

**Equality of taxation. Exemptions.**

This article prohibits the discrimination between the liability of Baltimore city stock and like securities to taxation when held by a private person and when held by a corporation; the equality of taxation cannot be destroyed—see notes to art. 81, secs. 166 and 168, of the An. Code. *Schley v. Lee*, 106 Md. 402.

Art. 81, sec. 98, of the An. Code, providing that corporate bonds bearing interest secured by mortgage upon property in this state are taxable in the hands of resident holders, while similar mortgages and mortgage debts made by individuals, building association mortgages and non-interest-bearing corporate bonds were exempt from taxation, held not to violate this article. See notes to art. 81, sec. 98, and see art. 81, sec. 198, *et seq.*, and art. 23, sec. 165, of the An. Code. *Simpson v. Hopkins*, 82 Md. 488.

The legislature may create separate taxing districts, provided the rate is equal and uniform as to all property within the district. The act of 1906, ch. 794, providing for the taxation of mortgages in certain counties held not to violate this article. *Miller v. Wicomico County*, 107 Md. 441.

The act of 1910, ch. 382, denying the authorities of Chevy Chase the power to tax property in a certain district and giving power to the county commissioners to tax up to a fixed rate, provided they were requested to do so by fifteen or more resident tax payers of the district, is void under this article; a taxing district implies a district which cannot escape the payment of some legally imposed tax. *Curtis v. Mactier*, 115 Md. 395.

Sec. 19 of the act of 1888, ch. 98 (annexing certain portions of Baltimore county to Baltimore city), which provided that until the year 1900 the rate of taxation for city purposes within the annexed districts should not exceed the existing rate in Baltimore county, held not to violate this article. The principle of equality in taxation is gratified by making local taxation equal and uniform as to all property in the taxing district. The legislature may exempt from taxation such property as in its judgment a sound policy requires. The legislature may either levy taxes itself for local purposes or it may delegate this power to local authorities, but it cannot delegate a power prohibited to it by the Constitution. *Daly v. Morgan*, 69 Md. 466 (*cf.* dissenting opinion). *Cf.* *Curtis v. Mactier*, 115 Md. 395.

The act of 1892, ch. 285, providing that every piece of land and the improvements within the town of Hyattsville should be assessed, etc., held to violate this article by reason of its exemption of personal property from taxation; said act cannot be upheld as imposing a tax "with a political view"; the last clause of this article is not a qualification of the antecedent clause, but an enlargement of the power to tax; the two clauses are not alternative but cumulative. Taxes for municipal purposes are imposed for the support of the government, and are subject to this article. The power to exempt from taxation is not derived from the last clause of this article. History and theory of this article. *Wells v. Hyattsville*, 77 Md. 137; *Jones v. Broening*, 135 Md. 242.

Baltimore city has not been given expressly the power to exempt from taxation for municipal purposes all merchandise held for sale and to partially exempt buildings. Whatever new powers of taxation are given the city by this article, as amended, the exercise of such powers is postponed by the language of the amendment until the legislature has by uniform rules provided for separate assessment, classification, etc. Power of state, as contrasted with municipality, to exempt and classify. *Jones v. Broening*, 135 Md. 242.

The principle of equality in taxation is gratified by making local taxation equal and uniform within the limits of the taxing district. The act of 1918, ch. 82, extending the limits of Baltimore city, does not violate this article. *McGraw v. Merryman*, 133 Md. 261.

The act of 1888, ch. 244, sec. 2, providing that the county commissioners of Prince George's county should authorize the county treasurer to pay the commissioners of Laurel the taxes levied upon the real property within said city, same to be used in repairing the streets, etc., of said town and for such other purposes as said commissioners of Laurel determined, held to be in violation of this article, since it practically exempted the owners of real estate in Laurel *pro tanto* from the expenses of the county government. *Prince George's County v. Laurel*, 70 Md. 443. And see *Curtis v. Mactier*, 115 Md. 396. *Cf.* *Carroll County v. Westminster*, 123 Md. 202 (involving act 1890, ch. 508).

Sec. 19 of the act of 1870, ch. 260, incorporating the town of Laurel, provided that certain labor or money levied or taxed upon the owners of property or residents within said town should be turned over to the commissioners of Laurel and be spent by them for the improvement of roads, etc.; this article held not to have been