

March 4th, 1936

R. E. Lee Marshall, Esq.
City Solicitor
217 Court House

Dear Mr. Marshall:

The Manufacturers-Finance Company has applied to the Board of Estimates for a refund of taxes paid by it on an allegedly illegal assessment from the year 1921 up to and including the year 1934. The company states in its application that the amount of taxes paid on these allegedly illegal assessments is \$129,360.48. In its application the company waives any claim it may have for interest on these taxes allegedly overpaid.

The claim of the company indicates that the assessments which range from \$1,945,000 in 1921 to \$4,112,900 in 1932 and then drop to \$1,925,040 for the years 1933 and 1934 should have been in very much smaller amounts so that the taxes they should have paid would amount to \$35,415.93 as against taxes actually paid of \$164,776.41; hence the application for refund in the amount of \$129,360.48, of which sum approximately one-third was received for State taxes.

The situation raised by this application is a novel one. At the time of assessment in 1921, the Statute Law under which the assessment was made was the same as it is at present. No decisions involving construction of the law under which these assessments were made had as yet been promulgated by the Court of Appeals of Maryland. Recently in the Home Credit Company case, the legality of such assessments was stricken down by the Court of Appeals. Therefore for the years in question, 1921 to 1934 inclusive, no attack was made by the applicant or by any other foreign finance company, all of which finance companies were assessed on the same basis. It was only after a recent decision that any question was raised as to the validity of these assessments, and when that question was raised the assessments were stricken down.

The Manufacturers Finance Company in 1921 was represented by counsel, in fact one of the soundest legal firms in the city at that time, namely, Frank, Emory and Beunkes. At that time an assessment of \$1,945,000 was laid against the Manufacturers Finance Company and accepted by Frank, Emory and Beunkes, as attorneys