

of Baltimore, chartered in 1821, were exempt from taxation during the *continuance* of the charters then granted, and that the other Banks of the city were legitimately taxed." Under the impression that this decision had settled the question of liability to taxation, I requested the Attorney General to call upon the several Banks and request their compliance with the law. The Banks, chartered in 1821, contending that their charters of 1821 did not expire until 1846, and the other Banks contending that, under the act of 1835, chapter 142, no other tax could be imposed on them than was, or could be imposed on the Banks chartered in 1821, still refused to pay the tax; and I immediately directed proceedings to be instituted to test the validity of their claim to exemption. This proceeding resulted in a decision by the Court of Appeals, "that the banks chartered in 1821 were liable to taxation from the *1st of Jan. 1846*, and that the other Banks were liable for the tax from the *date of its imposition in 1841*." All the Banks of the city of Baltimore have acquiesced in this decision, except the Farmers' and Planters', and the Western Banks, which now refuse to pay upon the ground that the act of 1841, chapter 281, and 1843, chapter 289, which make it the duty of the "*Presidents of the Banks and other incorporated institutions of the State to retain and pay the tax directly into the treasury*," are unconstitutional. A proceeding has been instituted, and is now pending in the Court of Appeals, to test the validity of this objection; the decision of which *may* render further legislation necessary.

The revenue which will be derived from the direct tax during the coming year will be increased by the sum of \$24,297  $\frac{7}{10}$ , the tax upon the capital of the Banks which have not hitherto paid, including the unpaid tax of the two Banks before mentioned, which are still contesting their obligation to pay.

Upon investigation I found that *but one Bank* in the city of Baltimore, (the Merchants' Bank,) and but few of the other incorporated companies had paid the direct tax, since the passage of the act of 1843, chapter 289, which transferred the collection of this tax from the local collectors to the Presidents of the several corporate institutions. The treasurer at my instance addressed a circular to the Presidents of each of the incorporated companies, of whose locality he could obtain information, requiring them to pay into the treasury the tax due from the companies over which they presided; which has resulted in the payment by many of them of the entire tax due from their respective institutions, amounting to the sum of \$14,388  $\frac{8}{10}$ ; and which will justify me in applying for a mandamus against those who may continue delinquents, to enforce their observance of the law.

The treasurer will furnish you with a list of the corporations, and the capital of each, of whose locality and capital we could obtain information, distinguishing those which have from those which have not paid; from which you will see that the revenue which will be probably derived from this particular source du-