

to follow immediately after Section 277 (q) thereof, relating to the deduction allowable on the State Income Tax for certain expenses of medical care for all calendar years beginning after December 31, 1954.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Section 277 (q-1) be and it is hereby added to Article 81 of the Annotated Code of Maryland (1951 Edition and 1954 Supplement), title "Revenue and Taxes", sub-title "Income Tax", said new section to follow immediately after Section 277 (q) thereof and to read as follows:

277.

(q-1) For all calendar years beginning after December 31, 1954, 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 281 (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 three percentum of his ~~net~~ GROSS income or three percentum of the aggregate ~~net~~ GROSS income in the case of husband and wife, computed without the benefit of this section, ~~and~~ PROVIDED, FURTHER, HOWEVER, THAT IN COMPUTING THE MEDICAL EXPENSE, AN AMOUNT EQUAL TO ONE PERCENTUM (1%) OF THE GROSS INCOME OR THE COMBINED GROSS INCOME OF HUSBAND AND WIFE SHALL FIRST BE DEDUCTED FROM THE AGGREGATE AMOUNT EXPENDED FOR DRUGS AND MEDICINE; that the maximum deduction for the taxable year shall not exceed ~~\$5,000.00~~ \$2,500.00 in the case of husband and wife or head of a family or ~~\$2,500.00~~ \$1,250.00 in the case of all other such individuals, except, however, that if the taxpayer or his spouse has attained the age of 65 before the close of the taxable year, the full amount of medical expenses paid may be deducted without regard to the 3% limitation, but subject, nevertheless, to the maximum sum of ~~\$5,000.00~~ \$2,500.00 in the case of husband and wife or head of a family and the sum of ~~\$2,500.00~~ \$1,250.00 in the case of all other individuals.

SEC. 2. *And be it further enacted,* That this Act shall take effect June 1, 1955.

Approved April 25, 1955.

CHAPTER 572

(Senate Bill 266)

AN ACT to repeal and re-enact, with amendments, Section 653(k) of Article 66C of the Annotated Code of Maryland (1951 Edition),

EXPLANATION: *Italics indicate new matter added to existing law.*

[Brackets] indicate matter stricken from existing law.

CAPITALS indicate amendments to bill.

~~Strike out~~ indicates matter stricken out of bill.