

Approved May 25, 1989.

CHAPTER 545

(Senate Bill 41)

AN ACT concerning

Income Tax - Distributions of Exempt Interest from Mutual Funds

FOR the purpose of providing, for Maryland *individual and corporation* income tax purposes, a subtraction from federal adjusted gross income for certain distributions from mutual funds attributable to certain tax exempt interest or dividends; providing certain requirements for a mutual fund to qualify to make distributions eligible for the subtraction; requiring that a distribution must be designated as a State tax exempt interest dividend in a certain written notice to be eligible for the subtraction; providing an addition to net earnings for purposes of the financial institution franchise tax; providing for the application of this Act; and generally relating to a Maryland income tax subtraction modification for certain distributions from mutual funds attributable to certain tax exempt interest or dividends.

BY repealing and reenacting, without amendments,

Article - Tax - General
Section 10-207(a) and 10-307(a)
Annotated Code of Maryland
(1988 Volume)

BY adding to

Article - Tax - General
Section 10-207(g-1)
Annotated Code of Maryland
(1988 Volume)

BY repealing and reenacting, with amendments,

Article - Tax - General
Section 8-204 and 10-307(g)
Annotated Code of Maryland
(1988 Volume)