MAINE STATE LEGISLATURE

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May 21, 1942

The Attorney General

George E. Hill, State Tax Assessor

I have your memorandum of April 28th, asking about the method of figuring the tax on trust companies.

Enclosed herewith is a copy of a memorandum which Judge Fogg sent to the Bank Commissioner some years ago. He has re-examined this memorandum and informs me that in his opinion the procedure therein set forth is correct. I am, therefore, approving his opinion on the matter, but am redrafting the questions and answers in order to make them a little more clear, and am setting out the substance of his opinion below.

"Every trust and banking company incorporated under the laws of this state shall, semi-annually on the last Saturdays of March and September, make a return signed and sworn to by its treasurer, of the average amount of its time deposits and its deposits bearing interest at the rate of 2% or more per year for the 6 months preceding each of said dates."

Question No. 1. Is it necessary for a bank to file said return, providing it has no deposits subject to said tax?

Answer: Yes.

Question No. 2. Does the law mean that if on the date of said return a bank is not paying 2% or more, its deposits are subject to such tax?

Answer: No.

Question No. 2. Where the law requires that the return shall be based on the average amount of deposits during the preceding six months, what date should be taken as the base date for figuring the tax?

Answer: The interest rate paid on the date of return will govern.

Frank I. Cowan
Attorney General

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Enc.