

porated town of this State which are necessary to the respective uses thereof, nor to the buildings, equipments and furniture of hospitals, asylums, charitable or benevolent institutions of any County in this State, but not within any incorporated city or town of this State nor to the ground not exceeding forty acres appurtenant respectively thereto which are necessary for the respective uses thereof, nor to the buildings, furniture, equipment or libraries of incorporated educational or literary institutions or to the grounds appurtenant thereto in any city or incorporated town of this State which are necessary for the respective uses thereof, nor to the buildings, equipment or libraries of incorporated educational or literary institutions in any County of this State, nor to the ground not exceeding forty acres appurtenant thereto which are necessary for the respective uses thereof, nor to the personal property of any corporation by this State, and having capital stock divided into shares when said shares of said corporation are subject to taxation under the laws of this State and when such personal property is returned for the purpose of valuing in the valuation of the shares, nor to the tools, machinery, manufacturing implements and engines of corporations, firms and individuals actually engaged in manufacturing as provided for in Section 169 as amended by the Act of 1914, Chapter 528, nor to the shares of stock of railroad companies working their roads by steam power, incorporated by or under the laws of this State which are subject to taxation upon their gross receipts within this State, and to County and municipal taxation upon their respective real and personal property in the respective counties and cities of this State, in which such respective properties are located, nor to the book accounts or bills receivable or evidences of debt given for such accounts of any person engaged in commercial business who is taxed upon the fair average value of his stock of goods, wares and merchandise; and every person engaged in commercial business shall be taxed upon the fair average value of his stock in such business during the year preceding the assessment upon which such tax is levied; and each and every one of said exemptions from taxation shall be strictly construed.

Corporations.

The fact that personal property of a domestic corporation whose stock is subject to taxation in Maryland is exempt under this section does not affect liability to taxation of personal property of a foreign corporation whose stock is taxable here—see notes to sec. 2. *Wilkins Co. v. Baltimore*, 103 Md. 309. And see *Consolidated Gas Co. v. Baltimore*, 101 Md. 554.

The portion of this section exempting from taxation personal property of corporations whose capital stock is taxed precludes taxation of machinery of a manufacturing company as a part of its real estate. *Anne Arundel County v. Baltimore Sugar Co.*, 99 Md. 485. (See sec. 169.)

Where intention of legislature is that a municipality should become owner of stock of, and manage and control, a water company, such stock owned by the municipality, and also its property, is exempt under this section from taxation. The exemption of corporate stock from taxation operates to exempt its property. *Anne Arundel County v. Annapolis*, 126 Md. 446.

The act of 1870, ch. 394, exempting mortgages from taxation, held not to exempt the capital stock of a corporation to extent that it is invested in mortgages. (As to taxes on mortgages, see sec. 198, *et seq.*) *Emory v. State*, 41 Md. 57. And see *Appeal Tax Court v. Gill*, 50 Md. 377; *Salisbury Bldg. Assn. v. Wicomico County*, 86 Md. 618.