

viduals from electing small business corporations, as defined in Section 1371 of the Internal Revenue Code, which have complied with the provisions of subchapter **[,]** "S" of the Internal Revenue Code; and **[(4)]** (3) payments received by policemen and firemen from pension systems for injuries or disabilities arising out of and in the course of their employment as policemen or firemen.

283.

(d) *The Comptroller shall, as early as possible in 1968 and in each year thereafter, certify to each county and Baltimore City (1) his estimate of the State income tax to be collected from the residents of each such county and Baltimore City during that year, and (2) his estimate of the amounts required to be deducted from such county or Baltimore City's share of State taxes pursuant to the provisions of Section 225A of Article 77, Annotated Code of Maryland, 1965 Replacement Volume, relating to State loans for public school construction. Each county and Baltimore City must levy, for 1968 and subsequent years, a local income tax under this Section, at a rate not less than the lesser of (1) twenty per cent (20%) of the State income tax liability of each resident or (2) such exact multiple of five per cent (5%) of the State income tax liability of each resident, as will cause the amount collectible from such a levy by said county or Baltimore City, under Section 283(c), 1967 Cumulative Supplement, to equal or exceed the amount required to be deducted from such county or Baltimore City's share of State taxes pursuant to the provisions of Section 225A of Article 77, Annotated Code of Maryland, relating to State loans for public school construction, as the same may be amended from time to time.*

285.

If any rate of tax imposed by this subtitle changes, and if the taxable year of any taxpayer includes the effective date of the change (unless that date is the first day of the taxable year), then, unless otherwise provided in the act enacting the change—

(1) *tentative taxes shall be computed by applying the rate for the period before the effective date of the change, and the rate for the period on and after such date, to the taxable income for the entire taxable year; and*

(2) *the tax for such taxable year shall be the sum of that proportion of each tentative tax which the number of days in each period bears to the number of days in the entire taxable year. For purposes of this section, repeal of a tax shall be considered a change of rate, and the rate for the period after the repeal shall be zero. This section applies to fiscal years of corporations ending in 1968 and to all rate changes hereafter enacted.*

288.

(b) *There is hereby annually levied and imposed for 1968 and subsequent years [each year beginning after December 31, 1954], a tax on the net income of every corporation (domestic or foreign) at the rate of six and one-quarter per cent (6¼%) [four and one-half per cent (4½%)] of such portion thereof as is allocable to this State under the provisions of Section 316 hereof.*