

MAINE STATE LEGISLATURE

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March 31, 1944

John M. Dudley, Esq.
Calais, Maine.

Dear Sir:-

I have your letter of March 30th in regard to joint bank accounts (R. S., Chapter 57, Section 25). My understanding of this section is that Paragraph A is written in its present form in order to protect the bank. I believe that the statute does not limit the amount that can be placed in a joint account. It does protect the bank in making payments from such accounts without probate of the estate of a decedent joint depositor.

Sections B and C seem to have the effect of defeating the claims of creditors up to \$3000. where the joint account stands in the name of a husband and wife or a parent and child. I do not see in Sections B and C, however, any limit on the amount that a husband and wife or a parent and child can have in a joint account. I simply see protection for the survivor up to \$3000. and protection of the bank under Paragraph A in the withdrawal of any amount, whether the survivor be a spouse, a parent or child, or a stranger.

Section 25 must not be construed as a method of avoiding the inheritance tax laws. The fact that John Doe and Mary Doe have standing in their names in a bank a joint account totaling \$100,000. does not give the survivor the right to claim that because of the form of the deposit the inheritance tax laws have been avoided. While our courts have not, so far as I know, passed on this point, I believe that the right of the State and Federal Governments to their taxes cannot be defeated by a joint tenancy. There is no hardship as between husband and wife or parent and child in this interpretation because the heir or the survivor in such case has an exemption under our tax laws in the amount of \$10,000.

Sincerely yours,

Frank I. Cowan

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