

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Section 309, sub-section (b) of Article 81 of the Annotated Code of Maryland (1951 Edition), title "Revenue and Taxes", sub-title "Income Tax", be and the same is hereby repealed and re-enacted, with amendments, to read as follows:

309.

(b) A fiduciary shall be liable for income tax only with respect to such portion of the income of the fiduciary estate as is accumulated and not paid, distributed, or credited to or for the benefit of a beneficiary thereof [.] *which undistributed income shall not, however, include any portion thereof which pursuant to the terms of a created trust or estate is required to be permanently set aside for a religious, educational or charitable organization or purpose.* In computing the tax of a fiduciary the investment income, ordinary income and allowable deductions, respectively, of the fiduciary shall be that proportion of the investment income, ordinary income and allowable deductions, respectively, of the fiduciary estate for the taxable year, that the part of the net income of the fiduciary estate which is accumulated in such year, bears to the total net income of the fiduciary estate for such year.

SEC. 2. *And be it further enacted,* That this Act shall take effect June 1, 1957.

Approved March 28, 1957.

CHAPTER 371

(House Bill 358)

AN ACT to repeal and re-enact, with amendments, Section 277, Sub-section (q-1) of Article 81 of the Annotated Code of Maryland (1951 Edition and 1956 Supplement) title "Revenue and Taxes", sub-title "Income Tax", ~~providing an~~ RELATING TO THE allowable medical deduction in the computation of net income.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Section 277, sub-section (q-1) of Article 81 of the Annotated Code of Maryland (1951 Edition, 1956 Supplement) title "Revenue and Taxes", sub-title "Income Tax", be and the same is hereby repealed and re-enacted, with amendments, to read as follows: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

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.