

File No. 7356 Continued.

CORRESPONDENCE.

ment,-- which you will please preserve and return; it is my only copy. You will notice (section 4, page 11, section b, page 12) that the interest coupons are not merged or satisfied by the funding bond; in other words, they are not paid.

Section 4, page 16, shows how coupons for a less amount than one hundred dollars are dealt with.

I submit that by the true construction of section 210 of Article 81 of the Code (1904) the income bond is not assessable, unless the current interest is "actually paid".

The funding bond is merely a promise to pay which, possibly, may never be performed. The mere fact that the funding bond can be sold does not make a case of "actual" payment; the same thing could be said of unfunded coupons.

To my mind: (1) "actual" in the Statute, means real as distinguished from prospective; and (2) "payment" involves satisfaction and discharge. (3) The funding plan effects, not an actual payment of the income coupons but an extension of the time of payment.

Very truly yours,

(Signed) J. C. France,

General Counsel.

OPINION.

File No. 7356.

DEPARTMENT OF LAW.

Baltimore, January 30, 1908.

Hon. W. Cabell Bruce,  
City Solicitor,

Dear Sir:-

As requested by your favor of January 20th, I have considered the matters referred to in the letter of the Appeal Tax Court to you dated January 17th, namely, whether the income bonds of the United Railways and Electric Company are assessable for 1908.

In this connection I have carefully examined the in-