

## CHAPTER 87

(Senate Bill 19)

AN ACT to repeal and re-enact, with amendments, Section 279(j) of Article 81 of the Annotated Code of Maryland (1963 Supplement), title "Revenue and Taxes", subtitle "Income Tax", to permit an election by taxpayers under the income tax laws on reporting as dividends certain distributions on corporate stock.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Section 279(j) of Article 81 of the Annotated Code of Maryland, (1963 Supplement), title "Revenue and Taxes", subtitle "Income Tax", be and it is hereby repealed and re-enacted, with amendments, to read as follows: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. *On stock held for more than twelve months, the stockholder may elect to report as dividends, the distribution as is in excess of the bona fide purchase price or estate value of the stock when it was acquired.*

The term "Dividend", however, does not mean or include a distribution of stock made pursuant to an order enforcing the federal anti-trust 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. Any such stock distribution, for the purpose of this subtitle, shall be regarded as a transaction under Section 280(a) of this subtitle.

SEC. 2. *And be it further enacted,* That this Act shall take effect June 1, 1964.

Approved April 7, 1964.

## CHAPTER 88

(Senate Bill 36)

AN ACT to repeal Sections 8 through 46, inclusive, of Article 46 of the Annotated Code of Maryland (1957 Edition), title "Inheritance", subtitles respectively, "Division and Election-Partition", "Election", and "Sales by Commissioners", generally to repeal obsolete provisions of law relating to the partition of the property of a person dying intestate.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Sections 8 through 46, inclusive, of Article 46 of the Annotated