

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND NINTH LEGISLATURE

Legislative Document

No. 651

H. P. 530

House of Representatives, February 20, 1979

Referred to the Committee on Taxation. Sent up for concurrence and ordered printed.

EDWIN H. PERT, Clerk

Presented by Mr. F. Carter of Bangor.

Cosponsor: Mr. Kelleher of Bangor.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-NINE

AN ACT Concerning the Rate of Return on the Investment Factor under the
Railroad Excise Tax.

Be it enacted by the People of the State of Maine, as follows:

36 MRSA § 2624, first ¶, next to last sentence, as amended by PL 1977, c. 78, § 200, is further amended to read:

When net railway operating income for the preceding year is less than ~~5¾%~~ 12% 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 ~~5¾%~~ 12% of the investment as aforesaid; except that in any event the tax payable shall not be diminished below a minimum amount equal to ¼ of 1% of the gross transportation receipts.

STATEMENT OF FACT

The purpose of this bill is to amend the rate of return on investment factor of the railroad excise tax from its current level of 5¾% to 12%. The 5¾% figure became

part of this tax provision in 1964 and has not been amended since that date. This bill does not change the level of the minimum excise tax. Maine railroads in recent years have, with few exceptions, paid this minimum which has increased as gross transportation receipts grow and this trend will continue with passage of this bill.