

in all parts of the State, that it is essential for an equalization of the taxes, that the matter should be attended to at the earliest practicable moment.

This Department has frequently experienced difficulties in its settlement with the several Banks and Incorporated Institutions. I would suggest that they hereafter be placed on the same footing as individuals in their accountability with the State.

Their Annual Statements should be made under the oath of the President and Treasurer, or other proper accounting officers, on or before a stated day. Upon their failure, a penalty should be imposed, sufficient to insure the prompt performance of this duty. Their entire capital should be taxed without any deduction except for State or Government Stocks, and they should not, as now practised, be allowed credit for mutual investments, subjecting the State not unfrequently in this manner to considerable loss.

I would also call your attention particularly to the taxes in arrears from the city of Baltimore. They now amount, principal and interest, to the sum of \$328,198.55, and have been accumulating since the year 1848. One of the difficulties, is the claim set up to commissions on arrearages of taxes uncollected. The State is made, from want of a prompt performance of duty on the part of the City Collectors, to suffer a loss, such as is not permitted in other parts of the State. The sections of the 81st Article of the Code of Public General Laws, provides a uniform system for the collection of direct taxes, and I can see no reason why there should be any exception to this general rule. This subject was fully discussed by my immediate predecessor, and I again invite your attention thereto, as one requiring further legislative action to relieve this Department of the embarrassing attitude of permitting (without some effectual mode of preventing it) the accumulation from year to year of these arrearages.

The difficulty is not attributable to the present collector—a most worthy and efficient officer—but arises from the practice which has grown up, by which State matters are controlled by the ordinances of a mere municipal corporation. That these taxes should further accumulate without an adjustment either in an amicable or compulsory mode, will not I suppose be questioned, while prompt action in the matter might remove many difficulties. In connection with this subject, I would refer to the system of refunding taxes, as practised by the Appeal Tax Court of this city, being in direct conflict with the provisions of the Constitution, which forbids the re-payment of taxes once paid, without a special act of your body authorizing the same.

As one of the means of removing the difficulties above adverted to, I would respectfully recommend that the city of Baltimore be divided into three separate collection districts,