

MAINE STATE LEGISLATURE

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June 21, 1916

To Hon. Irving E. Vernon, Bank Commissioner
Re: Tax Exemption to Savings Banks and Trust Companies

Replying to yours of June 5, my view of the law is that Chapter 179, Public Laws of 1911, has no effect whatever in regard to the taxation of savings banks and trust companies. The State does not levy a property tax upon savings banks and trust companies, nor upon their assets. The tax levied on these institutions is a franchise tax and in computing the amount of the franchise tax certain elements are considered. Up to 1915 in figuring the franchise tax mortgages on real estate were not deducted. The 1915 law authorized such deduction. Evidently the idea that the 1911 law applied to savings banks and trust companies arose from the failure to distinguish between the property tax and franchise tax.

William R. Pattangall
Attorney General