

*the asset on the basis of which such distribution is made was acquired by the life-tenant, personal representative or trustee on, before or after such date.*

SEC. 2. *And be it further enacted*, That if any clause, sentence or provision of this Act, or the application thereof to any person, property or circumstances, is held to be unconstitutional or otherwise invalid, such invalidity shall not affect or impair in any way the other provisions or applications of this Act which can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

SEC. 3. *And be it further enacted*, That this Act shall take effect June 1, 1962.

Approved March 23, 1962.

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## CHAPTER 95

(House Bill 99)

AN ACT to repeal and re-enact, with amendments, Section 279, subsection (j), of Article 81 of the Annotated Code of Maryland (1957 Edition), title "Revenue and Taxes", sub-title "Income Tax", defining the term dividend and excluding therefrom a distribution of corporate stock made pursuant to an order enforcing the Federal antitrust laws.

SECTION 1. *Be it enacted by the General Assembly of Maryland*, That Sub-section (j) of Section 279 of Article 81 of the Annotated Code of Maryland (1957 Edition), title "Revenue and Taxes", sub-title "Income Tax", be and the same is hereby repealed and re-enacted, with amendments, to read as follows:

### 279.

(j) "Dividend" means any distribution made by a corporation (domestic or foreign) out of its net profits, whenever earned, to its stockholders or members, whether such distribution be made in cash or other property, except stock of the same class in the corporation. Amounts paid in liquidation or dissolution of a corporation shall be treated as dividends to the extent that they represent earnings of the corporation.

*The term "dividend", however, does not mean or include a distribution of stock made pursuant to an order enforcing the Federal antitrust laws, provided that such distribution also qualifies for the relief provisions contained in Section 1111 of the Federal Internal Revenue Code of 1954 as enacted by Public Law 87-403 (H.R. 8847), 87th Congress, 2nd Session, and as amended from time to time.*

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.