

SECTION 1. *Be it enacted by the General Assembly of Maryland, That Sections 223(e) and 224(c) of Article 81 of the Annotated Code of Maryland (1939 Edition), title "Revenue and Taxes", sub-title "Income Tax", be and the same are hereby repealed and re-enacted, with amendments, to read as follows:*

223(e). Any amount received through accident or health insurance or under Workmen's Compensation or Employers' Liability Acts, or by way of damages for personal injuries or property damage, whether by suit or agreement, and any amount received as a pension, annuity, or similar allowance for personal injuries or sickness resulting from active service in the armed forces of the United States.

224(c). All taxes paid or accrued during the taxable year to this State, its political subdivisions or the United States except income, excess profits, inheritance, estate, succession or gift taxes. Provided, however, that the victory tax imposed by the Revenue Act of 1942 shall be an allowable deduction in the year following its payment.

SEC. 2. *And be it further enacted, That two new sections be and they are hereby added to Article 81 of the Annotated Code of Maryland (1939 Edition), title "Revenue and Taxes", sub-title "Income Tax", said new sections to be known as Sections 224(p) and 246A, to follow immediately after Sections 224(o) and 246, respectively, and to read as follows:*

224(p). Expenses paid during the taxable year, not compensated for by insurance or otherwise, for medical care of the taxpayer, his spouse or dependents as defined in Section 228(b). The term "medical care" shall include amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of disease, or for the purpose of affecting any structure or function of the body (including amounts paid for accident or health insurance); provided, however, that a taxpayer may deduct only such expenses as exceed five per centum of his net income, or five per centum of the aggregate net income in the case of husband and wife, computed without the benefit of this section, and that the maximum deduction for the taxable year shall not exceed \$2,500 in the case of husband and wife or head of a family, or \$1,250 in the case of all other such individuals.

246A. TIME FOR PERFORMING CERTAIN ACTS POSTPONED BY REASON OF WAR. The Comptroller is hereby authorized to adopt regulations, applicable to persons in the armed services of the United States and other taxpayers who by reason of the