

# MAINE STATE LEGISLATURE

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May 21, 1947

To Fred F. Lawrence, Treasurer, Maine Savings Bank  
Re: Tax Base under Law Effective during Tax Period

I have your letter of May 17th relating to a request of the State Tax Assessor for advice in regard to the effective date of the provisions of Chapter 314, P. L. 1947.

After looking over the old statute and comparing it with the present one, especially the new Section 143 as it is written, it is my opinion to the State Tax Assessor that the law will be effective on August 13th, and returns under the new law will be filed as of the last Saturday of September, 1947, and that the tax should be assessed on the franchise for the period ending September 27, 1947.

I base my opinion upon the fact that this is a privilege tax and not a tax on property, and the statute provides for the State Tax Assessor to base his assessment upon the returns of the banks for each 6-month period. It would therefore be proper for him to assess the franchise tax for the period ending September 27th, as this new law will have been in effect for six weeks when the returns are received upon which he is to base this tax.

I appreciate your comment in the second paragraph of your letter that if I take the view which I have taken, your institution will be substantially penalized, and if I ruled otherwise, other institutions would be similarly penalized. It seems to me that we must have some status upon which to assess the tax, and it would not be practicable to base a franchise tax on a period for four months and a half and a period of one month and a half, as the law provides specifically that a franchise tax shall be assessed on the 6-month period. If it had been the intent of the legislature to have it divided up into different periods, they would have so stated in the act.

I understand that you appeared before the committee in support of the bill and made no suggestions as to the assessment of this franchise tax, knowing that it would penalize the Maine Savings Bank.

I can see no authority for assessing a tax on a four-and-a-half and a one-and-a-half month period, when the statute specifically provides that the tax shall be assessed at the rate of 30¢ for each \$1000 of deposits for each six-month.

I regret that we do not interpret the provisions of this act in the same light; but this office feels that this is a fair rule to apply in interpretation of this new statute.

Ralph W. Farris  
Attorney General