

MAINE STATE LEGISLATURE

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N I N E T Y - N I N T H L E G I S L A T U R E

Legislative Document

No. 365

H. P. 254

House of Representatives, February 3, 1959

Referred to the Committee on Taxation. Sent up for concurrence and 750 copies ordered printed.

HARVEY R. PEASE, Clerk.

Presented by Mr. Whiting of Skowhegan.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
FIFTY-NINE

AN ACT Relating to the Amount of the Annual Excise Tax on Railroads.

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

R. S., c. 16, § 116, amended. Section 116 of chapter 16 of the Revised Statutes is amended to read as follows :

‘Sec. 116. Amount of tax. The amount of the annual excise tax on railroads shall be ascertained as follows : The amount of the gross transportation receipts as returned to the Public Utilities Commission for the year ended on the 31st day of December preceding the levying of such tax shall be compared with the net railway operating income for that year as returned to the Public Utilities Commission; ~~when.~~ **When** the net railway operating income does not exceed 10% of the gross transportation receipts, the tax shall be an amount equal to 3¼% of such gross transportation receipts; ~~when.~~ **When** the net railway operating income exceeds 10% of the gross transportation receipts but does not exceed 15%, the tax shall be an amount equal to 3¼% of the gross transportation receipts; ~~when.~~ **When** the net railway operating incomes exceeds 15% of the gross transportation receipts but does not exceed 20%, the tax shall be an amount equal to 4¼% of such gross transportation receipts; ~~when.~~ **When** the net railway operating income exceeds 20% of the gross transportation receipts but does not exceed 25%, the tax shall be an amount equal to 4¼% of such gross transportation receipts; ~~when.~~ **When** the net railway operating income exceeds 25% of the gross transportation receipts, the tax shall be an amount equal to 5¼% of such gross transportation receipts; ~~provided, however, that~~ ~~in.~~ **When** net railway operating income for the preceding year is less than 5¾% of investment in transportation property, 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 $5\frac{3}{4}\%$ 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. In the case of railroads operating not over 50 miles of road, the tax shall not exceed $1\frac{3}{4}\%$ of the gross transportation receipts; ~~and provided further, that when~~. When the net railway operating income of any narrow gauge railroad located wholly in this State exceeds 5% but does not exceed 10% of its gross transportation receipts, the tax on such railroad shall be $\frac{1}{4}$ of 1% of its gross transportation receipts; and when the net railway operating income of such railroad exceeds 10% of its gross transportation receipts, the tax shall be $\frac{3}{4}\%$ of its gross transportation receipts; and when the net railway operating income of such a railroad does not exceed 5% of its gross transportation receipts, no excise tax shall be assessed upon it.

When a railroad lies partly within and partly without the State, or is operated as a part of a line or system extending beyond the State, the tax shall be equal to the same proportion of the gross transportation receipts in the State ~~as here-
in provided~~, and its amount shall be determined as follows: The gross transportation receipts of such railroad, line or system, as the case may be, over its whole extent, within and without the State, shall be divided by the total number of miles operated to obtain the average gross transportation receipts per mile, and the gross transportation receipts in the State shall be taken to be the average gross transportation receipts per mile multiplied by the number of miles operated within the State, and the net railway operating income within the State shall be similarly determined.

The term "net railway operating income" means the railway operating revenues less the railway operating expenses, tax accruals and uncollectible railway revenues, including in the computation thereof debits and credits arising from equipment rents and joint facility rents. The Public Utilities Commission, after notice and hearing, may determine the accuracy of any returns required of any railroad, and if found inaccurate, may order proper corrections to be made therein.