

MAINE STATE LEGISLATURE

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July 16, 1942

The Attorney General

George E. Hill, State Tax Assessor

There has been in this office for two or three years, at least, a claim against the Socony-Vacuum Oil Company for tax at four cents a gallon on gasoline which evaporated from their tanks which they lost through "temperature shrinkage".

I have considered the matter rather carefully and am of the opinion that if we sue for the amount which is claimed to be several thousand dollars, the Courts will not sustain us. As you doubtless are aware, in about 1931 a case went to the Law Court involving part of the same principle and the Law Court found against the State. At that time the statute provided for a tax on gas "sold". The Legislature then changed the statute to include gas "used".

The gas in question was neither used nor sold in my opinion, and so I have never brought suit on the claim. A few days ago I was talking with Nate Thompson and asked him to have his clients make an offer of compromise. Today he phoned me that they offer \$500.00 although they do not like the idea of paying a tax on gasoline which they have lost and which, in their opinion, is not covered by the statute.

In view of the fact that I believe the claim to be a hopeless one, I recommend the acceptance of the \$500.00 compromise.

Frank I. Cowan
Attorney General

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