

MAINE STATE LEGISLATURE

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June 10, 1914

To W. L. Austin, Esq., Department of Commerce, Washington, D. C.
Re: Maine Tax System

Your favor of the 8th inst., with the proof of compilation of tax laws of this state was duly received. . . It seems to be a very comprehensive statement in general of our laws. I have made one or two corrections and suggestions that seem to me might add to its value, and am forwarding pamphlets which will perhaps assist your department in revising, if you so desire.

There is a feature connected with Maine taxation which very likely does not exist in any other state and which it is necessary to understand in order to fully appreciate our state taxation system. We have a very large area of what are termed "wild lands", assessed at \$45,000,000., which are included in unorganized parts of the state and are, therefore, only subject to the state and county taxes, which are, of course, very small as compared with the amount assessed on real estate in the organized parts of the state, as towns and cities. This property is now taxed by the state at four and one-half mills and by the counties in which located at varying amounts, probably averaging two mills, and can only be reached through the state and county tax.

Following the course pursued in most states in the taxation of railroads, banks and other corporations, the state's income from these sources has been gradually increasing until our legislators were met with the problem of soon having a surplus income, or doing away with the direct state tax, which would result in the wild lands practically escaping taxation altogether. A solution of this was met by establishing the policy of assisting towns in the support of the public schools and in the care of the roads and likewise by generous appropriations in the support of many charitable institutions, like hospitals and homes for the unfortunate classes. In this way a direct state tax of four or five mills has been kept up, and in addition to this a Forestry District, so-called, was created in 1909 in which are included practically all of the wild lands of the state, and a tax was assessed thereon by the state for the purpose of protecting the forests from fires to the amount of one and one-half mills. At the present time about one-half of the state's income comes from the corporations, banks, railroads and other public service corporations and the taxation of automobiles and about one-half from the direct state tax on property.

I have explained this at some length as Maine's state tax laws are in a large degree affected by this problem of taxing our wild lands.

Scott Wilson
Attorney General