

quate time available for deliberation in a ninety day session. I trust that this will lead to a final, sensible solution of this recurring problem of alleged confusion of authority in training school administration, together with a further considered determination between the relative merits of a single advisory board, as contrasted with individual boards, and the source of membership selections.

Sincerely,

(s) THEODORE R. MCKELDIN,

Governor.

TRMcK/rk

House Bill No. 115—Non-Resident Income Taxes

AN ACT to repeal and re-enact, with amendments, Section 282 of Article 81 of the Annotated Code of Maryland, (1951 Edition), title "Revenue and Taxes", sub-title "Income Tax", exempting a non-resident's income from taxation under certain instances.

April 17, 1956.

Honorable John C. Luber  
Speaker of the House of Delegates  
State House  
Annapolis, Maryland

Dear Mr. Speaker:

House Bill 115 would exempt the income of a non-resident received for services performed in this state, as distinguished from income from operation of a business within the state. The exemption is granted if the non-resident's home state *exempts* similar earnings of a Maryland resident for services within that state. The Bill would thus apply a reciprocal tax exemption, not only to states having an income tax law with a provision similar to that of the instant Bill, but would exempt income of non-residents from states which impose no income tax whatever. This would seem to be a clear departure from the existing policy of the state that reciprocal tax exemptions be applied in exact equivalents. Thus, Section 287 of Article 81 of the Annotated Code of Maryland (1951 Ed.) recognizes as a credit against the Maryland tax in the return of a non-resident, the tax paid to his state of residence, if such state accords similar credit to Maryland residents who have become liable there.

House Bill 115 would make it unnecessary for exempted non-residents to file a Maryland return and compute credits, and would eliminate withholding from them for the Maryland income tax. The sponsors of the bill fully intended that it cover residents of states with no income tax law, as well as residents of states having a tax law with reciprocal provisions. The Income Tax Division of the Comptroller's office did not oppose the bill in legislative hearings because of doubts then raised as to the propriety of making a distinction in the exemption between non-income tax and reciprocal income tax states. In addition, the Income Tax Division was then, and is still, in general accord with the basic objectives of the bill, in order to ease difficult administrative problems of unnecessary collection and refunding of withholding taxes.