

solidation of a corporation a taxpayer receives in place of stock or securities owned by him, new stock or securities of the reorganized, merged or consolidated corporation, no gain or loss shall be deemed to occur from the exchange until the new stock or securities are sold or realized upon and the gain or loss is definitely ascertained, until which time the new stock or securities received shall be treated as taking the place of the stock and securities exchanged; provided such reorganization, merger or consolidation is a "reorganization" within the meaning of the term "reorganization" as defined in Section 112 (g) (1) of the Federal Revenue Act of 1936.

222. ACCOUNTING PERIOD AND CHANGES THEREIN. (1) The income of the taxpayer shall be computed upon the basis of the taxpayer's annual accounting period (fiscal year or calendar year, as the case may be) in accordance with the method of accounting regularly employed in keeping the books of such taxpayer, but if no such method of accounting has been employed or if the method employed does not clearly reflect the true income of the taxpayer, computation shall be made upon the basis and in such manner, as in the opinion of the Comptroller does clearly reflect the true income. If the taxpayer's annual accounting period is other than a fiscal year, as defined in this sub-title, or if the taxpayer has no annual accounting period, or does not keep books, the net income shall be computed on the basis of the calendar year.

(2) If the taxpayer makes a Federal income tax return, his income shall be computed for the purposes of this sub-title, on the basis of the same calendar or fiscal year as in such Federal income tax return.

(3) If the taxpayer with the approval of the Comptroller changes his accounting period from a fiscal year to a calendar year, from calendar to fiscal year, or from one fiscal year to another, the income shall be computed on the basis of such new accounting period, subject to the following provisions:

(a) If the taxpayer changes the basis of computing net income from fiscal year to calendar year, a separate return shall be made for the period between the close of the last fiscal year for which return was made and the following December 31st. If the change is made from calendar year to fiscal year, a separate return shall be made for the period between the close of the last calendar year for which return was made and the first succeeding date designated as the close of the fiscal year. If the change is made from one fiscal year to another fiscal year, a separate return shall be made for the period between the close of the former fiscal year and the first succeeding date designated as the close of the new fiscal year.