

MAINE STATE LEGISLATURE

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710
February 17, 1944

To Guy R. Whitten, Commissioner Insurance

From Frank I. Cowan, Attorney General

I have your memo of January 28th in regard to application of Maine Retaliatory Taxation Law to Massachusetts companies. I note that although the Massachusetts law calls for tax on "gross premiums" (with certain deductions) while the Maine law calls for taxations on "gross direct premiums", the interpretation of the Massachusetts law by the State of Massachusetts is that their tax should be gross DIRECT premiums. It is a rule of law that the courts of State A will interpret the laws of State B as the courts of State B interpret their own laws. Thus, if Massachusetts interprets the word "gross" as meaning "gross direct", it is proper for us to accept that interpretation, so that in spite of the difference in language, the interpretations by the two States of the meaning of the language are approximately the same.

I am disturbed, however, by the deductions which Massachusetts allows from its gross premiums. Do those three deductions actually bring the same result that we obtain in our law through the use of the words "gross direct premiums"?

Frank I. Cowan
Attorney General

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