

so as to provide a retail sales tax exemption in the event of a transfer of "assets of a sole proprietorship or a partnership to a newly-created corporation in return for stock of the corporation." In fact, the text of the first reader copy of the bill (at page 1, units 78 through 80) clearly carried out the single purpose announced in the title.

During the legislative process, however, the bill was amended so as to add six specific retail sales tax exemptions, no one of which standing alone is as broad as the exemption originally contained in the bill (which was subsequently deleted). An examination of these six new exemptions persuades us that they are considerably broader than the purpose of the act as stated in its title, which title, was unfortunately not amended by the General Assembly to reflect these changes. In our view, this bill is fatally defective because of this oversight and no single exemption could be salvaged if the bill were to be signed by you.

This is particularly unfortunate because the bill as originally written was obviously intended to cure what a number of private attorneys have perceived to be an inequity in the retail sales tax statute. See 57 Opinions of the Attorney General 646 (1972); Borden, "Sales Taxation of Capital Transactions in Maryland," 33 U.Md.L.Rev. 3 (1973). In order to accomplish its purposes however the bill will have to be redrafted and introduced and enacted at a subsequent session of the General Assembly.

Very truly yours,
/s/ Francis B. Burch
Attorney General

House Bill No. 217 - State Police Employees

AN ACT concerning

State Police - Employees

FOR the purpose of correcting certain erroneous language which fails to distinguish between civilian and police employees of the Maryland State Police.

May 31, 1974.

Honorable John Hanson Briscoe
Speaker of the House of Delegates
State House
Annapolis, Maryland 21404