Taxes", sub-title "Income Tax"; and to add two new subsections to Section 224 of Article 81 and a new Section to said Article of the Annotated Code of Maryland (1947 Supp.), title "Revenue and Taxes", sub-title "Income Tax", said new sub-sections to be known respectively as sub-sections (d-1) and (s) and to follow immediately after subsection (d) and sub-section (r) of said Section, respectively, and said new Section to be known as Section 224A, and to follow immediately after Section 224 of said Article, amending generally the income tax by re-defining "Investment Income" and "Gross Income", providing for additional deductions from gross income, and re-defining existing deductions and "Net Income", altering the rate of tax, excusing persons killed in the service of the United Nations from unpaid tax liability, relating to the apportionment of corporate income, and providing for an optional standard deduction from gross income for individuals

Section 1. Be it enacted by the General Assembly of Maryland, That sub-section (n) of Section 222; Section 223; sub-section (f) of Section 224; sub-section (j) (1) of Section 224; sub-section (m) of Section 224; Section 227; sub-section (c) of Section 230, as said sub-section (c) of Section 230 was amended by Chapter 2 of the Acts of the General Assembly of 1949; Section 246B; and sub-section (b) of Section 253 of Article 81 of the Annotated Code of Maryland (1947 Supp.), title "Revenue and Taxes", sub-title "Income Tax", be and they are hereby repealed and re-enacted, with amendments, to read as follows:

222.

- (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 interest earned in the conduct of a busineses 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) installment contracts; nor shall it include the proceeds of a pension or other deferred compensation plan set up by an employer for an employee, ALTHOUGH A PORTION OF SUCH PROCEEDS BE OTHERWISE TAXABLE AS PROCEEDS OF AN ANNUITY.
- 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; alimony received, interest, dividends, rents, royalties and annuity income; and