

7-221.1.

(A) IN THIS SECTION, "BANK OR TRUST COMPANY" MEANS:

- (1) A COMMERCIAL BANK;
- (2) A SAVINGS BANK;
- (3) A TRUST COMPANY; OR
- (4) A COMPANY THAT SUBSTANTIALLY COMPETES WITH NATIONAL BANKS IN THE STATE.

(B) EXCEPT AS PROVIDED IN SUBSECTION (C) OF THIS SECTION, PERSONAL PROPERTY IS NOT SUBJECT TO VALUATION OR TO PROPERTY TAX, IF THE PERSONAL PROPERTY:

- (1) IS OWNED BY A BANK OR TRUST COMPANY AND IS USED IN CONNECTION WITH THE PROCESSING OF DEPOSITS OR LOANS OF THE BANK OR TRUST COMPANY; AND
- (2) IS A COMPUTER PROGRAM, AS DEFINED IN § 11-225(A) OF THE TAX - GENERAL ARTICLE, OR COMPUTER HARDWARE; AND
- (3) IS NOT USED IN CONNECTION WITH WORD PROCESSING.

(C) THE EXEMPTION UNDER THIS SECTION DOES NOT APPLY TO ANY PERSONAL PROPERTY THAT IS LEASED, LOANED, OR MADE AVAILABLE BY A BANK OR TRUST COMPANY FOR THE USE OF A PERSON THAT IS NOT A BANK OR TRUST COMPANY.

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1995 and shall be applicable to all taxable years beginning after December 31, 1994.~~

SECTION 4. AND BE IT FURTHER ENACTED, That the Department of Assessments and Taxation shall determine the effect the personal property tax on banks imposed under Section 3 of this Act has on local government revenues. The Department of Assessments and Taxation shall provide this information in a report which shall include an estimate of the revenues foregone due to the exemption granted for certain computer equipment under Section 3 of this Act. The report shall be provided to the Senate Budget and Taxation Committee and the House Committee on Ways and Means by October 1, 1997.

SECTION 4. 5. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect July 1, 1995 and shall be applicable to all taxable years beginning after December 31, 1995 but before January 1, 1998. Section 1 shall remain effective for a period of 2 and one-half years and, at the end of December 31, 1997, with no further action required by the General Assembly, Section 1 of this Act shall be abrogated and of no further force and effect.

SECTION 5. 6. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take effect January 1, 1998 and shall be applicable to all taxable years beginning after December 31, 1997.