

plished a 15% reduction in the State income tax, without in any manner reducing the portion payable to the local subdivisions.

The present bill must thus be considered in the light of the financial position of the state and the tax reductions since November 1950. The same reasons which historically and logically impelled the passage of legislation in 1951 to restore State Police expenses to their accustomed and rightful place as a charge on highway use revenues, exist with even more compelling force today. To say that the counties and Baltimore City lose revenue by the transfer is to avoid the facts. The two million dollar or more cost of the state police, if charged to general fund revenues, will not come from a magic cornucopia as some might almost wishfully believe, but instead will come, as do all other revenues, from the pockets of the taxpayers of this State. Retention of the state police as a charge on motor vehicle revenues assures against the necessity of imposing taxes on the residents of Baltimore City and the counties for the purpose of raising an additional two million dollars in general funds. By avoiding additional taxation to raise two million dollars, the local subdivisions are theoretically deprived of about one million dollars, since it must be borne in mind that the local subdivisions receive only one half of motor vehicle revenues and the balance is for the use of the State Roads Commission. Thus, to eliminate a contribution of about one million dollars towards the expense of the State Police from motor vehicle revenues, otherwise payable to local subdivisions, this Bill, while returning the one million dollars, would actually take two million dollars from the taxpayers of these same local subdivisions, or two dollars for every one they receive in return. This is poor business for the local subdivisions. It is also unsound for the state when viewed in a proper historical and logical background.

Finally, it should be noted that the present healthy status of local road programs as a result of the increased revenues from motor vehicle and highway use taxes will not be impaired. Since the return of State Police expenses to their rightful place as a charge on motor vehicle revenues, the distribution to every local subdivision has continued to increase, not decrease. A further increase in such revenues will occur in the ensuing fiscal year despite my veto of this Bill. Baltimore City, for example, is currently receiving more than eleven million dollars as its share of highway and motor vehicle revenues. In 1945, it received only \$3,500,000. This year, the City from its own tax levies is spending only about one million dollars for city streets and highway construction. In other words, the State is now