

# MAINE STATE LEGISLATURE

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# More About Maine's September 11 Election

ELECTIONS - BEFORE

1940

July 22

This morning The Sun is publishing a second article on the September 11 Election, which is intended to inform Sun readers regarding important local and State matters.

Lewiston Sun July 22, 1933

On September 11, the people of Maine, in addition to electing delegates to the State Constitutional Convention on the Repeal of the 18th Amendment, will also vote on four important questions pertaining to Maine only.

They are:

FIRST, to authorize the use of voting machines in elections.

SECOND, to provide for a two million dollar bond issue, the proceeds to be disbursed for the relief of conditions threatening the health, peace and safety of the inhabitants of the State. Briefly, this means that the State may issue bonds to raise money for local relief purposes.

THIRD, to place an excise tax on light and power companies in Maine.

FOURTH, to enable the State to collect an annual tax on intangible personal property.

The first two are submitted to the voters of Maine by the Legislature; the third and fourth, the excise power tax and the intangible personal property tax, come to the voters through the direct initiative legislation passed by the State some years ago, whereby a petition signed by not less than 12,000 electors, addressed to a Legislature, shall be submitted to the people by the Governor at a special election. These bills were referred to Governor Brann and the Governor, in accordance with the law of the State of Maine, issued a proclamation on April 26, 1933, fixing Monday, September 11, 1933, as the date upon which the people should vote on these direct initiative Acts, known as the Excise Power Tax and the Intangible Personal Property Tax.

The Sun will, in this and following articles, discuss these four Acts.

The first, which authorizes the use of voting machines in elections, is an Act to record the votes of cities and towns promptly and accurately, a method which is already in use in some other States. The mechanical method of voting is intended to do away with faulty counting, as the machine records the vote promptly and accurately. We do not understand that the amendment will compel cities and towns to use the machine method, but will enable them to do so if they so desire. Under the existing law, this is impossible.

The second proposed change in the Constitution reads, "A resolve proposing an amendment to the Constitution of the State of Maine to provide for a bond issue, the proceeds to be disbursed for the relief of conditions threatening the peace, health and safety of the inhabitants of the State or political divisions thereof." The intent of this is to relieve distress in Maine, brought about by the depression. While the Legislature was in session, the depression was at its height and distress was so great that it appeared then as though the cities and towns might be unable to meet their relief needs. The State under the proposed enactment may issue bonds not to exceed the amount of \$2,000,000; these bonds to be paid within ten years, the rate of interest not to exceed 5% a year.

The proceeds of the money thus raised are to be "disbursed directly, or by loans to cities, towns and plantations to be expended, or as reimbursement for expenditure, for emergency relief of conditions threatening the peace, health and safety of the inhabitants, and for no other purpose."

As the Constitution now stands, the State may use its money or credit only for specific State purposes, which do not include emergency relief assistance to cities, towns and plantations. And furthermore, the State cannot issue bonds other than those already provided for highway and bridge purposes. When the State has issued the remaining \$2,000,000 of highway and bridge bonds already authorized, the State bonded debt will be approximately \$33,000,000 requiring approximately an annual interest charge of \$1,300,000. As practically all bonds are of a serial nature, repayment charges add considerably to the amount of money that has to be raised annually for debt purposes.

The fundamental principle upon which the State Constitution was based was that each city, town, and plantation should handle its own local affairs, and that the State should handle only matters of general interest which could not be handled by the individual cities and towns.

One of the important local functions is that of poor relief. The only excuse for action by the State in this matter would be a disaster or some unprecedented condition whereby it became impossible for cities, towns, or plantations to provide sufficient relief for their own citizens.

Employment conditions are improving at the present time. Just what the future holds, no one knows, but certainly conditions do not look as bad today as at the time this act was before the Legislature.

It is very questionable if this measure should pass.

The State debt is already at the highest point it ever reached. The interest amounting to approximately \$1,300,000 a year, and repayment charges are very heavy. Very great care should be exercised by the people of Maine in allowing this big debt to further increase. The State debt cannot be increased without increasing the tax burden on Maine citizens.

In these days of economic changes Maine citizens should go slow about allowing two million dollars to be added to the State debt.

This two million dollar bond proposal had better wait.

The third article on the September 11th election will be printed in The Sun Monday, July 24th.

# The Proposed Excise Tax On Electric Light and Power

July 24, 1933  
Lewiston Sun

This morning The Sun is publishing the third article on the September 11th election for the information of its readers regarding the important matters on which they are to vote at that time.

In the articles of Wednesday, July 19, and Saturday, July 22, The Sun discussed three of the matters on which the people of Maine will vote September 11.

The first was the election of delegates to the Constitutional Convention which will decide Maine's position on the repeal of the 18th Amendment.

The second matter on which a vote will be taken is an amendment to the Maine Constitution to permit the use of voting machines for elections.

The third was an amendment to the Constitution to authorize a two million dollar bond issue for relief purposes.

These three matters were referred to the people of Maine by the Legislature during its session last winter.

As was stated in The Sun Page One article of Saturday, July 22, the other two matters, the Excise Tax on Electric Light and Power Companies, and the Intangible Personal Property Tax, come to the voters through the Direct Initiative Act and not through the Legislature in the regular way.

This morning The Sun will discuss the Act to place an Excise Tax on electric light and power companies in Maine. This Direct Initiative Bill is—"An Act to raise an Excise Tax on corporations organized for making, generating, selling, distributing, or supplying electricity or electric current for power, lighting, heating, manufacturing, or mechanical purposes."

In brief, the tax will be 2% of the gross operating revenue of the electric light and power companies doing business in Maine. The tax is for the privilege of doing business within the State and is in addition to all other taxes now levied upon such companies and their property.

Under the proposed Act the tax would be determined by the State Tax Assessor on or before the first day of April each year based upon information furnished by the companies under oath and would be payable one-half the first day of July and the other half on the first day of October.

The tax under the act would be a claim on all property of such light and power companies doing business in Maine and would take precedence over all other claims against these properties.

If the information furnished the State Tax Assessor should not be sufficient, the Public Utilities Commission of the State could gather such further information as might be necessary through their access to the books and records of the light and power companies. The expense of determining this tax and collecting the same would be paid out of the receipts of this tax. The remainder would be distributed among the several cities, towns and organized plantations of the State "on the basis of the proportion which the total mileage of public roads in such municipalities shall bear to the total mileage of all public roads within the whole State of Maine."

This tax, however, would not apply to any municipal corporation selling electricity for power, heating, lighting, if there be any such within the State of Maine. Neither would this tax apply to any corporation in the State of Maine whose entire income does not exceed fifty thousand dollars a year.

In a word, if an electric light and power company sells current in a year to the extent of one hundred thousand dollars, its Excise Tax under this Direct Initiative bill would be two thousand dollars. After the expense of levying and collecting this tax has been deducted, the money would be distributed among the cities and towns of the State on the basis of highway mileage as stated above.

This Excise Tax would be paid by the light and power company itself and not collected direct by power company from the customer as the present national light and power tax is collected.

This proposed Excise Tax is in addition to the local and Federal income taxes already placed on the light and power companies.

The object of these short articles is to explain in a brief and simple way the measures to be voted on September 11. We are publishing them early so that people may have the facts and think them over well in advance of the time for voting.

The proposed Excise Tax on electric light and power companies doing business in Maine, which we are explaining this morning, was originated by people who probably felt that these companies were making too much money and that the tax would simply come out of the profits of the companies.

It is generally a fact, however, that in the end a tax is paid by the user of the article or service taxed. Regardless of whether the tax is paid direct by the consumer or by the company furnishing the goods or service, in the end the consumer pays the tax.

The real question, therefore, for the people of Maine to decide regarding the proposed Initiative Act in taxing the electric light and power companies 2% of their gross receipts is this—do the people of Maine wish to impose an additional tax which it is fair to assume will eventually fall upon themselves to pay?

(Wednesday, July 26, The Sun will discuss  
The Intangible Personal Property Tax.)

# Vf. A Proposed New Tax

## The Intangible Property Tax

Lewiston Sun July 26, 1933

This morning the Sun is publishing the fourth article on the September 11th election. This is in line with the other Page One articles which the Sun has been printing in accordance with its policy to inform readers in a brief and understandable way regarding Local and State of Maine matters.

In the three previous articles the Sun has discussed four of the matters that will come before the voters of Maine September 11th. This morning the Sun will take up the fifth proposition.

This is one to which voters should give most careful attention. It is the so called "Intangible Personal Property Tax"—an entirely new tax.

This proposed Constitutional Amendment on which Maine citizens will vote September 11th would impose a new tax of two and one-half mills annually on each dollar in excess of \$4,000 belonging to any individual, partnership or corporation within the State of Maine.

A total of \$4,000 principal money would be exempted. The tax would be on money on hand, on deposit, or at interest. It would also include stocks, bonds, mortgage loans and notes. This tax will be levied also on the principal amount of annuities payable to the person to be taxed. In a word the tax would be levied on cash, stocks, bonds, notes, mortgage loans, or on practically all interest paying investments.

We will now proceed to explain some exemptions, conditions and methods of collection which the Act, if adopted, would prescribe.

First. \$4,000 principal money would be exempted.

Second. Tax laws now in force would not be changed—this would be a new and additional tax.

Third. The tax would be assessed by the State Tax Assessor on information which must be furnished the State Tax Assessor by the person, partnership or corporation to be taxed. If the total value of intangible property is less than \$4,000 it would not be necessary to make a return. On the other hand a return must be made on or before the First day of April each year by every person, partnership or corporation having more than \$4,000 worth of intangible personal property. If the Act is adopted blanks will be distributed by the local tax assessors, but the returns are to be made to the State Tax Assessor at Augusta. The tax would be due and payable on April 1st.

Fourth. Perjury charges can be brought against those who return false statements. If a return is not made, the State Tax Assessor would estimate as best he could the amount of the tax. Then as a penalty to the person, partnership or corporation not making a return there could be imposed by the State Assessor a penalty of 20% in addition to his estimated value of the property.

Fifth. If the voters of Maine on September 11th adopt this Act the taxes collected under its provisions would be distributed to the various cities and towns of the State after the State had deducted the cost for the assessment, collection and distribution of the money. This cost would be determined by the State Tax Assessor and approved by the Governor and Council. The balance of the tax money would be distributed to the cities and towns of the State on this basis,—one-half to be given to the cities and towns in proportion to the tax contribution made by the inhabitants of such said cities and towns under the Act. The other half would be distributed to the several cities and towns on the basis of the proportion which the total mileage of roads located within such city or town shall bear to the total mileage of all roads in the entire State.

Sixth. If the voters approve this Act on September 11th, it will go into effect January 1, 1934, and the first return with payment of tax will be required on or before April 1, 1934. To specify,—a person, partnership or corporation having a mortgage on a farm, home or any property, would have to pay the tax on the face value of the mortgage; or, having any dividend paying stocks such as American Telephone, Central Maine Power Co. preferred, American Sugar, etc.; or, having bonds or notes. In each case the owner would have to pay the tax of two and one-half mills each year on the face value of these if the face value exceeds a total of \$4,000.

This tax would of course be in addition to the Federal Income Tax and the new Federal Recovery Act taxes already in effect, or any other Local, State or Federal tax which the individual, partnership or corporation is now obliged to pay.

A most difficult task, and one involving much expense, will be the State assessor's assignment to gather correct information from all persons, partnerships and corporations in Maine having over \$4,000 worth of intangible personal property. This will be not only a tremendous task but also a disagreeable one both for those having the duty of gathering this information, and for the people of the State who have to make such returns.

Furthermore, do the people of Maine wish to write into the Constitution this new form of taxation?

Are we not already taxed heavily enough?

Are we not already taxed in enough different ways without adding another new tax?

The voters of Maine must decide these questions on September 11th.

(Saturday, July 29th, The Sun will give a brief summary of the five matters to be voted on September 11th.)

# VF The Five Matters on Which Maine Votes September 11th

This morning The Sun is publishing the fifth and last article for the present on the September 11th election. This, like the many other page one articles which The Sun has been printing during the past year, is in accordance with Sun policy to inform readers in a brief and understandable way about important Local and State of Maine matters.

Lewiston Sun

July 29, 1933

This morning The Sun is giving a short summary of the five matters on which the people of Maine will vote on September 11th.

First. The State of Maine will vote on the Twenty-first Amendment which, if approved by two-thirds of the States, will repeal the Eighteenth Amendment to the Constitution of the United States.

This is the Prohibition Amendment which was adopted by the United States fifteen years ago. This Amendment prohibits the manufacture and sale of intoxicating beverages throughout the United States. Congress has voted to submit the amendment to the people of the country.

The record so far is, twenty states have voted to repeal the Eighteenth Amendment, and none have voted not to repeal. Each State will decide its own action through its own State Constitutional Convention. The people of Maine on September 11th will elect delegates to the Maine Constitutional Convention. Voters should inform themselves which delegates are for repeal and which are against, in order that they may vote intelligently.

Second. The voters of Maine on September 11th will decide whether or not they wish to authorize the use of voting machines in the elections. The machine method is intended to do away with errors or fraud in the counting of votes. As we understand it the amendment, if adopted, will allow cities and towns to use the machine method, although it will not compel them to do so.

Third. Will the voters of Maine authorize a \$2,000,000 bond issue for "the relief of conditions threatening the peace, health and safety of the inhabitants of the State or political divisions thereof?"

The Sun discussed this rather fully in the Page One article of Saturday, July 22nd.

The Eighty-sixth Legislature passed this Act with a Referendum attached when the depression was at its height last winter, and when distress was so great that it appeared as though some cities and towns might be entirely unable to meet the abnormal relief needs.

The State Debt is now about \$29,000,000. The remaining \$2,000,000 of the Bridge and Highway Bond Issue authorized several years ago has not yet been issued. These bonds will probably be sold this year thus bringing the total debt to \$31,000,000. If the Relief Bonds are authorized by the people of Maine the debt will be increased to about \$33,000,000. The interest charge alone on the State Debt will then be about \$1,300,000 a year and a substantial amount of the principal of these bonds comes due each year. Therefore, the people of Maine must raise each year through taxation a very large sum of money for interest and principal payments on account of its bonded debt.

The State Debt is now at a higher point than ever before. It is a serious matter to increase Maine's already big debt. It is very doubtful if this measure should pass at this time.

Fourth and Fifth. The fourth is a proposed tax of 2% of the gross income of electric light and power companies doing more than \$50,000 gross business annually in Maine, and the fifth is the proposed Intangible Property Tax. This would impose a new tax of two and one-half mills annually on each dollar in excess of \$4,000 belonging to any individual, partnership or corporation within the State of Maine.

These two matters are submitted to the people of Maine not by the Legislature in the ordinary way. They are not a part of the State Legislative program and the taxes imposed are not a part of the State's financial budget. These two bills (four and five) are referred to the voters of Maine in their original form through petitions under the Direct Initiative Legislation adopted by Maine some years ago.

The tax on electric light and power, and the tax on intangible property are new and additional taxes. The Sun explained these fully in the Page One articles on July 24th and 26th. As to the electric light and power tax, while it is imposed directly on the electric light and power companies doing a gross business of more than \$50,000 a year, yet it is generally a fact that in the end the tax is paid by the user of the article or service taxed. The fifth, the Intangible Property Tax, reaches every person, partnership or corporation in Maine that has cash, stocks, bonds, mortgage loans or notes in excess of \$4,000 principal money.

Do the people of Maine wish to write into their Constitution a new form of taxation?

It must be borne in mind that these taxes are new taxes in addition to all Local, State and Federal taxes already imposed.

Are we not taxed heavily enough?

Are we not already taxed in enough different ways without adding more new taxes?

The Sun will welcome from its readers between now and election time any reasonable discussion of these five public questions.

In order to find space for these letters from readers they must, of course, be brief,—the number of letters from any one person must be restricted. It will, of course, be an advantage to have letters come from many different persons and to express different views.

These matters are all important—some are extremely important—and may have far reaching consequences.

A free public discussion of the various points of view will be helpful to the voters and The Sun invites such a discussion in its columns during the coming weeks preceding September 11th.