

offenders may be permitted to leave the institution to perform productive labor so that the earnings can be used for their families. It is the opinion of responsible penal authorities of this State that the bill as drawn is much too general. It is deemed essential that before adopting such a departure from methods traditional in Maryland, careful study should be given the subject with a view to determining a completely feasible plan.

Respectfully,

(s) THEODORE R. MCKELDIN,
Governor

TRMcK/tk

SENATE BILL NO. 376

May 6, 1953

Honorable George W. Della
President of the Senate
State House
Annapolis, Maryland

Dear Mr. President:

From the best available information, I am informed that Senate Bill 376 exempting insecticides and fungicides used for agricultural purposes from the sales tax will cause a loss of approximately \$60,000.00 in State revenues. At least a portion of this loss would be attributable to the difficulty of determining applicability of the exemption, i.e., how would a retail seller be able to determine absolutely that the purchasers using it come within the qualification? Tax experts agree that such qualified exemptions, especially because of difficulty of administration, aside from discriminatory features, are undesirable in any basic tax policy. Before consideration of whether or not an exemption such as this is desirable from a policy standpoint and feasible from a revenue standpoint, possible unfair discriminations should be resolved. Thus, as a general proposition, a minimum basis for distinction would be the exemption of non-commercial users as opposed to commercial users. Preferable certainly from an administrative standpoint would be an exemption of all users of a given product. Moreover, an exemption from sales tax which benefits some persons, firms and corporations operating for profit, while excluding others, might well present constitutional difficulties, aside