

~~(ii) THE AGGREGATE AMOUNT DESIGNATED BY THE MUTUAL FUND AS STATE TAX EXEMPT INTEREST DIVIDENDS FOR THE TAXABLE YEAR DID NOT EXCEED THE AGGREGATE STATE TAX EXEMPT INTEREST RECEIVED BY THE MUTUAL FUND DURING THE TAXABLE YEAR.~~

(2) THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES A DISTRIBUTION OR DIVIDEND BY A MUTUAL FUND OF STATE TAX EXEMPT INTEREST, PROVIDED THAT AT LEAST 50% OF THE INTEREST RECEIVED BY THE MUTUAL FUND DURING ITS TAXABLE YEAR IS FROM UNITED STATES GOVERNMENT OBLIGATIONS.

10-307.

(a) To the extent included in federal taxable income, the amounts under this section are subtracted from the federal taxable income of a corporation to determine Maryland modified income.

(g) The subtraction under subsection (a) of this section includes the amounts allowed to be subtracted for an individual under:

(1) § 10-207(d) of this title (Conservation tillage equipment expenses);

(2) § 10-207(m) of this title (Income from Development Credit Corporation of Maryland);

(3) § 10-207(r) of this title (Profits on sale or exchange of State or local bonds);

(4) § 10-207(t) of this title (Reforestation or timber stand expenses);

(5) § 10-207(u) of this title (Relocation and assistance payments);

(6) § 10-207(w) of this title (State or local income tax refunds); [or]

(7) § 10-207(z) of this title (Wage expenses for targeted jobs); OR

(8) § 10-207(G-1) OF THIS TITLE (STATE TAX EXEMPT INTEREST FROM MUTUAL FUNDS).

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1989 and shall be applicable to all taxable years beginning after December 31, 1988.

Approved May 25, 1989.