

tions which may be subject to State taxation. The State tax is nearly always paid simultaneously with the county tax, according to the terms of the tax bill, which shows amount due to the county and amount due to the State. It does not appear that the county officials, who are authorized to receive county as well as State taxes, ever receive county taxes and allow the State tax to remain unpaid.

Proper system of accounting between the localities and the State should require the immediate placing to the credit of the State the amount due the State and the maintenance of a separate fund. But a practice has been followed in the counties by which the State money is deposited with county funds and commingled with county funds. Each payment of State taxes by the property owner requires an entry on the State account kept by the local collector, and intricate and complicated bookkeeping is the result. The attention of this Commission has been directed to the fact that in some counties the State's account is not kept separate from the county's money, but is used by the county for the local need and expenses, and that the State's need of the money is considered secondary. In one county when the local funds were inadequate for the time being it became necessary to use this money and the State had to wait months before the same was received.

Just as soon as the property owner receives the benefit of the discount on State taxes the State is entitled to this money. Section 36 of Article 81 (Revenue and Taxes) provides that the collector of State taxes in Baltimore City shall make daily deposits of money to the credit of the State Treasurer, but no provision is made for the manner of the deposits of local collectors and in many cases settlement is made but once. This method has resulted in a discount system of collection, which is discussed fully in the report of the special commission submitted to the Legislature of 1914.

Examination of the last Comptroller's Report reveals that a large percentage of current taxes is not collected in any current year, and the following compilation is submitted. In the first column is set forth the amount of money that the county should have paid to the State, and in the second column the amount actually paid within the fiscal year by said county on account of State taxes; the third column shows the actual percentage of collection of taxes by the county as compared with the levy.