

year, changes his place of abode to a place without this State, with the bona fide intention of continuing to abide permanently without this State, shall be taxable as a resident of this State for that portion of the taxable year in which he resided in this State and as a nonresident of the State for the remainder of the taxable year. The fact that a person who has changed his place of abode, within six months from so doing, again resides within this State, shall be prima facie evidence that he did not intend to have his place of abode permanently without this State. Every individual other than a resident shall be deemed a nonresident. Where, however, an individual who during the taxable year transfers his residence to this State from a state or jurisdiction other than Maryland with the intent of becoming a resident of this State, he shall be taxable under this subtitle only with respect to taxable income as defined herein received by him from and after the date he becomes a resident of this State through the close of the calendar year and the allowable exemptions and dependent credit shall be prorated on the basis of the number of months during which residence was maintained in this State bears to twelve months, provided, however, that an individual filing a return in accordance with this provision shall not be entitled to the credit provided in Section 290 of this subtitle for any income tax paid to the state or jurisdiction of his former residence while a resident of such former state or jurisdiction.

[(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 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. Any such stock distribution, for the purpose of this subtitle, shall be regarded as a transaction under Section 280(a) of this subtitle.]

[(k) "Ground rents" means all rents reserved under ninety-nine year leases or subleases, perpetually renewable, and also rents which are redeemable, at the option of the lessee, under the provisions of Sections 103, 104 and 108 of Article 21.]

[(1) "Annuity income" means an amount equal to three per cent (3%) per annum of the aggregate premiums or consideration paid for any annuity; provided, however, that after the amount excluded equals the cost or consideration paid for the annuity all subsequent payments shall be taxable in their entirety as ordinary income and not as investment income.]