ble the direct payment of all obligations of the State by the State Treasury Department and gives the central accounting office of the State an opportunity to pass upon all vouchers before payment. It had not been possible to provide for direct payment of all vouchers because of the impossibility of one man, the Comptroller, being able to sign all warrants and checks which would be necessary if this plan were put into effect. A similar provision was approved for the State Treasurer's Office so that the State Treasurer will be authorized to appoint a deputy, or deputies, to sign checks in payment of State obligations.

MARYLAND INCOME TAX LAW

The Maryland Income Tax Law of 1939 became effective April 13, 1939, and provides for the imposition of a tax upon taxable income with respect to income received during the calendar year 1939 and thereafter.

The State Comptroller is required to administer the provisions of the Act. One-fourth of the tax collected from resident individuals is to be paid to political sub-divisions of the State and the remainder of the tax collected is to be paid into the treasury of the State.

RESIDENT INDIVIDUALS

A resident is taxable upon his entire net income as defined in the Act of purposes of taxation.

The law defines investment income to include dividends, ground rents, annuity income and interest, except interest earned in the conduct of a business on (1) loans made under the provisions of Article 59A of the Annotated Code of Maryland, (2) business accounts and notes receivable, or (3) installment contracts. Ordinary income includes that portion of gross income which is not investment income.

Personal exemptions are provided under the Status of $1,000.00 in the case of a single person or a married person not living with husband or wife; $2,000.00 in the case of the head of a family or a married person living with husband or wife, however, where joint or two separate returns are filed by husband and wife the combined exemption must not exceed $2,000.00; and $400.00 for each dependent person under eighteen years of age or incapable of self-support because mentally or physically defective.

The tax imposed is computed by adding 6% of the investment income to 2½% of the ordinary income, and subtracting therefrom 2½% of the sum of the allowable deductions and personal exemptions.

NON-RESIDENT INDIVIDUALS

A non-resident is taxable upon income derived from tangible property, real or personal, permanently located in Maryland (whether received directly or from a fiduciary) and such intangible property as has acquired a business or commercial situs in Maryland and income from business, trade, profession or occupation carried on in Maryland.

The personal exemptions accorded a non-resident are the same as those allowed a resident.

The tax imposed upon a non-resident is computed by adding 6% of the taxable investment to 2½% of the taxable ordinary income and subtracting therefrom 2½% of the allowable deductions and exemptions.

FIDUCIARIES

The fiduciary is liable for tax only with respect to that portion of the income of the fiduciary estate as is accumulated and not paid, distributed or credited to or for the benefit of a beneficiary thereof.