

[(m) "Interest" means interest from whatever source derived, and includes interest from bonds, certificates of indebtedness, evidences of debt, judgments, notes, mortgages and money at interest, and amounts received (other than amounts paid by reason of the death of the insured) under life insurance or endowment contracts, either during the term or at maturity or upon the surrender of the contract, in excess of the total amount of the premiums paid therefor.]

[(n) "Investment income" means that portion of the gross income which is derived from dividends, ground rents, annuity income and interest, but shall not include interest earned in the conduct of a business on (1) loans made under the provisions of Article 58A of the Annotated Code of Maryland, (2) business accounts and notes receivable, or (3) installment contracts; nor shall it include the proceeds of a pension or other deferred compensation plan set up by an employer for an employee, although a portion of such proceeds be otherwise taxable as proceeds of an annuity.]

[(o) "Ordinary income" means that portion of the gross income which is not investment income.]

(j) [(p)] The term "this State" includes all territory owned by or ceded to the United States of America within the territorial limits or confines of the State of Maryland.

(k) [(q)] "Employer" means any person, firm or corporation, including the federal government, the District of Columbia (to the extent that functions of the District government are carried on or performed in Maryland), the State of Maryland and any county, municipal corporation or political subdivision or instrumentality of this State, employing or utilizing the services of one or more individuals for hire, remuneration or compensation of any kind.

(l) [(r)] The terms "domestic and foreign" when used herein and applied to corporate entities shall mean in the case of "domestic, a corporation organized and existing under the laws of Maryland and in the case of "foreign" shall mean a corporation organized and existing under the laws of other states and governments.

[(s) "Accident and health welfare fund or plan" shall mean a fund or plan established, maintained and operated for the purpose of providing group benefits to employees and their beneficiaries in the event of sickness, accident or death and into which fund or plan one or more employers contribute all or part of the requirements of such fund or plan but shall not include a corporation or organization wholly owned or controlled by such fund or plan and conducting an activity for the production of income which is otherwise taxable under this subtitle.]

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(a) *The taxable net income of a AN INDIVIDUAL taxpayer of this State shall be that taxpayer's federal adjusted gross income as defined in the laws of the United States with the modifications and less the ~~deduction~~ DEDUCTIONS and personal exemptions provided in this subtitle.*

(b) *There shall be added to federal adjusted gross income: (1) interest or dividends on obligations or securities of any state or*