [or]