

# MAINE STATE LEGISLATURE

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July 7, 1922

To Hon. William L. Bonney, State Treasurer  
Re: Taxation of Capital Stock of Banks

Answering your inquiry about the taxation of national bank stock, I wish to advise that there is no provision for any exemption whatever, but the entire capital stocks of the banks are taxable under the law.

For your further information I wish to say that each municipality will have to adopt some plan for treatment of the benevolent and charitable institutions within it. Under the law, the bank pays the State tax on the entire capital stock. The tax on the non-resident holdings is then returned to the municipality where the bank is located. The tax on the resident holdings is returned to the towns in which the stock owners are resident.

At this stage of the proceedings, the municipality has the tax assessed on all stock belonging to its citizens. The town or city, no doubt, may vote to remit the taxes to the exempted persons or corporations. If they fail to do so, the parties entitled to exemption have no way to get it unless under the act the bank declines to charge it to the stockholders as they have a right to do. . .

Ransford W. Shaw  
Attorney General