

annual certificate, to wit, before the first day of April in every year, pay to the State Treasurer for the use of the State a franchise tax for such year at the following rate—that is to say, the sum of twenty-five dollars for every full fifty thousand dollars of capital employed by it in this State up to five hundred thousand dollars, but in no case less than twenty-five dollars; if the amount of such capital is more than five hundred thousand dollars, and not more than five million dollars, then an additional amount equal to one-fortieth of one per cent. on the excess; and if more than five million dollars, then an additional amount at the rate of thirty dollars for every million dollars of such last named excess.”

There is no provision, however, in said statute requiring such corporations to file with the taxing authorities of the State, other than the Secretary of State, the amount of capital employed in the State, nor is that officer clothed with any powers to inquire into and demand the correctness of such report. That the laxity of the law in this particular permits abuses whereby the State loses its just revenue is very manifest. One of the largest department stores in Baltimore City, operating under a foreign charter, makes a return of only \$5,000 as the amount of capital employed within this State. No business or corporation, foreign or domestic, should ever be assessed beyond a fair valuation, but such gross inequalities as above mentioned should not be permitted. The law should be amended, in my judgment, requiring all foreign corporations to report to the Secretary of State, as now enacted, but giving that official sufficient authority to demand and receive a correct return, who in turn should certify the same to the Comptroller.

This tax, as now enacted, is levied upon “every full fifty thousand dollars of capital employed by it in this State.” Under an opinion given this Department by Attorney-General Isaac Lobe Straus, it was held that the above were words of limitation. Hence a company having \$99,999 of capital employed in the State would be required to pay only \$25, or no more than if \$1,000 of capital were employed. Surely it would appear that the tax should be levied upon a more equitable basis as to true values, having due regard to a reasonable minimum amount.