

MAINE STATE LEGISLATURE

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October 22, 1945

To Hon. David H. Stevens, State Assessor

Subject: Municipal Rates of Interest

I have your memo of October 19th asking if it would be legally possible for a town to vote to charge 6% interest per annum on non-resident taxes remaining unpaid after a certain date, and also in the same article to vote to charge a rate of 4% per annum for resident taxes.

In reply I will say that such a law would be unconstitutional, as it would be a denial of the "equal protection of law" under the Fourteenth Amendment to the Constitution of the United States. This article in the town warrant, which would have the binding force of municipal law, would create a purely arbitrary distinction, unwarranted by actual differences, which would favor persons in the State of Maine over those in other States in like circumstances.

An opinion was rendered in the Southeastern Underwriters case by the U. S. Supreme Court last year which practically held that the States cannot tax foreign insurance companies at a higher rate than they tax domestic companies under the same circumstances. We have a late case, 137 Maine 154, which was based on the "equal protection of the laws" clause of the Constitution, which held the same thing in the Maine Unemployment Compensation Commission case.

Ralph W. Farris
Attorney General

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