

Approved May 24, 1991.

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**CHAPTER 605**

**(House Bill 905)**

AN ACT concerning

**Income Tax and Financial Institution Franchise Tax – Exempt Organizations and Investment Conduits**

FOR the purpose of clarifying that real estate mortgage investment conduits are not subject to the financial institution franchise tax; clarifying and specifying the Maryland income tax treatment of certain organizations exempt from federal taxation under the Internal Revenue Code; clarifying and specifying the Maryland income tax treatment of farmers' cooperatives, political organizations, homeowners associations, regulated investment companies, real estate investment trusts, and real estate mortgage investment conduits; altering the definition of fiduciary under the Maryland income tax law; providing a subtraction modification for a regulated investment company for certain exempt-interest dividends attributable to State or local obligations of another state; defining certain terms; providing for the application of this Act; and generally relating to the Maryland income tax treatment of certain organizations subject to special federal income tax treatment under the Internal Revenue Code.

BY repealing and reenacting, with amendments,

Article – Tax – General

Section 8-101(c)(2), 10-101(d)(2), 10-104, 10-203, and 10-304

Annotated Code of Maryland

(1988 Volume and 1990 Supplement)

BY repealing and reenacting, without amendments,

Article – Tax – General

Section 10-101(a) and 10-308(a)

Annotated Code of Maryland

(1988 Volume and 1990 Supplement)

BY adding to

Article – Tax – General

Section 10-101(a-1), (e-1), and (h-1) and 10-308(c)

Annotated Code of Maryland

(1988 Volume and 1990 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows: