

MAINE STATE LEGISLATURE

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STATE OF MAINE

REPORT

OF THE

ATTORNEY GENERAL

for the calendar years

1945-1946

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April 4, 1946

To David H. Stevens, State Assessor

This department acknowledges receipt of your memorandum of the 3rd instant relative to an inquiry submitted to your department by the Saco & Biddeford Savings Institute.

We feel that the amount borrowed, and for which government bonds were purchased under a commitment by the bank to purchase bonds in that amount of a specific issue by the U. S. Government, should not be carried in the report which the bank submits for the purposes of taxation, either as a deposit or on the asset side of the report as an investment in these securities to the equivalent amount. While the bank, in the preparation of a financial statement, would necessarily include as a liability the amount that it had borrowed, and the amount of purchased bonds for the equivalent sum as an asset, nevertheless for the purposes of the report upon which the State Tax Assessor is to compute the tax payable by the bank, there is some doubt in the writer's mind as to whether money borrowed by a savings bank can be treated as a deposit within the provisions of the statute, which requires a return of the average amount of its deposits, reserve funds, undivided profits, etc. It seems to me that the act contemplated that U. S. obligations and issues of the State or any of its political subdivisions, etc., owned by it, and the other investments for which partial deductions are allowed, were to be purchased from deposits, reserve funds and undivided profits.

ABRAHAM BREITBARD
Deputy Attorney General

April 12, 1946

To David H. Stevens, State Assessor
Re: Taxation of Telegraph Companies

You have attached to your memorandum a letter dated December 27, 1945, by the tax counsel for the Western Union Telegraph Company, requesting a review of the ruling with regard to the inclusion of the "premium" paid on the transfer of money to ascertain the gross receipts in this State from the telegraph business for the purpose of computing the tax.

Upon looking through our files, I find the ruling by the Attorney General made on October 15, 1942, and again the ruling made on February 16, 1943, by the Deputy Attorney General serving under the same Attorney General who made the first ruling. In each of these the same point raised in the letter above referred to was considered and decided adversely to the contention of the taxpayer. Upon examination of the statute I do not feel that I would be warranted in disturbing the rulings previously made.

ABRAHAM BREITBARD
Deputy Attorney General