

FILE NO. 72359

September 4, 1940

Mr. Thomas G. Young
City Collector
Municipal Office Building
Baltimore, Maryland

Dear Mr. Young:

I am writing to confirm our verbal conversation regarding letter dated August 31, 1940, to you from Mr. McKenny W. Egerton, of the firm of Piper, Watkins & Avirett, Attorneys for the Chesapeake and Potomac Telephone Company of Baltimore City.

As I understand the situation, the tax on the shares of stock of the Telephone Company for the year 1940 has not been paid. I also understand that within the past ten days this Company purchased from a manufacturer five tool carts or trailers and application has been made for the issuance of tags for these carts or trailers.

Section 183 of Article 56 of the Annotated Code, in effect, requires that all taxes due and owing on a motor vehicle shall be paid before the issuance of any plate or marker for such motor vehicle. The Telephone Company is not an ordinary business corporation - its shares of stock are subject to assessment and taxation to the owner thereof. Under the provisions of Section 7(15) of Article 81 of the Annotated Code of Maryland, personal property of any domestic corporation having a capital stock divided into shares is not subject to taxation if the shares of stock of such corporation are subject to taxation. Since the personal property of the Telephone Company is exempt from taxation, it is my opinion that there are no 1940 taxes due and owing by the Telephone Company on the carts or trailers in question.

If, as stated by Mr. Egerton, the Telephone Company purchased these carts from the manufacturer after January 1, 1940, they would not have been assessed to the Chesapeake & Potomac Telephone Company for the year 1940 under any circumstances.

Mr. George S. Newcomer, of the firm of Piper, Watkins and Avirett, has just advised me that the Telephone Company expects to make application for the issuance of license tags for a one-half ton Dodge truck, 1940 model, Serial No. 8210269, Engine No. T94-4459, which he states was purchased by the Telephone Company on July 5, 1940.