

MAINE STATE LEGISLATURE

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
107TH LEGISLATURE

HOUSE AMENDMENT " C " to H.P. 1494, L.D. 1740,
Bill, "AN ACT Relating to Amount of Annual Excise
Tax on Railroads."

Amend said Bill by inserting after the
enacting clause the following:

'Sec. 1. 36 MRSA §2624, first ¶, next to
the last sentence, as last amended by PL 1971,
c. 549, is further amended to read:

When net railway operating income for the preceding
year is less than 5 3/4% of investment in railway
property used in transportation service, less
depreciation and plus cash, including temporary
cash investments and special deposits, and material
and supplies, as reported by the railroad in its
annual report to the Public Utilities Commission,
the tax payable shall be diminished by a sum which
added to said net railway operating income would
equal 5 3/4% of the investment as aforesaid; except
that in any event the tax payable shall not be
diminished below a minimum amount equal to 1% of
the gross transportation receipts for the year 1971
~~and equal to 9/10 of 1% of the gross transportation
receipts for the year 1972 and equal to 1/4 of 1%
of the gross transportation receipts for each
succeeding year.~~

Further amend said Bill by renumbering
sections 1 and 2 to be sections 2 and 3.

Statement of Fact

This amendment carries out the tax policy
adopted in 1951 providing for excise relief in the
years of low net railway operating revenue but
retains the level of the minimum excise tax the
same as it was prior to 1965. This will reduce the
loss of income due from 1974 excise tax collections
from \$619,000 to \$282,490.

Filed by Mr. Morton of Farmington.
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4/16/75

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