

"special taxing district" are 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.

The second sentence of former Art. 81, § 323A, which related to persons who may not be subjected to a tax on income by a political subdivision, is deleted as unnecessary in light of the use of the defined term "county income tax", which applies only to an individual.

Defined terms: "County" § 1-101
 "County income tax" § 10-101 "Fiduciary" § 10-101
 "Nonresident" § 10-101 "Resident" § 10-101
 "State income tax" § 10-101 "Taxable year" § 10-101
 "Wages" § 10-101

10-104. EXEMPTIONS.

THE INCOME TAX DOES NOT APPLY TO THE INCOME OF:

(1) A COMMON TRUST FUND, AS DEFINED IN § 3-501(B) OF THE FINANCIAL INSTITUTIONS ARTICLE;

(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;

(3) THE DEVELOPMENT CREDIT CORPORATION OF MARYLAND;

(4) A FINANCIAL INSTITUTION THAT IS SUBJECT TO THE FINANCIAL INSTITUTION FRANCHISE TAX;

(5) AN INSURANCE COMPANY, WITHIN THE MEANING OF ARTICLE 48A OF THE CODE;

(6) A PARTNERSHIP, AS DEFINED IN § 761 OF THE INTERNAL REVENUE CODE; OR

(7) AN S CORPORATION.

REVISOR'S NOTE: Item (1) of this section is new language derived without substantive change from the first clause of former Art. 81, § 314(a).