

MAINE STATE LEGISLATURE

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June 14, 1943

Albert C. Blanchard, Esquire
45 State Street
Bangor, Maine

Dear Brother Blanchard:

In re Tax Bangor Transportation Company

In accordance with our telephone conversation of this morning and in furtherance of my letter of June 10th, both relative to the tax on street railroads, I submit the following as substantially the opinion given in the above mentioned letter.

The amount of tax "for the privilege of exercising its franchises and the franchises of its leased roads" is determined in accordance with the provisions of Section 35, Chapter 12, R. S. 1930. The percentage of gross receipts is based on "gross average receipts per mile". Reference to Section 30 of the same chapter is necessary as street railroads are subject to the seven preceding sections of Chapter 12.

In Section 30, it is the "railway operating income" which is the basis; therefore, in Section 35 it is the gross receipts per mile of the railway which should be used to arrive at "gross average receipts per mile". It is our opinion that it is the income from the operation of the leased railway for the previous year upon which the tax is based regardless of who was operating it during that year.

The old records in the Tax Assessor's office relative to taxes on the Portland Railroad Co. and Cumberland County Power and Light Co. at the time of the lease of the railroad to the latter do not go into any detail, but from them it does not seem that the fact the line was operated part of a year by each company was taken into consideration. The tax for one year was on the Portland Railroad Co. based on \$922,881.98 of gross receipts and the next year was on the Cumberland County Power and Light Co. based on \$965,730.31 gross receipts.

Sincerely yours,

Frank A. Farrington
Deputy Attorney General