

MAINE STATE LEGISLATURE

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SEVENTY-SEVENTH LEGISLATURE

SENATE

NO. 6

In Senate, Jan. 20, 1915.

Ordered, that five hundred copies be printed and that the same be referred to the Committee on Taxation.

Committee of Reference.

Presented by Mr. Boynton of Lincoln.

STATE OF MAINE

IN THE YEAR OF OUR LORD ONE THOUSAND NINE
HUNDRED AND FIFTEEN

*To the Senate and House of Representatives of the State of
Maine in Legislature assembled:*

The Maine Central Railroad Company, a corporation char-
2 tered by the State of Maine, respectfully represents that it
3 owns and operates a railroad, the greater portion of which
4 is situated in said State, and is taxable under the provisions
5 of Section 25 of Chapter 8 of the Revised Statutes of said
6 State, as amended; that during the last five fiscal years the
7 gross earnings of your petitioner have shown a substantial
8 increase; that such increase in gross earnings, and the mer-
9 ger of the Washington County and Somerset Railways with

10 the Maine Central Railroad, together with the increase in
11 rate made by amendment of the statute, has resulted in
12 increasing the franchise tax paid by your petitioner from
13 \$318,111.74, paid for the year 1909, (being the sum of the
14 net franchise taxes paid by the Maine Central, the Wash-
15 ington County and the Somerset Railways), to \$516,301.18
16 paid for the year 1914, (being the tax upon the merged
17 lines of the three roads above named); that this tax for
18 the current year assessed under existing law will be further
19 increased to \$531,865.21; that during said five years the
20 cost of operation has increased to such an extent that this
21 increase in taxes results in placing upon your petitioner
22 what it believes to be an unreasonable burden, and one
23 which seriously interferes with the operation of the road
24 in the manner and under the conditions which the best in-
25 terests of all concerned demand that it should be operated;
26 that a large portion of the increased cost of operation has
27 been occasioned by expenditures which did not increase the
28 revenue nor reduce the cost of operation, but which have
29 been made necessary by the changed conditions under which
30 modern business is done, and by the reasonable demand of
31 the public for such expenditures; that during the first six
32 months of the present fiscal year, June 30th to December
33 31st, 1914, on account of the general depression in business,
34 the gross revenue has been constantly and rapidly shrink-
35 ing, with every prospect of further shrinkage for the near

36 future; and that your petitioner, in order to furnish the
37 facilities which the business of the State demands, and at
38 the same time obtain the fair and reasonable return upon
39 its capital which is necessary, to maintain its own financial
40 standing and credit, must increase its revenues, or reduce
41 its cost of operation, one or both.

Wherefore your petitioner respectfully asks that the legis-
43 lature by appropriate amendments of existing law will so
44 far reduce the taxes imposed upon it that said taxes may
45 more nearly conform to existing conditions, and more near-
46 ly represent the fair and equitable amount which it is wise
47 for the State to impose upon the cost of furnishing the
48 transportation necessary for the business interests of the
49 State; and will further provide by suitable legislation that
50 such reduction as is deemed reasonable shall be made to
51 apply in reduction of the taxes of the current year.

By order of the Directors.

MAINE CENTRAL RAILROAD COMPANY,

By MORRIS McDONALD,

President.

Portland, Maine, January 13th, 1915.