

(i) a finance company that makes loans only to farmers for agricultural purposes;

(ii) a company licensed under the federal Small Business Investment Act of 1958;

(iii) a corporation that elects to be taxed as a small business corporation under Subchapter S of the Internal Revenue Code;

(iv) an entity that is a real estate mortgage investment conduit as defined in the Internal Revenue Code; [or]

(v) a limited liability company; OR

(VI) A COMMERCIAL BANK, SAVINGS BANK, TRUST COMPANY, OR COMPANY THAT SUBSTANTIALLY COMPETES WITH NATIONAL BANKS IN THE STATE.

SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article - Tax - Property

7-221.

(a) Personal property is not subject to valuation or to property tax, if the personal property:

~~(1) is owned by an institution that is subject to the financial institution franchise tax under Title 8, Subtitle 2 of the Tax - General Article AND IS USED IN CONNECTION WITH THE FINANCIAL INSTITUTION'S TRADE OR BUSINESS; AND~~

~~(2) IS A COMPUTER PROGRAM, AS DEFINED UNDER § 11-225(A) OF THE TAX - GENERAL ARTICLE, OR COMPUTER HARDWARE.~~

(b) This exemption does not include any personal property that is leased, loaned, or made available by the institution for the use of a person whose business is not that of the institution.

(C) FOR ANY TAXABLE YEAR BEGINNING AFTER JUNE 30, 1998, THE EXEMPTION UNDER THIS SECTION DOES NOT APPLY TO A COMMERCIAL BANK, SAVINGS BANK, TRUST COMPANY, OR COMPANY THAT SUBSTANTIALLY COMPETES WITH NATIONAL BANKS IN THE STATE.

(D) NOTWITHSTANDING SUBSECTION (A) OF THIS SECTION, EXCEPT AS PROVIDED IN § 7-221.1 OF THIS SUBTITLE, FOR A COMMERCIAL BANK, SAVINGS BANK, TRUST COMPANY, OR COMPANY THAT SUBSTANTIALLY COMPETES WITH NATIONAL BANKS IN THE STATE, THE PERSONAL PROPERTY DESCRIBED IN SUBSECTION (A) OF THIS SECTION IS SUBJECT TO PROPERTY TAX:

(1) ON 50% OF ITS ASSESSMENT FOR THE TAXABLE YEAR BEGINNING ON JULY 1, 1996; AND

(2) ON 75% OF ITS ASSESSMENT FOR THE TAXABLE YEAR BEGINNING ON JULY 1, 1997.