

§ 280A(c)(6) of [this article] ARTICLE 81, AS AMENDED THROUGH DECEMBER 31, 1988 notwithstanding, any profit realized from the sale or exchange of bonds issued by this State or its political subdivisions shall be included in net earnings.

(ii) "Net earnings" does not include:

1. Any allowance of any dividend or interest paid or credited on savings accounts and investment certificates or other apportionment of profits; or

2. Any allowance for reserves.

(c) (1) Except as provided in subsection (c-1) of this section, the tax imposed shall be computed at the rate of three quarters of one per centum ($\frac{3}{4}$ of 1%) of that portion of the annual net earnings of the savings bank or of the building, savings and loan association, which exceeds the sum of one hundred thousand dollars (\$100,000). The computation shall be made in particular cases either on a calendar year or on a fiscal year basis, whichever the bank or association is using for its regular accounting period. The computation shall be based upon all operations and branches of the bank or association and upon the annual net earnings of the bank or association as an entirety.

(2) The Department may adopt methods to allocate net earnings of a savings bank or association based on the gross volume of transactions by that savings bank or association.

(3) (i) If by reason of any law of any foreign jurisdiction a savings bank or association chartered in this State or admitted to do business in this State and doing business in such other jurisdiction is required to pay a franchise tax to said foreign jurisdiction based upon its savings accounts or free shares purchased in the State of Maryland, or is required to pay to said foreign jurisdiction a tax on its gross receipts including its gross receipts from business done in the State of Maryland, or is required to pay to said foreign jurisdiction a tax on its income including income derived from business done in the State of Maryland, the savings bank or association may claim a credit against the tax imposed by this section equal to such franchise tax or gross receipts tax or income tax so paid to said foreign jurisdiction based on savings accounts or free shares purchased in the State of Maryland, or on business done in the State of Maryland; and

(ii) A savings bank or association may claim a credit against the tax imposed under this section equal to the estimated tax paid under subsection (d)(2)(ii) of this section.

(c-1) (1) For a taxable year ending on or after January 1, 1984 the tax is $\frac{3}{8}$ percent on the net earnings under this section, and $3\frac{1}{2}$ percent on the net earnings defined under § 128A of [this article] ARTICLE 81, AS AMENDED THROUGH DECEMBER 31, 1988.