

Approved May 27, 1988.

CHAPTER 565

(Senate Bill 235)

AN ACT concerning

Franchise Taxes - Financial Institutions and Savings
and Loan Associations

FOR the purpose of specifying that the financial institution franchise tax is imposed and computed and a return filed based on the fiscal year of the financial institution; eliminating a requirement that certain deposits originate in this State ~~in--order--to--be--subject--to~~ for purposes of the savings and loan association franchise tax; and providing a delayed effective date for this Act.

BY repealing and reenacting, with amendments,

Article - Tax - General

Section ~~8-202(a), 8-204(a), 8-209(a), and--8-302~~ 8-301, 8-302, 8-303, and 8-304(a)

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

8-202.

(a) A franchise tax, measured by taxable net earnings, is imposed[, for each fiscal year of the State,] ANNUALLY on each financial institution existing or doing business in the State during any part of [that] THE FISCAL year OF THE FINANCIAL INSTITUTION.

8-204.

(a) A financial institution shall compute its net earnings:

(1) based on the accounting period used as its fiscal year [and ending with or during the fiscal year of the State]; and