

University of Maryland—Princess Anne College.....	319,000.00
Chronic Diseases Hospitals.....	1,500,000.00
Total.....	\$9,445,954.00

Fiscal Years and Tax Years. While the State's fiscal year begins July 1st and ends the following June 30th, its tax year for ordinary taxes is the calendar year. The ideal fiscal year would be the calendar year but because of the General Assembly meeting during the first three months of the calendar year and the necessity of preparing budgets and detailed fiscal information for the General Assembly when it meets, it has been necessary to set a date for the closing of our year sufficiently prior to January first to allow ample time for budget making and fiscal reporting.

However, it is urged that those counties of the State which have not already adopted the calendar year as their fiscal year should give serious consideration to making the change. The authority to do this already exists in the County Commissioners to change their present fiscal years to the calendar year. (Art. 81, Sec. 26, Annotated Code of Maryland). Baltimore City and eight counties now use the calendar year for fiscal purposes.

While on the subject of the State's fiscal year, I feel it apropos to again suggest the desirability of considering amending the constitutional provisions relating to budget making. The experience of the past several years has clearly demonstrated the impracticability of satisfactorily forecasting economic conditions more than two years in advance. Our situation could be helped considerably if budgets were made annually instead of every two years. While estimating revenues on a two years basis is the problem which leaves so much to the vicissitudes of the economic situation, considerable improvement and simplification would also be possible in making appropriations annually rather than bi-ennially. I suggest, therefore, that you give serious thought to amending the Constitution to provide for annual budget making.

Legislation Affecting State Revenue. I suggest that all measures bearing on revenues should receive very careful consideration by the Assembly before passage, because of their effect upon the State's finances. I refer, of course, to measures which reduce the State's income. At the 1943 Session two laws were enacted which reduced the amounts which it was estimated would come from two different sources of State revenue. One of the laws is Chapter 964, which exempts from inheritance taxes bequests to religious, charitable, scientific, literary, educational, etc., organizations (taxable at 7½% before the Acts of 1943), which could mean the loss of considerable revenue in the case of several large estates and does mean a general loss over the period of a year in the administration of the average estate. Another law passed in 1943 amended our income tax law