

MAINE STATE LEGISLATURE

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March 20, 1934

To Honorable Frank H. Holley, State Tax Assessor
Re: Taxation of Preferred Stocks of Banking Institutions

In your letter of March 12, you ask of this department its opinion on the following question:

Shall you assess a tax upon the preferred stock of the national banks, and trust and banking companies, leaving the matter of abatement rights with respect to exemptions to the banks when preferred stock is owned either by individuals or by the Federal Government?

In my opinion you have no alternative and should follow the clear wording of the statutes. Sections 76, 77 and 78 of Chapter 12 of the Revised Statutes specifically instruct you to make the assessment and no exemptions are enumerated.

Of course, preferred stock issue by banks was not authorized at the time when the above sections became a part of our law, but it seems pertinent to the question to observe that when the legislature passed the law at this special session authorizing the banks to issue preferred stock, no mention was made of any exemptions. Accordingly, I am of the opinion that you would not be justified in reading any exemptions into the law.

Clyde R. Chapman
Attorney General