

stockholders, and may charge the same in reduction of any amounts due to the several shareholders as dividends or otherwise.

(f) The shares of preferred stock of any National Bank, State bank or trust company, owned and held by the Reconstruction Finance Corporation, and the dividends derived therefrom, shall not be subject to taxation under any provision of this Article, so long as the Reconstruction Finance Corporation shall continue to own the same; but in determining the assessable value of shares of stock subject to taxation, under sub-section (d) hereof, the State Tax Commission shall include in its calculation such shares as may be exempt from taxation hereunder.

Bank may litigate question of taxability of its stock on behalf of its stockholders. *Tax Com. v. Balto. Nat. Bank*, 169 Md. 65.

Assessment of stock of domestic corporations by Tax Commission, where deductions allowed for value of certain securities, invalid as discriminating against federal securities for which deductions were not allowed. Assessment invalid only in so far as it excludes value of stock of domestic corporations and of Baltimore City stock; assessment is on shares of stock and not on capital stock; tax is on shareholder but corporation is collector of tax. *Fid. & Guar. Fire Corp. v. Tax Comm.*, 172 Md. 653.

Method of assessing bank stock for tax purposes. Decision of Tax Commission upheld. *Canton Nat. Bank v. Tax Comm.* (Judge Adams, Circuit Court No. 2 of Baltimore City), *Daily Record*, Nov. 17, 1939.

Cited in the matter of the appeal of the Fidelity Trust Co. from the action of the State Tax Commission. (Judge Smith, Circuit Court of Baltimore City), *Daily Record*, June 16, 1939.

Tax on shares of national banks held by Reconstruction Finance Corporation upheld. (Affirmed decision Md. Ct. of Appeals, 169 Md. 65.) *Baltimore Natl. Bk. v. Tax Comm.*, 297 U. S. 209.

Cited in *Tax Commn. v. Balto. Nat. Bank*, 174 Md. 405.

#### Real Estate.

166. The value of ground-rents owned by a corporation is not deducted as real estate from the assessment of company's capital stock. In making abatement from valuation of corporate stock on account of real estate owned by corporation, commissioner is a ministerial officer; his limited powers. *Baltimore v. Canton Co.*, 63 Md. 233; *State v. Central Savings Bank*, 67 Md. 296.

The value of real estate outside of Maryland owned by a corporation is not deducted in valuing its capital stock for taxation. Assessment and levy, held to have been made in time. *American Coal Co. v. Allegany County*, 59 Md. 193.

The machinery of a manufacturing corporation is included in valuation of its capital stock, and, hence, cannot be taken into account in valuing company's real estate. *Anne Arundel County v. Baltimore Sugar Refining Co.*, 99 Md. 485.

In light of this section, improvements upon real estate entirely completed in November, 1901 (owned by a resident corporation having a capital stock) are taxable for 1902, although such improvements were not assessed to corporation on October 1, 1901, as required by local law. *Skinner Dry Dock Co. v. Baltimore*, 96 Md. 42.

The act of 1878, ch. 178, held to be in *pari materia* with general assessment law of 1876, ch. 260, and that in assessing real estate of corporations under former act, county commissioners should conform to requirements of the latter. Under these acts separate tracts were required to be valued separately, and a failure to comply with this requirement was error on part of the commissioners, unless officers of corporation were at fault. *Allegany County v. Union Mining Co.*, 61 Md. 550. And see *Philadelphia, etc., R. R. Co. v. Appeal Tax Court*, 50 Md. 413.

#### Duty and power of tax commissioner.

Under system of corporate taxation prescribed by this section, the powers and duties of the tax commissioner relate exclusively to making and returning assessment of shares of stock, and he is to make out but one assessment and must certify that to comptroller for state taxation and to county commissioners and appeal tax court for local taxation. *Schley v. Lee*, 106 Md. 397.

While this section contains no specific directions as to manner in which value of stock is to be ascertained, yet under art. 15 of Bill of Rights, commissioner should ascertain actual value of stock; that is, ordinarily, what it will bring at a fair sale in the market. The "book value" of stock is not in itself a proper criterion. *Schley v. Montgomery County*, 106 Md. 410. And see *American Coal Co. v. Allegany County*, 59 Md. 194.

The tax commissioner should not only certify number and value of shares of stock held by residents, but by non-residents also, latter being taxable as well as former. The certificate of tax commissioner to appeal tax court, held defective in form but