

Loan of 1902," for the purpose of erecting new State buildings and the completion of others, viz :

State House Annex.....	\$250,000
Heating Plant, furnishing, etc., Annapolis.....	140,000
Completion of Fifth Regiment Armory.....	120,000
House of Correction Annex.....	90,000

But \$400,000 of this loan was issued during the fiscal year 1902, bearing date of July 1, 1902, as it was deemed wise to issue only such an amount as the necessities of the work demanded, therefore it became necessary on July 1, 1903, for the remainder of said loan, viz: \$200,000 to be issued. Bonds to this extent were sold as of that date and, while taken by the State for its sinking funds, nevertheless the moneys arising from such sale came into the Treasury as an extraordinary receipt.

Second. During the fiscal year to wit December 11, 1902, there was paid into the Treasury including penalty and interest, the sum of \$225,017.92, being in full of all taxes upon the gross receipts of the Northern Central Railway Company from the year 1896 to 1902 inclusive. By reason of such arrearage of taxes, said amount came into the Treasury also as an extraordinary payment. The above sum was covered into the Treasury as the result of a decision of the Supreme Court of the United States in favor of the State of Maryland, in the case of the Northern Central Railway Company, the effect of which is so far-reaching and important to the State that I desire to quote from my former report to His Excellency, John Walter Smith, in order that your Honorable body may be fully advised as to its scope and meaning :

The important question presented in this case was, whether the provision in Chapter 16 of the Acts of 1880, whereby the said Northern Central Railway Company was liable for an annual tax of one-half of one per centum upon its gross receipts within the State of Maryland, was subject to repeal by any subsequent Legislature, and if so, whether or not in fact the said act was not repealed by Chapter 559 of the Acts of 1890, which imposed an annual tax of one per centum on the gross receipts of all railroads within the State of Maryland operated by steam.