rate. In the discount system there can be no equalization of taxation, for the reason that those who take advantage of the discount period pay a less amount in taxes than those who pay after the expiration of the discount period.

Should the recommendation of this Commission for prompt payment as made in the foregoing paragraph be adopted, and the discount system be abolished, the tax rate could be further reduced at least one cent. The Commission, therefore, strongly recommends the abolition of the discount system now in vogue in this State.

TAXATION OF CORPORATIONS

Prior to the year 1915 all domestic corporations paid taxes on the net valuation of their shares, assessed in the manner set forth in Article 81, beginning with Section 151. The value of these shares was determined by the State Tax Commissioner, whose office was established by the provisions of the Acts of 1878 (Chapter 178). During this period (1878 to 1915) the State Tax Commissioner was also charged with other duties, including the determination of the franchise tax on savings banks, gross receipts tax of public service corporations, the assessment of distilled spirits and other similar duties.

The Legislature of Maryland in 1914 made radical alterations in the taxation system of Maryland—two of these being of very far-reaching effect. One of these, accomplished by Chapter 841 of the Acts of 1914, was the creation of the State Tax Commission. Another radical change was that made by Chapter 324, which provided for a classification of corporations termed "ordinary business corporations" and a new method of their taxation and assessment. Numerous other changes were made in taxation matters, notably the exemption of manufacturing plants under laws or ordinances of the County Commissioners and Baltimore City and the change in the bank rate, the duty of interpreting the law resting solely on this Commission. These tasks have been very laborious and their solutions have necessitated a great amount of work, far more than even the careful observer realizes.