

An additional \$2,800,000 in licenses and recordation taxes levied by State law, is retained by the civil divisions.

This brings the total of County and Municipal revenue provided by State laws to \$90,442,974 and is about \$63,136,000 more than the State returned to the subdivisions in 1947.

This staggering increase, at least in part, is a result of the ever increasing tendency to use the State as a tax collector for the political subdivisions. A major part of this surrender of funds by the State resulted from the enactment of laws in line with the Sherbow Commission recommendations in 1947. At that time the State was in a relatively favorable financial position with accumulated surplus because of necessary deferment of many expenditures under war-time restrictions. However, in some of the political subdivisions, "and particularly in the City of Baltimore, the tax situation was acute and even desperate."

The Commission did not attempt to foresee future economic and social developments and deplored the lack of adequate records in the local subdivisions to make a more accurate study. Its recommendations were "offered only to correct what have seemed to us clear inequities in the present situation. The extent of these recommendations has been set to meet what we believe to be the requirements of the near-term future."

Neither the Commission nor the Legislature at the time contemplated that the figures would reach their present astronomical heights. In 1946, for example, all income from licenses, admissions and recordation taxes, was exclusively that of the State. Since 1947 it has been exclusively a source of local revenue, handled by State agencies. Thus, these sources which gave the subdivisions nothing in 1946, will yield them an estimated \$3,130,789 in 1955 without any responsibility for the collection thereof. A similar situation exists as to racing revenues in which local governments did not participate prior to 1947. Since that time they have received approximately half of this income, again collected by State agencies without responsibility on the part of the Counties and municipalities. This source which gave them nothing in 1946 will yield them an estimated \$3,188,000 in 1955.

Larger shares of State revenues in other fields, coupled with rising collections, likewise are producing income totals for counties and municipalities far in excess of anything that was anticipated in 1947.

A striking illustration is the State income tax from which local subdivisions realized only \$1,632,000 in 1946, and from