

to a place without this State, with the *bona fide* intention of continuing to abide permanently without this State, shall be taxable the same as a non-resident is taxable under this sub-title. The fact that a person who has changed his place of abode, within six months from so doing, again resides within this State, shall be *prima facie* evidence that he did not intend to have his place of abode permanently without this State. Every individual other than a resident shall be deemed a non-resident.

(j) "Dividend" means any distribution made by a corporation (domestic or foreign) out of its net profits, whenever earned, to its stockholders or members, whether such distribution be made in cash or other property, except stock of the same class in the corporation. Amounts paid in liquidation or dissolution of a corporation shall be treated as dividends to the extent that they represent earnings of the corporation.

(k) "Ground rents" means all rents reserved under ninety-nine year leases or sub-leases, perpetually renewable, and also rents which are redeemable, at the option of the lessee, under the provisions of Sections 110, 111 and 115 of Article 21 of the Annotated Code of Maryland.

(l) "Annuity income" means an amount equal to three per cent. (3%) per annum of the aggregate premiums or consideration paid for any annuity.

(m) "Interest" means interest from whatever source derived, and includes interest from bonds, certificates of indebtedness, evidences of debt, judgments, notes, mortgages and money at interest.

(n) "Investment income" means that portion of the gross income which is derived from dividends, ground rents, annuity income and interest, but shall not include interests earned in the conduct of a business on (1) loans made under the provisions of Article 58A of the Annotated Code of Maryland, (2) business accounts and notes receivable, or (3) instalment contracts.

(o) "Ordinary income" means that portion of the gross income which is not investment income.

1939, ch. 277, sec. 216.

223. (Gross Income and Exclusions Therefrom.) "Gross income" means income from whatever source derived, including salaries, wages or compensation for personal services of whatever kind and in whatever form paid; interest, dividends, rents, royalties and annuity income; and gains, profits and income derived from professions, vocations, trades, businesses and commerce. "Gross income" shall not include the following:

(a) Capital gains realized from the sale, exchange or other disposition of property held by a taxpayer (whether or not connected with his trade or business) other than stock in trade of the taxpayer or other property of a kind that would properly be included in the inventory of the taxpayer if on hand at the close of the taxable year, or property held by the taxpayer primarily for sale to customers in the ordinary course of his trade or business.

(b) The proceeds of life insurance policies paid by reason of the death of the insured.

(c) Amounts received (other than amounts paid by reason of the death of the insured) under life insurance or endowment contracts, either during the term or at maturity or upon surrender of the contract, equal to the total amount of the premiums paid therefor.