

CHAPTER 135

(Senate Bill 253)

AN ACT concerning

S Corporations - Financial Institution Franchise
and Income Taxes

FOR the purpose of limiting the income tax exemption for S corporations; clarifying the income of S corporations that is subject to State income tax; requiring S corporations to file income tax and withholding returns at certain times; providing that S corporations are required to comply with certain regulations, keep certain records, and report certain withholdings in a certain manner; specifying dates on which S corporations make withholdings; clarifying that S corporations are not financial institutions for purposes of the financial institution franchise tax; setting out a definition for information; and providing a delayed effective date for this Act.

BY repealing and reenacting, with amendments,

Article - Tax - General
Section 8-101(c)(2), 10-104(7), 10-304, 10-804(c), 10-812,
10-822, and 10-909
Annotated Code of Maryland
(As enacted by Chapter _____ (S.B. 1) of the
Acts of the General Assembly of 1988)

BY repealing and reenacting, without amendments,

Article - Tax - General
Section 10-101(i) and 10-104(2)
Annotated Code of Maryland
(As enacted by Chapter _____ (S.B. 1) of the
Acts of the General Assembly of 1988)

BY repealing

Article - Tax - General
Section 10-823
Annotated Code of Maryland
(As enacted by Chapter _____ (S.B. 1) of the
Acts of the General Assembly of 1988)

BY renumbering

Article - Tax - General