

THE SAVINGS AND LOAN ASSOCIATION FRANCHISE TAX RATE IS 0.013% OF THE TOTAL WITHDRAWAL VALUE OF THE DEPOSITS OF A SAVINGS AND LOAN ASSOCIATION THAT:

- (1) ORIGINATE IN THE STATE; AND
- (2) ARE HELD ON DECEMBER 31ST.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 81, § 128B(c).

In the introductory language of this section, the tax rate is rephrased as "0.013%", for clarity and brevity.

Also in the introductory language of this section, the former phrase "free share accounts" is deleted as included in the word "deposits".

The Tax - General Article Review Committee notes, for consideration of the General Assembly, that the requirement that deposits "originate in the State" does not seem to add significantly to the requirement that the deposits be "held in the State on December 31" in order to be taxable.

Defined terms: "Savings and loan association" § 8-101
"Savings and loan association franchise tax" § 1-101

8-303. CREDIT FOR OTHER TAXES.

A SAVINGS AND LOAN ASSOCIATION ORGANIZED UNDER THE LAWS OF THIS STATE AND DOING BUSINESS OUTSIDE THIS STATE MAY CLAIM A CREDIT AGAINST THE SAVINGS AND LOAN ASSOCIATION FRANCHISE TAX IN AN AMOUNT THAT EQUALS ANY TAX PAID TO ANOTHER JURISDICTION AS A FRANCHISE TAX ON DEPOSITS THAT ORIGINATED IN THIS STATE.

REVISOR'S NOTE: This section is new language derived without substantive change from former Art. 81, § 128B(f).

This section is revised to allow a "credit" since the former requirement that the tax "be reduced" did not indicate the manner in which the reduction is to be made.

The reference to a "savings and loan association organized under the laws of this State" is substituted for the former reference to a "Maryland association", for clarity.