

# MAINE STATE LEGISLATURE

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SEVENTY-FIFTH LEGISLATURE

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HOUSE

NO. 764

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*House of Representatives, March 28, 1911.*

*Bill for Taxation of Incomes by the State, reported from Committee on Taxation, as amended by House Amendment "A," offered by Mr. Mace of Great Pond, and adopted on motion of Mr. Pattangall of Waterville, the following being the complete Bill as amended by House Amendment "A."*

*C. C. HARVEY, Clerk.*

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STATE OF MAINE

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IN THE YEAR OF OUR LORD ONE THOUSAND NINE  
HUNDRED AND ELEVEN.

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Bill for Taxation of Incomes by the State.

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*Be it enacted by the People of the State of Maine, as follows:*

Section 1. That from and after January first, 1911, there  
2 shall be assessed, levied, collected and paid annually upon  
3 the gains, profits and income received in the preceding calen-  
4 dar year by any citizen of this state, whether residing within  
5 or without the state, whether said gains, profit or income be  
6 derived from any kind of property, rents, interest, dividends,  
7 or from any profession, trade, employment or vocation car-  
8 ried on in this state, or elsewhere, a graduated tax on the  
9 amount so received over and above two thousand dollars, at

10 the rates hereinafter provided; and a like tax shall be as-  
11 sessed, levied, collected and paid annually upon the gains,  
12 profits and income from all property owned and of every  
13 business, trade or profession carried on in this state, by  
14 persons residing without the state. The tax herein imposed  
15 shall be assessed by the Board of State Assessors upon the  
16 gains, profits and income for the year ending on the thirty-  
17 first day of December next preceding the time for levying,  
18 collecting and paying said tax.

Sect. 2. From all the gains, profits or income arising or  
2 derived from any kind of real or personal property rents,  
3 interest dividends, there shall be collected and paid to the  
4 state, for the use of the state, a tax graduated as follows:  
5 on all such gains, profits, or income exceeding two thousand  
6 dollars and not exceeding five thousand dollars, five mills  
7 or one-half of one per centum on each dollar thereof; if  
8 exceeding five thousand dollars and not exceeding ten thou-  
9 sand dollars, seven and one-half mills or three-fourths of  
10 one per centum on each dollar thereof; if exceeding ten  
11 thousand dollars and not exceeding twenty thousand dol-  
12 lars, twelve mills or one and one-fifth per centum on each  
13 dollar thereof; if exceeding twenty thousand dollars and not  
14 exceeding fifty thousand dollars, fifteen mills, or one and  
15 one-half per centum on each dollar thereof; if in excess of  
16 fifty thousand, twenty mills, or two per centum, on each dol-  
17 lar thereof.

B. Upon all gains, profits or income arising or derived

19 from any trade, employment, vocation or salary (except  
20 salaries of the United States judges and of the judges of  
21 the supreme and superior courts of the state) in excess of  
22 two thousand dollars per annum, and depending wholly upon  
23 the personal learning, skill or exertion of the person receiv-  
24 ing such gains, profits or income, there shall be assessed,  
25 levied and paid a tax of three-fourths of the amounts here-  
26 inbefore established.

Upon all gains, profits or income, wherever arising or de-  
28 rived, amounting to less than two thousand dollars per an-  
29 num, no tax shall be levied, collected or paid under the pro-  
30 visions of this act.

Sect. 3. The amount of the gains, profit or income arising  
2 or derived from property, upon which said tax shall be col-  
3 lected, levied and paid, shall be determined by taking the  
4 total amount the tax assessed for the current municipal year  
5 by the municipal assessors of taxes upon the property of  
6 the person to be taxed under the provisions of this act, and  
7 computing therefrom the capital amount which said assessed  
8 tax represents; the income from this capital amount at four  
9 per cent so computed and determined, shall be the sum upon  
10 which the tax hereby imposed shall be levied at the respect-  
11 ive rates hereinbefore established.

Sect. 4. From the gross amount of gains, profit or income  
2 determined as provided in the preceding section, there shall  
3 be deducted all sums received by the person chargeable  
4 with the tax as a pension from this state or from the United  
5 States; any sum paid by such person as a premium or

6 assessment upon a policy of insurance upon his own life,  
7 or the life of a member of his family; the proceeds of any  
8 life insurance policy paid at the death of the insured and  
9 distributed among his heirs; any gift made to any charitable  
10 institutions within this state; the interest actually received  
11 by such person upon any bonds or other interest bearing  
12 obligations of the United States, but no deduction from the  
13 total gross income shall be permitted for any sums directly  
14 or indirectly expended by such person for the living ex-  
15 penses of himself or his family, such expenses including  
16 sums paid for clothing, food, furniture, medicines and medi-  
17 cal attendance, room rent or house rent for personal or  
18 family use, or wages of servants, but the enumeration of  
19 these expenses shall not be held to exclude other charges  
20 ordinarily included in personal and family expenses; and  
21 provided further, that but one sum of two thousand dollars  
22 shall be exempt from the tax hereby imposed, from the ag-  
23 gregate income of the members of any family composed of  
24 one or both parents and minor children, but guardians may  
25 make one deduction of one thousand dollars from the gross  
26 gains, profit, or income of their wards.

Sect. 5. It shall be the duty of the assessors of taxes of  
2 the several cities, towns and plantations in the state prior  
3 to the first day of July in each year, to transmit to the Board  
4 of State Assessors a list of those persons in their several  
5 cities, towns or plantations liable to taxation under the pro-  
6 vision of paragraph A of section 2, stating the name and

7 residence of such taxpayer, the amount of the tax assessed  
8 upon both his real and personal property for the current  
9 year, and the rate of taxation for that year in said city, town  
10 or plantation. Said board shall thereupon compute the in-  
11 come of each or said persons, as provided in section 3.

At the same time the local assessors shall transmit to the  
13 Board of State Assessors a list of those persons in their  
14 several cities, towns and plantations who appear to be liable  
15 to taxation under the provisions of paragraph B of section  
16 2, stating the name and residence of such person, and the  
17 amount of the gains, profit or income which said local as-  
18 sessors have reason to believe that such person received  
19 from the sources and in the manner prescribed in said para-  
20 graph B, in the calendar year last pending.

Said Board of State Assessors shall on or before the first  
22 day of August next following the receipt of such list cause  
23 to be sent to each person liable to taxation under said para-  
24 graph A, a proper printed form showing the complication  
25 of the income of such person, and the amount of the tax  
26 assessed thereon; and to each person liable to taxation under  
27 Class B, aforesaid, said board shall send a proper printed  
28 form showing the gross income of such person as reported  
29 to it by the local assessors, and the amount of the tax as-  
30 sessed thereon.

Such taxpayer, under either Class A, or Class B, upon the  
32 printed form sent to him by said board, may, in detail and  
33 under oath, make claim for any exemptions or deductions

34 which he claims should be made from his assessed property,  
35 or apparent income, and return the same to said board not  
36 later than the 15th day of August in that year. Said board  
37 shall immediately upon the receipt of such return examine  
38 the same, and determine whether the exemptions and deduc-  
39 tions claimed, for any part thereof, shall be allowed, and  
40 thereupon shall assess the amount of the tax to be paid by  
41 such person, and shall give him written notice thereof, and  
42 of the amount of such assessment, not later than the first  
43 day of September. Said tax, so determined and assessed,  
44 shall thereupon be deemed due and payable, and payment  
45 shall be made by the person so assessed, to the treasurer of  
46 state, accompanying said payment with the original assess-  
47 ment, not later than the 15th day of said September.

Provided, however, that any person liable to taxation under  
49 any of the provisions of this act, may, if he prefers, file  
50 with the State Assessors not later than the first day of July,  
51 in each year, a true and perfect list, under oath, of his es-  
52 tate, real and personal, not by law exempt from taxation  
53 on the first day of April in that year, of his personal income  
54 for the calendar year last preceding; or, if he is taxable  
55 only under the provision of paragraph B, of section 2, of  
56 the sources and amount of his gross income. The assessors,  
57 or either of them, may require him to answer all proper  
58 inquiries in writing as to the nature, situation and value of  
59 his property, and of the sources and amount of his income,

60 but such list and answers shall not be conclusive upon said  
61 Board of State Assessors.

Sect. 6. The taxes on incomes herein imposed shall be  
2 due and payable on the first day of September in each year ;  
3 and to any sums annually due and unpaid after the first  
4 day of February aforesaid, and for ten days after demand  
5 thereof by the treasurer of state, there shall be levied, in  
6 addition thereto, the sum of five per centum on the amount  
7 of taxes unpaid, and interest at the rate of one per centum  
8 per month upon said tax from the time the same becomes  
9 due, as a penalty, except from the estates of deceased, insane  
10 or insolvent persons, or minors.

Sect. 7. It shall be unlawful for any person charged by  
2 this act with any duty in assessing, levying, or collecting said  
3 tax, or any clerk, agent or employee of such person, to make  
4 known or disclose in any manner whatever the source or  
5 amount of income, profits, losses, expenditures, or any par-  
6 ticular thereof, set forth or disclosed in any income return,  
7 or to permit any income return or copy thereof or any book  
8 containing any abstract or particulars thereof, to be seen or  
9 examined by any person except as provided by law ; and it  
10 shall be unlawful for any person to print or publish in any  
11 manner whatever not provided by law, any income return  
12 or part thereof or the amount or source of income, profits,  
13 losses or expenditures appearing in any income return ; any  
14 offense against this provision shall be punished by a fine of



15 not less than one hundred nor more than one thousand dol-  
16 lars, or by imprisonment for not more than one year, or  
17 both at the discretion of the court; and if the offender be  
18 an officer or employee of this state he shall, in addition to  
19 said fine or imprisonment, be dismissed from said office or  
20 employment.

Sect. 8. When any person liable to taxation hereunder  
2 fails or neglects to file a list of the exemptions or deduc-  
3 tions to which he may be entitled, as provided in section four,  
4 the Board of State Assessors shall assess his tax upon the  
5 full amount of his property capitalized as provided in sec-  
6 tion three. If any person shall intentionally return any list  
7 in which he falsely or fraudulently claims deductions or  
8 exemptions to which he is not entitled hereunder, said board  
9 shall disallow all the deductions or exemptions claimed, and  
10 shall assess his tax upon the full amount of his property  
11 capitalized as provided in section three, and in addition  
12 thereto shall add one hundred per centum to such tax. The  
13 amount so added to the tax shall be collected at the same  
14 time and in the same manner as the tax, unless the neglect  
15 or falsity is discovered after the tax has been paid, in which  
16 case the amount so added shall be collected in the same  
17 manner as the tax. In case of neglect in claiming the de-  
18 ductions or exemptions permitted hereunder, occasioned by  
19 illness or absence from the state, said board may allow such  
20 further time for making and returning said list as it may  
21 deem necessary not exceeding thirty days.

Sect. 9. In case any person neglects or refuses to pay the  
2 tax due, after the demand mentioned in section six has been  
3 made, an action of debt against said delinquent taxpayer  
4 shall be commenced in the name of the treasurer of state by  
5 said treasurer, to recover said tax.