

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

**This document is from the files of the Office of
the Maine Attorney General as transferred to
the Maine State Law and Legislative Reference
Library on January 19, 2022**

October 15, 1942

Frank I. Cowan, Attorney General

George R. Hill, State Tax Assessor

I have your memorandum of August 28th, asking about ^{the} method of taxation of New England Telephone and Telegraph Company and Western Union Telegraph Company. I will answer the questions in the order in which you have asked them.

New England Telephone and Telegraph Company:

1. On any information this office possesses at the present time, the revenue derived by the New England Telephone and Telegraph Company from its advertising should not be classed as a part of "the gross receipts of such corporation. . . . collected within this State on account of its telephone and telegraph business", and so should not be taxed. This opinion is subject to change if evidence hereafter submitted indicates that such advertising should be included.
2. Eliminate revenues from general services and licenses.
3. Eliminate other operating revenues.
4. Include revenues from telephones located in Maine served by New Hampshire exchanges. If the company wishes, as a matter of convenience to itself, to carry telephones in Maine through a foreign exchange that is a business procedure in which we are not interested. However, if we were to permit the exclusion of 'phones in Kittery simply because they are served through a Portsmouth exchange and should approve the contention of the company that payment is "collected" elsewhere than the State of Maine, we should of necessity have to approve any further extension of the system the company might make, and it is conceivable that the City of Portland might, through some new invention, be serviced through a Portsmouth exchange and so the business held non-taxable.

Western Union Telegraph Company:

1. Include money transfer premiums. This is a source of income made possible only through the operation of the "line".
2. Include returns from wires leased to brokers.

George E. Hill, State Tax Assessor
October 15, 1942
Page 2.

3. Include the net revenue on messenger service.
4. Include time service revenue.
5. Include stock and commercial news revenue.
6. Insofar as this office has evidence at the present time, you may properly eliminate other non-transmission revenue since that is apparently not derived from the use of the lines and is in the same category as the advertising revenue derived by the telephone company. This opinion is subject to change if evidence is produced to show that the revenue is derived, either directly or indirectly, from the use of the "line".

I am returning, herewith, the brief filed by Mr. F. L. Fischer.

Attorney General

FIC:gh
Enc. 1