

Tax on Franchise to be a Corporation.

1929, ch. 226, sec. 136.

136. Every ordinary business corporation, excluding charitable, benevolent and fraternal institutions, shall pay annually to the State Treasurer for the use of the State on or before the first of October in each year succeeding the date of its incorporation an annual tax for its franchise to be a corporation (in addition to any other tax imposed by law) at the following rate, that is to say:

On the amount of its capital stock issued, outstanding and/or subscribed for, on the first day of the preceding January, for the first five thousand dollars or less, the sum of ten dollars.

For every one thousand dollars or fractional part thereof in excess of said five thousand dollars up to and not greater than fifty thousand dollars, the additional sum of one dollar.

For every additional two thousand dollars or fractional part thereof in excess of said fifty thousand dollars up to and not greater than one hundred thousand dollars, the additional sum of one dollar.

If the amount of such capital stock is more than one hundred thousand dollars, but not greater than two hundred and fifty thousand dollars, there shall be an additional annual franchise tax of twenty dollars.

If the amount of such capital stock is more than two hundred and fifty thousand dollars and not greater than five hundred thousand dollars, there shall be an additional annual franchise tax of twenty dollars.

If the amount of such capital stock is more than five hundred thousand dollars and not greater than one million dollars, there shall be an additional annual franchise tax of thirty dollars.

If the amount of said capital stock is more than one million dollars and not greater than ten million dollars, there shall be an additional annual franchise tax at the rate of fifty dollars for each additional million dollars or fractional part thereof, and on every five million dollars in excess of ten million dollars, the additional annual franchise tax on such excess shall be at the rate of one hundred dollars for each five million dollars or fractional part thereof.

Every such corporation which has no part of its capital stock issued, subscribed for or outstanding on the first day of the preceding January, shall pay for such franchise an annual tax of ten dollars (\$10.00).

For purposes of this section stock without par value shall be treated as if it were of the par value of one hundred dollars per share.

94. Sec. 94 (old) referred to in construing sec. 142, particularly in connection with American Casualty Company's case, 82 Md. 535—see notes to secs. 142, 59, 69 and 191. *Thompson v. Henderson*, 155 Md. 674.

94. Exemption of corporation from tax is not exemption of its stock; tax on stock is tax upon owners. Exemptions must be clearly expressed. *Havre de Grace v. Bridge Co.*, 145 Md. 491

See important footnote on first page of this article