

288.

(c-1) *There is hereby annually levied and imposed for each year beginning after December 31, 1957, a tax on the net income of every resident individual of this State and on the net income, taxable in this State, of every individual not a resident of this State. Such tax shall be at the rate of three per cent. (3%) of the first \$500.00 of the net investment income subject to the tax imposed by this sub-title and at the rate of five per cent. (5%) on the balance of the net investment income subject to the tax imposed by this sub-title and at the rate of three per cent. (3%) on the balance, if any, of the taxable net income.*

(j) *If the taxpayer's taxable year is fiscal year ending in 1958, such taxpayer shall compute his tax liability as prescribed in this section in the following manner: A tax shall first be computed according to the rates applicable to the calendar year 1957. A tentative tax shall then be computed according to the rates applicable to the calendar year 1958, and the difference between the tax and the tentative tax shall be determined. Such taxpayer's liability under this section shall be the sum of (a) the tax as computed according to the rates applicable to the calendar year 1957, and (b) that proportion of the difference between the tax and the tentative tax, as defined above, as the number of months in the taxpayer's fiscal year or period which fall in the calendar year 1958 bears to the whole number of months of such fiscal year or period. This sub-section shall be inapplicable for the calculation of any tax on any return filed which covers a fiscal year or period ending after December 31, 1958.*

SEC. 2. *And be it further enacted, That two new sub-sections be and they are hereby added to Section 289 of said Article and sub-title, said new sub-sections to be known as Sub-sections (f-1) and (f-2), and to follow immediately after Sub-section (f) thereof and both to read as follows:*

289.

(f) *In lieu of the regular method of computation provided by this sub-title, and the payment of the tax imposed by Section 288 (c-1) of this sub-title, an individual reporting on a cash basis for any taxable year, beginning after December 31, 1957, may elect to pay the tax as shown in the following table, if his gross income for the taxable year is Ten Thousand Dollars (\$10,000.00) or less, and consists only of one or more of the following: (1) salary; (2) wages; (3) compensation for personal services; or (4) dividends, interest and annuities not in excess of Five Hundred Dollars (\$500.00) in the aggregate.*