

MAINE STATE LEGISLATURE

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Sixty - Fourth Legislature.

SENATE.

No. 59.

STATE OF MAINE.

RESOLVE authorizing the payment to towns and cities where stock in the European & North American Railway Company was owned for the years 1884-1885 and 1886, their proportion of the excise tax collected for those years.

Resolved, That the treasurer of this State shall
2 ascertain the number of shares of stock in the
3 European & North American Railway Company
4 owned in towns and cities of the State for the
5 years 1884-1885 and 1886 and shall apportion on
6 all such shares, from the excise tax collected by
7 the State on the gross transportation receipts of
8 the Maine Central Railroad Company for each of
9 said years, an amount for each year based on the
10 apportionment made of the excise tax collected by
11 the State, for the year 1883 on the gross transpor-

12 tation receipts of the said European and North
13 American Railway Company. And the treasurer
14 of State shall pay to said towns and cities such
15 amounts as shall be so apportioned. And a sum
16 sufficient for the payment of such amounts, not
17 exceeding the sum of twenty-two thousand dollars
18 is hereby appropriated out of any moneys in the
19 treasury of the State, not otherwise appropriated.

STATEMENT OF FACTS.

In the years 1881-2-3 the State levied on and collected of the European and North American Railroad Company under provisions of chapter 6, Revised Statutes (and public laws of 1881) an excise tax, amounting for the year 1883 to \$6825.-28, and agreeably to said statute apportioned and paid to cities and towns in the State their respective shares of the same, based upon the ownership of shares of stock in said company in said cities and towns. In the years 1884-5-6, although (approximately) 22,000 shares of said stock were still held in towns and cities of the State, no apportionments or payments was made on account of excise tax for such years.

It is found, however, that the tax levied on the Maine Central Railroad Company (which in 1884 leased and has since operated the E. & N. A. Ry. Co.) for the years 1884-5-6 was in excess of the taxes levied for the year 1881-2-3 on the M. C. R. R. Co. & E. & N. A. Ry. Co. by an average annual assessment of about \$11,300 and after making a proportionate allowance for the addition in 1884-5-6 of the earnings from the Bangor and Bar Harbor branch, added to the M. C. R. R. system in 1884, it is satisfactorily established that the European & N. A. Ry. Co. must have credited from this annual increase of a sum not less than and probably in excess of the amount of tax levied on said E. & N. A. Ry. in 1883, as before stated. So that the State received in the years 1884-5-6 *indirectly* from the E. & N. A. Ry. Co. not less than three times what was collected and apportioned in 1883. This amount has never been apportioned, credited or paid to the respective towns and cities owning E. & N. A. Ry. stock but the same has been retained in the State treasury up to the present time on account of the difficulty in apportionment, said E. & N. A. Ry. Co. being operated under lease by the M. C. R. R. Co. and the earnings of both roads being treated as a unit for the purposes of taxation by

the State. It is further apparent from the records of the State officers that the State collected as an excise tax from the M. C. R. R. Co. for the years 1884-5-6 more than one hundred and twenty-seven thousand dollars (\$127,000,) while it apportioned to towns and cities where owners of Maine Central stock resided only about twenty-eight thousand dollars (\$28,000,) leaving unapportioned in the treasury about ninety-nine thousand dollars (\$99,000.)

An act was passed by the last legislature defining definitely the manner in which such apportionment is to be made in relation to the stock of leased roads, so that the difficulty for the future has been removed and it only remains for the State to ascertain and pay from the moneys collected as aforesaid the amounts due the several cities and towns where such E. & N. A. Ry. stock was held during the years 1884-5-6, as provided by this resolve.

STATE OF MAINE.

IN SENATE, February 4, 1889.

Reported by Mr. SIMPSON from Committee on Financial Affairs, and laid on table to be printed under joint rules.

C. W. TILDEN, *Secretary.*