

GASOLINE TAX FUND.

HOUSE BILL 490.

AN ACT to repeal and re-enact, with amendments, Section 14 of Article 89B of the Annotated Code of Maryland (1939 Edition), title "State Roads", relating to the amount allocated to Frederick City and the incorporated towns of Frederick County from the "One and One-half Cent Lateral County and Municipal Gasoline Fund."

This legislative enactment would have diverted a portion of the lateral gas tax funds in Frederick County to the incorporated towns. The sum of \$11,500 would have been lost to the County Road Building program and would have seriously affected the post-war plans of the County, I was informed. The Farm Bureau, the State Grange, the County Roads Board, the Board of County Commissioners, Frederick Chamber of Commerce and the Frederick County Branch of the Automobile Association all requested the Governor's veto.

GROSS RECEIPTS TAXES.

SENATE BILL 413.

AN ACT to repeal and re-enact, with amendments, Sub-section (b) of Section 95 of Article 81 of the Annotated Code of Maryland (1943 Supplement), title "Revenue and Taxes", sub-title "Gross Receipts Tax", relating to the method of allocating gross receipts to Maryland.

Senate Bill 413 has presented most perplexing questions in connection with gross receipts taxes payable by public carriers. Because of the possibility of serious impairment of State revenues from this source, I have granted hearings and held conferences with all interested parties in regard to this enactment.

The history of this particular bill is a most interesting one. The State Tax Commission, in a commendable effort to establish uniformity in the method of allocating taxable gross receipts to this State, caused the introduction of this bill. The present Commission followed the leadership of Judge William L. Henderson who, as Chairman of the State Tax Commission, initiated steps by which all parties in interest would be accorded similar treatment and could have a definite formula by which they could determine the amount of their gross receipts which would be subject to the Maryland tax. The proposal provided that authority be delegated to the Tax Commission to establish regulations as to the handling of operating revenues.