

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 (old), *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.

While the land and buildings of a cemetery company under its charter were exempt from taxation, such exemption was held not to extend to a fund invested in stocks. Hence, capital stock of company was exempt from taxation to extent of its holdings in *lands and buildings* only. *State v. Baltimore Cemetery Co.*, 52 Md. 639. And see *Appeal Tax Court v. St. Peter's Academy*, 50 Md. 345; *Appeal Tax Court v. St. Peter's Academy*, 50 Md. 352; *Appeal Tax Court v. Baltimore Cemetery Co.*, 50 Md. 435.

The fact that only a portion of a graveyard is occupied by graves does not limit exemption from taxation to portion so occupied. *Appeal Tax Court v. St. Peter's Academy*, 50 Md. 353.

#### **Charitable and educational institutions.**

Only building or parts thereof which are reasonably necessary for corporate purposes of hospitals, charitable or benevolent institutions, etc., are exempt from taxation; any portion of building devoted to other purposes and rented out, and stocks and other investments (though income be used for support of indigent), are taxable. *Baltimore v. Grand Lodge*, 60 Md. 281; *Appeal Tax Court v. St. Peter's Academy*, 50 Md. 352; *Appeal Tax Court v. Grand Lodge*, 50 Md. 421; *Redemptionists v. Howard County*, 50 Md. 449; *Appeal Tax Court v. University of Maryland*, 50 Md. 466. And see *United Rys. Co. v. Baltimore*, 93 Md. 634.

A petition alleging that property is "held and used by the body corporate for the purposes of piety and charity and for instruction of young females" does not bring property within exemption of this section relative to hospitals, charitable institutions, etc. Such property is exempt from taxation only to extent that it is used for benefit of indigent and afflicted. Effect of acts of 1876, ch. 260, and 1878, ch. 413. *Appeal Tax Court v. Baltimore Academy*, 50 Md. 437. And see *Appeal Tax Court v. St. Peter's Academy*, 50 Md. 339; *Appeal Tax Court v. Grand Lodge*, 50 Md. 421; *Frederick County v. Sisters of Charity*, 48 Md. 37.

As to exemption from taxation of real estate and other property of public libraries and reading rooms, see art. 77, sec. 181. As to the exemption of money invested in trust for public schools, see art. 77, sec. 233.

The exemption granted hospitals and libraries by this section does not exempt them from the provisions of sec. 110—see notes thereto. *Washington Hospital v. Mealey*, 121 Md. 279.

As to the exemption of fraternal associations, see art. 48A, sec. 215.

#### **United States.**

Property of United States is not subject to state taxation. *Van Broklyn v. Anderson*, 117 U. S. 151. And see *M'Culloch v. Maryland*, 4 Wheat, 316.

For a case involving exemption from taxation of personal property of officers and agents of Federal government residing within limits of naval academy grounds at Annapolis, see *Chauvenet v. Anne Arundel County*, 3 Md. 259.

For lands of United States in Maryland exempt from taxation, see art. 96.

#### **Generally.**

Certain species or classes of property may be exempted from taxation within reasonable limits, when public interests so require. There must, however, be no arbitrary discrimination between properties of same kind. Rules regulating exemptions. An exemption from taxation (by an act of assembly) of a wharf owned by a religious corporation, held invalid because it created an arbitrary discrimination, and also because it was in conflict with art. 3, sec. 33, of the state Constitution. *Baltimore v. Starr Church*, 106 Md. 286. And see *Wilkins Co. v. Baltimore*, 103 Md. 314; *Consolidated Gas Co. v. Baltimore*, 101 Md. 554.

The legislature may in special cases grant an exemption from taxation provided there be a consideration of some kind. If there is no consideration, the exemption is a mere gratuity revocable at will. *Appeal Tax Court v. Grand Lodge*, 50 Md. 428.

Exemptions from taxation are strictly construed and must be clearly made out. *Anne Arundel County v. Annapolis, etc., R. R. Co.*, 47 Md. 592 (affirmed in 103 U. S. 1); *Appeal Tax Court v. Rice*, 50 Md. 303; *Appeal Tax Court v. Gill*, 50 Md. 377; *Bonaparte v. State*, 63 Md. 474 (affirmed in 104 U. S. 592). For other cases not referring to the statute, see Md. Digest.

The exemption from taxation granted by a company's charter has no application to a paving tax. Definition of "tax" and "assessment." *Baltimore v. Greenmount Cemetery*, 7 Md. 534.

The act of 1878, ch. 413, held not to be retrospective and, hence, not to affect assessments already made under act of 1876, ch. 260. *Appeal Tax Court v. Baltimore Academy*, 50 Md. 448; *Appeal Tax Court v. University of Maryland*, 50 Md. 466; *Appeal Tax Court v. Western Maryland R. R. Co.*, 50 Md. 275.