

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That a new section be and the same is hereby added to Article 48A of the 1935 Supplement to the Annotated Code of the Public General Laws of Maryland, title "Insurance", subtitle "General Provisions", said new section to follow immediately after Section 39 and to be known as Section 39A, and to read as follows:

39A. TAX ON PREMIUMS OF DOMESTIC LIFE INSURANCE COMPANIES HAVING A CAPITAL STOCK. The shares of stock of every domestic life insurance company having a capital stock shall be exempt from assessment and taxation of every kind and the owners of such shares shall not be liable for the payment of any taxes in respect of such shares. Every such company shall pay annually to the Insurance Commissioner, in lieu of all other taxes of every kind, including any tax on its shares which are exempted from taxation as hereinbefore provided, except State and City or County taxes upon the real estate of said companies, and except taxes upon shares of stock in any national bank or in any corporation organized under the laws of the State and liable to taxation hereunder a tax equal to one and one-half per cent. ($1\frac{1}{2}\%$) of the net premiums collected by such company during the calendar year preceding the taxable year from its policyholders residing in this State; it being understood that net premiums shall mean gross premiums less returned premiums on canceled policies and less premiums on reinsurance effected in companies authorized to do business in this State and shall not include annuity premiums or premiums on policies covering weekly disability benefits and on which premiums are payable weekly. A report under oath of the premiums so collected shall be made to the Insurance Commissioner annually by the chief accounting officer or officers of each such company. Provided, however, that such companies shall be liable for the payment of an annual franchise tax which such companies would pay if they were ordinary business corporations.

SEC. 2. *And be it further enacted,* That all laws and parts of laws inconsistent herewith be and the same are hereby repealed in so far as the same are inconsistent with the provisions of this Act, and no further.

SEC. 3. *And be it further enacted,* That this Act shall take effect June 1, 1937.

Approved May 28, 1937.