

CHAPTER 963.

(Senate Bill 361)

AN ACT to add a new sub-section to Section 223 of Article 81 of the Annotated Code of Maryland (1939 Edition and 1943 Supplement), title "Revenue and Taxes," sub-title "Income Tax," said new sub-section to be known as sub-section (p) and to follow immediately after sub-section (o) of Section 223, and to add a new sub-section to Section 224 of said Article, said new sub-section to be known as sub-section (q) of Section 224, and to follow immediately after sub-section (p) of Section 224, and to add a new sub-section to Section 251 of said Article, said new sub-section to be known as sub-section (c) of Section 251, and to follow immediately after sub-section (b) of Section 251, all said new subsections relating to the application of the Income Tax to contributions to, income of, and payments and benefits under, Employee trusts and plans.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That a new sub-section be and the same is hereby added to Section 223 of Article 81 of the Annotated Code of Maryland (1943 Supplement), title "Revenue and Taxes," sub-title "Income Tax," said new sub-section to follow immediately after sub-section (o) of Section 223 of said Article, to be known as sub-section (p), said new sub-section to read as follows:

223. (p) In other than the taxable year in which actually distributed or made available to him, any person's share of a contribution or payment made by an employer to a stock bonus, pension, annuity, profit-sharing or deferred compensation plan established by an employer for the benefit of his employees or their beneficiaries which for the taxable year with respect to which the contribution or payment is made meets the requirements of Section 165 of the United States Internal Revenue Code, as amended from time to time; and, in addition, in the taxable year in which actually received or made available, so much of the aggregate benefits to the beneficiary of annuities under a plan meeting such requirements as exceed "annuity income" (as defined in Section 222 (1) of this sub-title); provided, however, that the portion, if any, of such contribution applied to a purchase of life insurance protection prior to the retirement of the employee, shall be deemed to be a part of his compensation and included in his gross