

boards of control and review of Baltimore City. All bonds and certificates of indebtedness bearing interest, issued by any railroad or other corporation of this State secured by mortgage of property wholly within the State, belonging to residents of this State, shall be subject to valuation, assessment and taxation to the owner or owners thereof, in the same manner as like bonds or certificates of indebtedness, bearing interest and secured by mortgages of property partly in this State and partly in some other State or States are now subject to valuation and assessment under the laws of this State. All other property of every kind, nature and description within this State, except as provided by Sections¹ 4, 5, 6, 7, 8 and 9 shall be valued and assessed for the purpose of State, county and municipal taxation to the respective owners thereof in the manner prescribed by this Article; provided nothing contained in this Section or Article shall repeal, modify or affect Sections² 96-97 relating to the taxation of savings banks, or Sections 229-239 both inclusive, relating to the taxation of distilled spirits.

Corporate taxation.

The tangible personal property of a foreign corporation permanently located in this state, is subject to taxation here, although such stock is owned by residents of Maryland and assessed to owners. Such taxation is not double taxation. The fact that personal property of a domestic corporation whose stock is taxable in Maryland, is exempt under sec. 4, does not affect liability of a foreign corporation to such taxation on its personal property. Capital stock may be taxed to corporation, and the shares to holders. What is "double taxation"? Cases reviewed. *Wilkins Co. v. Baltimore*, 103 Md. 309. And see *Consolidated Gas Co. v. Baltimore*, 101 Md. 554.

Both property and capital stock of a corporation cannot be taxed. The state may tax a national bank in accordance with its own laws and in conformity with rules applicable to citizens and state corporations. *Frederick County v. Farmers' Bank*, 48 Md. 121. And see *Gordon v. Baltimore*, 5 Gill, 231; *State v. Mayhew*, 2 Gill, 437; *Tax Cases*, 12 G. & J. 117. *Cf. Wilkens Co. v. Baltimore*, 103 Md. 309.

Under this section and secs. 98 and 225, mortgage bonds secured by property in this state and owned by residents of Maryland, are taxable to owners thereof and not to corporation itself, nor is there any other provision of law imposing such taxation upon the corporation. *Consolidated Gas Co. v. Baltimore*, 101 Md. 555; *Consolidated Gas Co. v. Baltimore*, 105 Md. 50.

Stock of a Maryland transportation company held by non-residents, is taxable at the place where its principal office is located. Such tax is not in conflict with either state or Federal Constitution. *Corry v. Baltimore*, 96 Md. 319 (affirmed in 196 U. S. 466).

The fact that capital stock of a corporation is principally invested in patent rights granted by United States, does not exempt such stock from taxation; nor is value of such patent rights to be deducted in assessing the stock. *Crown Cork and Seal Co. v. State*, 87 Md. 696.

A bridge over Potomac river and other property of bridge company within limits of Maryland, are taxable under act of 1852, ch. 337, in the county in which they are situated, principal office of corporation not being in Maryland. *O'Neill v. Virginia, etc., Bridge Co.*, 18 Md. 23.

Sec. 4 exempts personal property of corporations having shares of stock subject to taxation, because the stock of domestic corporations is valued and assessed under this section and provision is also made for payment of taxes on stock of domestic corporations owned by non-residents—see secs. 166 and 166A. Even where personal property of corporations is taxed instead of its stock, such personal property is valued and assessed by state tax commission. It has always been policy of state

¹ The act here refers to sec. 4A, but as there were two sections 4A (now secs. 5 and 6), both sections are included.

² The act as passed referred to secs. 91-93 of 1912 Code, but sec. 93 was held unconstitutional in *State v. German Savings Bank*, 103 Md. 196 and *Fidelity Bank v. State*, 103 Md. 207.