

MAINE STATE LEGISLATURE

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MAINE
LEGISLATIVE RESEARCH
COMMITTEE

First Report



TAXATION

November, 1952

STATE OF MAINE

SUMMARY REPORT

to

NINETY-SIXTH LEGISLATURE

LEGISLATIVE RESEARCH COMMITTEE

From the Senate:

Frederick N. Allen, Cumberland, Chairman
Albert C. Brewer, Aroostook
Foster F. Tabb, Kennebec

From the House:

Edward E. Chase, Cape Elizabeth
John H. Carter, Bethel
Lloyd T. Dunham, Ellsworth
Lewis D. Bearce, Caribou (Deceased)
Roy U. Sinclair, Pittsfield
David W. Fuller, Bangor
Louis Jalbert, Lewiston

Director:

Samuel H. Slosberg, Gardiner

November 3, 1952

To the Members of the 96th Legislature:

The Legislative Research Committee hereby has the pleasure of submitting to you the first section of its report on activities for the past two years. This year, due to the large number of items on our agenda, and the scope of these studies, we are submitting our report to you in sections.

This first section deals with the committee's studies in the field of taxation, as directed by orders of the 95th Legislature.

LEGISLATIVE RESEARCH COMMITTEE

By: Frederick N. Allen, Chairman

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TAX EXEMPTIONS; CHARITABLE ORGANIZATIONS

ORDERED, the senate concurring, that the legislative research committee be, and hereby is, directed to study tax exemptions, particularly as to charitable organizations that operate summer camps within the state; and be it further

ORDERED, that the Committee report the results of its findings to the 96th legislature.

The committee voted that the director of legislative research be directed to prepare in form as for introduction into the next legislature and submit to this committee for its later consideration, a bill designed to accomplish the following purposes with respect to literary, scientific, benevolent, charitable and other corporations and organizations embraced within the scope of chapter 81, section 6, subsection III of the revised statutes relating to tax exemptions:

That exemptions from taxation on the real and personal property of such organizations shall be granted only:

A. When the organization claiming exemption is incorporated under the general statutes covering the formation of such corporation or by special act of the legislature for purposes within the scope of the statutory section relating to such exemption.

B. When all profits derived from the operation and use of the property, and the proceeds of its sale when and if sold, are to be devoted to the uses under which the claim for exemption is made.

C. When no employee of such organization derives any profit from the operation of such property beyond reasonable compensation for essential services rendered.

D. When the organization claiming exemptions shall have filed with the state tax assessor, beginning in April 1954 and annually thereafter prior to April 1 of each year, an annual financial report for the preceding year in such detail as the state tax assessor may require to enable him to ascertain the justification for the claimed exemption.

E. When the amount of real property for which exemption is claimed is not deemed by the assessing authority to be excessive for the use and need to which it is actually devoted.

TAXATION ON PROPERTY
IN
UNORGANIZED TERRITORY

ORDERED, the senate concurring, that the legislative research committee be and hereby is directed to report to the next legislature by bill or otherwise its recommendation of method and procedure for assessing taxes on property in the unorganized territory, to the end that such property shall continue to contribute to the cost of state government, consistent with the provisions of the constitution, and further to recommend to the next legislature, if deemed desirable, an amendment to the constitution designed to permit the exercise of legislative discretion with respect to taxation under practicable principles of justice and equity.

Under the terms of the legislative order directing the research committee to study the problem of taxation in the unorganized territory, with particular reference to timberland, the committee has authority to recommend a constitutional amendment designed to give to the legislature more discretionary power in the assessment of taxes upon property than it now seems to have under Sec. 8, of Article IX as interpreted in court decisions. A problem arose at the last session with respect to the state property tax. The legislature wanted to abolish the state property tax on the municipalities, leaving property as the main source of tax revenues for the cities and towns, while continuing to tax property in the unorganized territory for purposes of state government. The court said, in response to a question on a district device for accomplishing the legislative purpose, that taxes assessed

on property must be state-wide in application. Therefore, the legislature assessed the state property tax state-wide but for 1952 distributed back to the cities and towns for their municipal purposes what they will pay in taxes.

The committee assumes that the next legislature may wish to consider a means of avoiding the necessity for such state-wide assessment and distribution in future. If this is the case, an amendment to the constitution would seem to be required.

Section 8, of Article IX, requires that "All taxes upon real and personal estate, assessed by authority of this state, shall be apportioned and assessed equally, according to the just value thereof."

Section 9 of the same Article provides that "The legislature shall never, in any manner, suspend or surrender the power of taxation." It would appear that the authority of the municipalities to assess taxes on property must be a power delegated to them as agents of the state. If so, the assessments made by cities and towns must be subject to the same requirement for state-wide equality of assessment. No one, we think, would even pretend that such equality exists with respect to individual owners of property, even though a pretense of equality is made among whole towns and townships through the state board of equalization.

It would seem that the courts have had some difficulty in reconciling with reality the abstract principle of equality contained in Section 8. Not long ago, in finding that a proposed state income tax at progressive rates would be constitutional, the court held that income is not property. A recognition of the difficulty presented by the quoted clause of Section 8 appears in the amendment by which the legislature was given "power to levy a tax upon intangible personal property at such rate as it seems wise and equitable without regard to the rate applied to other classes of property." By this amendment the people recognized a distinction between kinds of property as a factor in equity and justice.

If a distinction between kinds of property for purposes of assessment is essential to equity, so also may be a distinction between kinds of governmental units. There is a marked difference between the municipalities and the unorganized territory--a difference so obvious with respect to problems and needs that it need not be stated. To serve the local needs of people the towns exist as agents of the state, while the unorganized territory remains under state authority exercised directly. The main problem in the municipalities is dealing with people. In the unorganized territory, property presents the problem.

The legislature should have the power to tax the unorganized territory as property without being obliged to assess at the same rate the municipalities where taxes on property constitute the principal source of revenue for local needs.

The research committee recommends that the next legislature should consider the following proposal for a constitutional amendment to be submitted to the people as a substitute for Sections 7, 8, and 9, of Article IX.

"The legislature shall have and shall never suspend or surrender the power of taxation. The power to assess and collect taxes, when delegated by the legislature to agencies of state and to municipal subdivisions, shall be exercised only for the purposes and in accordance with standards established by the legislature. A general valuation of property shall be taken at least once in ten years. For purposes of taxation, the legislature may establish different classifications of property and shall provide methods which shall be uniform throughout the state, either generally or within such classifications, for determining the just value of property as a basis for taxation at rates deemed equitable and in the public interest."

Obviously the amendment cannot be adopted in time to relieve the next legislature of dealing with the problem of the state property tax, which may have to be again assessed in manner similar to the last, unless some other means is found by which the property in the unorganized territory may be taxed by and for the state. A possible method of attaining this end, consistent with constitutional provisions now existing, is suggested under the heading of timberland taxation.

FOREST LAND TAXATION

ORDERED, the Senate concurring, that the legislative research committee be, and hereby is, authorized and directed to study forest land taxes, including the severance tax now in operation in other states, and report to the 96th Legislature, suggesting such measures to correct present forest land tax problems as are deemed necessary.

Maine forest lands constitute a natural resource essential to the continuity of our principal industries. Wisdom and foresight demand a policy of taxation which affords an incentive for owners to manage these lands in a manner designed to assure a perpetual supply of raw material to our wood-using industries, or which at worst creates no incentive for wasteful practices in management. The existing system of taxation, while probably suited to the aim of conservation in some areas, is working against that aim in other areas.

The difference has its source in the difference in political organization. In the unorganized territory, which comprises all of the state which is not embraced within cities, towns, and plantations under local government, and which includes some townships once organized but later deorganized by the legislature, all property is assessed for purposes of taxation by the state tax assessor and taxed at rates established by the legislature. Generally, the lands in those areas

of the unorganized territory where there is no settled population are subject to the state property tax, the county tax, and the forestry district tax, while the populated areas in the unorganized territory are subject to the state and county tax, to the forestry district tax when included in that district, and in addition to road taxes and school taxes. In some townships the aggregate of these rates runs up to a high level, reaching in some cases as high as \$5.91# in tax on each \$100 in valuation. While these differences are considerable, the justification lies in the greater need for revenue caused by population which may create an advantage for the owner of the timberlands as an offset to the higher tax rate. Most important is the fact that all of the unorganized territory is under one assessing authority.

Though power and storage dams, flowage incident to such dams, and transmission lines are increasing in importance, by far the largest element of assessed valuation in the unorganized territory is timberlands. With respect to these lands, the state tax assessor has an impressive collection of data to support his valuations, including aerial maps, surveys and timber cruises covering a large part of the unorganized territory. The valuation work seems to have been done competently and well within the surveyed areas. In our opinion, based on examination

#Net rate for 1952, after giving credit for state tax

of data on sample areas, the assessed valuations of timberland in the unorganized territory are probably reasonable and fair, and at least as high in relation to current market value as the valuations on other kinds of property in the organized municipalities. The state tax assessor should be provided with funds sufficient to extend his surveys to cover the remaining area as soon as possible and to revise existing data atleast every fifteen years.

It may be said that the total valuation of all property in the unorganized territory seems low, in relation to current market value as indicated by recent sales of timberlands. While timberlands are worth considerably more than formerly, due in part to rising prices and in part to new uses and processes in industry, there would seem to be no sufficient reason to justify revaluation of the unorganized territory at a higher level nearer to market, except as part of a general revaluation of all property in the state. Only when such a general revaluation of all property is made will it be possible to determine the fair share of the tax burden on kinds of property in relation to services rendered by government and to essential needs of government. Viewed from the standpoint of state revenue, doubling the taxes collected from timberlands in the unorganized territory

would increase general fund revenues only about .8%. Viewed from the standpoint of conservation of timber resources, the present tax burden on such timberlands in the unorganized territory does not seem to encourage wasteful methods of operation. Therefore this committee believes that the present method of taxing timberlands in the unorganized territory, while doubtless worthy of serious study and susceptible to improvement, does not present an urgent problem, either with respect to revenue or conservation. The situation with respect to timberland taxation in the organized municipalities seems much more serious. Here the valuations of timberlands are determined by local assessors who usually have little knowledge in this field. These assessors seldom know what is on the land, and often may not even know where the land is. The custom seems to be to guess at a figure which will be within the limit of toleration of the owner. In general belief, it often makes a difference who is the owner, and whether he lives in the town. The assessors are at a great advantage over the owner, who has no reliable standard of valuation on which to base an appeal. If the combination of high valuation and local tax rate creates a yearly tax burden so great that the land cannot be operated profitably by selective cutting or held for increment by growth, there is a strong incentive to strip the land and get rid of it. This is bad for the town in

the long run, not only because stripping reduces future taxes, but also because it weakens the economic structure of the community and undermines its stability as a municipal unit. Few realize how dependent are the towns upon the forest resources. Actually it is within the organized towns that most of the wood is being cut. It is estimated that nearly two-thirds of the pulpwood cut in Maine during 1951 came from organized towns.

In our opinion it is highly desirable in the interest of conservation that the legislature strengthen the hand of the owner of forest lands to enable him to resist injustice in assessment. He should be given a standard of measurement by which he can prove unfairness of assessment in court. Since uniformity of assessment is a constitutional requirement, the state should do everything possible to establish such uniformity of method among local assessors. With these aims in mind we recommend that the legislature enact the following measure:

An Act to Secure Uniformity of Assessment of
Forest Lands for Purposes of Taxation.

Preamble. Whereas, the prosperity of the state is deemed to be dependent in large measure upon its forest lands and upon the management and operation of these forest lands in a manner designed to assure

a sustained annual timber crop sufficient to provide a continuing supply of raw materials for its wood-using industries; and

Whereas, the maintenance of an adequate forest cover on the watersheds of rivers is necessary for the prevention of land erosion, for the protection of persons and property against the danger of floods, and for regulations of streams to effect uniformity of flow and to increase the reliability of water power; and

Whereas, it is essential to preserve the incentives necessary to assure the management of forest land by their owners to this vital end; and

Whereas, it appears that existing methods of assessment of forest lands for purposes of taxation are at substantial variance among assessing authorities, despite the Constitutional requirement of state-wide uniformity of assessment, and otherwise contrary to sound public policy; now, therefore,

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

Sec. 1. R. S. c. 81, §§156-158, additional.

Chapter 81 of the revised statutes is hereby amended by adding thereto 3 new sections, to be numbered 156, 157 and 158, to read as follows:

'Forest Lands

Sec. 156. Policy. It is hereby declared to be the public policy of the state, by which all officials of the state and of its municipal subdivisions are to be guided in the performance of their official duties, to encourage by the maintenance of adequate incentive the operation of all forest lands on a sustained yield basis by their owners, and to establish and maintain uniformity in methods of assessment for purposes of taxation according to the productivity of the land, giving due weight in the determination of assessed value to location and public facilities as factors contributing to advantage in operation.

Sec. 157. Assessment. An assessment of forest land for purposes of taxation shall be held to be in excess of just value by any court of competent jurisdiction, upon proof by the owner that the tax burden imposed by the assessment creates an incentive to abandon the land, or to strip the land, or otherwise to operate contrary to the public policy herein declared. In proof of his contention the owner shall show that by reason of the burden of the tax he is unable by efficient operation of the forest land on a sustained yield basis to obtain an adequate annual net return commensurate with the risk involved on the capital invested.

For the purposes of this section forest land shall

be held to include any single tract of land exceeding 50 acres in area under one ownership which is devoted to the growing of trees for the purpose of cutting for commercial use.

Sec. 158. Duties of state tax assessor.

Consistent with the foregoing declaration of policy, the state tax assessor shall prepare and issue instructions designed to guide municipal assessors to uniformity in the taxation of forest land, including a method of classification of land on the basis of productivity which shall conform to the method applied by the state tax assessor to the assessment of forest land in the unorganized territory. Upon request of any court in which an action at law is pending under section 157, the state tax assessor shall cause the forest land in question to be examined by a competent person at the expense of the party challenging the assessment, and shall thereafter render to the court and to the contending parties an opinion as to its just value for purposes of assessment.'

The committee has devoted considerable time to the study of severance taxes, as a possible substitute for existing methods of taxing timberlands. There is a great mass of material on this subject, too great in volume to permit comprehensive condensation. Perhaps the best objective summary of experience with such taxes elsewhere is the pamphlet "Forest Yield Taxes", by Ralph W. Marquis, Director of Northeastern Forest Experiment Station Forest Service, published as Circular No. 899 by the U. S. Department of Agriculture. The committee has also inquired regarding the yield tax recently enacted in New Hampshire. While such taxes appear highly desirable in theory, their application in practice seems frequently to encounter difficulties which arise when the system is changed. When the change affects the revenue of the municipalities, by reason of the substitution of a revenue varying substantially between years for one previously stable and regular, there is need for an equalization fund to receive excesses and remit deficits. This may involve borrowing at the state level. The New Hampshire municipal structure, with almost all of the state in organized towns, differs materially from that of Maine, with about half of the state in unorganized territory. This committee agrees with the opinion generally expressed

by many representatives of ownership in Maine forest lands, that we can afford to wait for guidance from results obtained elsewhere while in the meantime we try to improve our assessment methods as herein recommended. We also think that there may be constitutional obstacles in the way, if a yield tax should involve a classification of forest lands or the exemption of the land from taxation when the tax burden is shifted to the crop. Such difficulties might be removed from future legislatures if a constitutional amendment, similar to one hereinbefore recommended, should be proposed by the next legislature and adopted by the people.

TAXATION OF TRUCKS

ORDERED, the senate concurring, that the legislative research committee be, and hereby is, authorized and directed to study the entire problem of taxation of trucks, particularly the feasibility of a tax on trucks on the basis of mileage traveled within the State of Maine; and be it further

ORDERED, that the committee report the results of their study, together with such recommendations as they deem advisable, to the 96th Legislature.

The legislative order directs the committee to study the taxation of trucks. The purpose of the sponsors, whether to look for inequalities or for additional revenues, is not manifest in the order, but the special mention of mileage taxes indicates that there was in mind the possibility of some new method of taxing trucks, such as the ton-mile or weight-distance tax. As information regarding Maine's present system is readily available by reference to existing laws and to truck registration figures, our attention has been devoted mainly to assembling information on experience of other states with mileage taxes. This information is voluminous, and can only be summarized briefly in this report. Members of the legislature who are interested in detailed information may find useful material in the files of the committee. Informative material in special file in state library.

Financing Maine's Highways. Research Study by Fred W. Goodwin. One of a series of studies being made in representative states by the author, who is a consultant on governmental affairs and now engaged in taxation studies on behalf of his home state of New Jersey.

Taxation of the Trucking Industry. By Richard W. Lindholm, published by Bureau of Business Research, Ohio State University, Columbus, Ohio (Copy in Maine State Library). Informative on the general problem, up to 1950.

Public Roads - A Journal of Highway Research, Dec. 1951. Published by Bureau of Public Roads, U. S. Dept. of Commerce, Washington. Traffic Trends on Rural Roads in 1950, with information on truck weights.

Road Test One - Maryland - Summary of major findings and conclusions - project conducted under direction of Highway Research Board of National Research Council on behalf of several states with cooperation of Bureau of Public Roads. Also see analysis of same from trucker's point of view.

Highway Safety - Motor Truck Regulation - Published by the Council of State Governments. See Chapter 7 - Motor Vehicle Taxation, also comparison by states of road user and personal property taxes on motor vehicles, page 164 and seq.

Highway Statistics - 1950. Published by Bureau of Public Roads, U. S. Department of Commerce. Contains numerous tables of statistics, comparable by states. (Copy in Maine State Library)

Report of the New York State Joint Legislative Committee on Highways, Canals and Revenues - 1951- Especially Chapter VII-the Weight-Distance Tax-pages 65 to 80.

Supplemental Report on the Weight-Distance Tax - Summarizes the Oregon weight-distance tax, compares the Oregon tax with New York and Idaho, quotes a few Oregon truckers in favor of the tax, and advocates enactment of weight-distance tax in Maine.

New England Summary -

Compares road user and property taxes on motor vehicles in the New England States.

Information from Oregon, consisting of letter from Public Utilities Commissioner regarding weight-distance tax collections, costs of administration, etc.; with copy of report forms made by Oregon truckers; also a copy of the Oregon law.

The Ton-Mile Tax and Related Third Structure Taxes-Issued by National Highway Users Conference, Inc. Contains arguments against such taxes. Summarizes various state ton-mile and mileage taxes.

The Motor Carrier Industry-A study by Shields & Co.
Contains information regarding the trucking industry
with some statistics.

The Highway Crisis-Digest of news items and opinions
to road damage by trucks and recommending higher taxes.

A study of ton-mile and weight-distance taxes on trucks necessarily involves an estimate of the Maine highway system and its need for revenue. This committee believes that more highway revenue is required. In fairness, should such additional revenue be raised by increasing the taxes or fees paid by all highway users, or should the burden of the increase be borne by the trucks?

If it were possible to start from the basis of agreement among the parties on something, it might be possible, through reason and compromise, to arrive at some recommendation which could be said, at least, to have been fairly arrived at; but a careful reading of a mass of material on this subject fails to disclose such an acceptable point of starting.

Even the most plausible argument, that each class of motor traffic should pay in proportion to the expenditures made on its account and in its interest, is challenged whenever one tries to apply the theory to a particular case. The truckers contend that the

wear-and-tear on the roads is only distantly related to load weight; and while this committee doubts that the relationship is as distant as the truckers suppose, we do agree that there is plenty of room for a difference in opinion as to the validity of this theory and say only that if there must be a "principle" this one is probably better than any other. Going on the premise that weight and distance are the best factors capable of statistical measurement in the determination of wear-and-tear on the roads, and assuming the approximate accuracy of certain assumptions made relative to both weight and distance in order to compare wear-and-tear between autos and trucks, it appears certain that trucks operating in Maine are paying considerably less than automobiles in the combination of gas taxes, excise taxes, and registration fees, when the comparison is made on a ton-mile basis.

It has been estimated that in Maine a Plymouth car pays in taxes and fees 39.47 cents per 100 ton-miles, a Buick 37.89 cents and a 6,000 lb. pick-up truck 36.10 cents, as compared to 29.19 cents for a 16,000 lb. truck, to 21.33 cents for a 25,000 lb. truck, and to 13.18 cents for a 40,000 lb. combination truck. In this estimate 12 states show a ton-mile cost higher than Maine on a Plymouth, while 27 states show a ton-mile cost higher than Maine on a 40,000 lb.

combination truck. The average for all the states is shown as 34.39 cents per 100 ton-miles for a Plymouth (Maine 39.47 cents), 36.01 on a 6,000 lb. truck (Maine 36.10 cents), 31.09 cents on a 16,000 lb. truck (Maine 29.19 cents), 23.43 cents on a 25,000 lb. truck (Maine 21.33 cents), and 14.70 cents on a 40,000 lb. combination truck (Maine 13.18 cents).

(These figures are taken from a report of a New York legislative committee issued in 1952, which are said to be based in part upon estimates made by the U. S. Bureau of Public Roads.) The main reason for the marked variation lies in the fact that a heavy truck gets about three times as much ton-mileage from a gallon of gas as an automobile .

Still using the figures on the aggregate of taxes and fees computed on a cents per 100 ton-mile basis for a 40,000 lb. combination truck, as compiled by the New York legislative committee, it appears that of the 27 states which collect more than Maine on this type of truck 14 have some kind of a ton-mile or weight-distance tax in force. (A digest of these taxes by states may be found in "The Ton-Mile Tax and Related Third Structure Taxes," a publication of the National Highway Users Conference, Inc. This pamphlet contains the argument from the truckers' point of view.) The average of the taxes-and-fees combination, on this

40,000 lb. rig in cents per 100 ton-miles, for these 14 states is about 17.78 cents, as compared to Maine's 13.18 cents.

A point to be considered in connection with the taxation of trucks, especially pertinent with respect to the heavier truck units, is the fact that Maine railroads contribute substantially to state revenues by paying a railroad excise tax, so that fairness requires consideration of the competitive situation existing between these essential transportation facilities, so far as taxation may be a factor in competition. It is therefore interesting to note that in 1951 the aggregate of maintenance of way costs and state excise taxes of the Maine Central Railroad, figured on the same basis in cents per 100 ton-miles, was approximately 17.66 cents. The similarity of this figure with the average of figures for the 14 states having some kind of a mileage tax on heavy trucks (17.78 cents), and with the figure for Oregon which we use as the outstanding example (17.46 cents), is significant in consideration of the competitive position of railroads and heavy trucks with a view to fairness.

Among these 14 states, the state having the figure nearest to the average is Oregon, with 17.46 cents per 100 ton-miles. Oregon first instituted this type

of tax in 1933. This state has been outstanding as a proponent of weight-distance taxes for many years, and its experience is especially valuable to students of the subject. Oregon's existing weight-distance tax has now been in effect about five years. While it seems to be admitted by the truckers that the Oregon legislature has been constantly concerned with the need to correct proved inequities, there is still complaint about inequities, evasions, cost and trouble in making returns, and cost of collection. (A summary of the legislative history of these Oregon taxes, written from the viewpoint of the truckers, appears as Appendix C in "The Ton-Mile Tax and Related Third Structure Taxes" to which reference is made in the second preceding paragraph.)

In 1951 Oregon collected \$6,852,531 from its weight-distance tax, and turned over to its highway commission \$6,027,682, or 87.83% of the total of the difference, \$90,191 was a transfer to the state police according to statute, while certain other items of expense appear to be unrelated to the weight-distance tax. Auditing and accounting alone, involving about 35 auditors and accountants, and 26,962 accounts to be audited, cost \$327,196 or about 4.77%. Comparable figures for 1950 are \$5,785,514 total receipts, \$5,069,674 turned over, \$94,983 to state police,

and \$297,061 for audit and accounting. Based on these figures from the experience of Oregon, it would seem that the cost of collection of a weight-distance tax in Maine might be around 10% of receipts.

While the population of Oregon in 1950 was 1,521,341, as compared to Maine at 913,774, the number of automobiles in Oregon is about $2\frac{1}{2}$ times the number in Maine, and the number of trucks is about twice as many as in Maine. Oregon's gas tax collections in 1951 were over \$32,000,000, while Maine collected \$13,172,825 for the fiscal year ended June 30, 1951 and \$13,906,184 for the following fiscal year. While comparisons made for the purpose of estimating the probable proceeds of the Oregon law if applied in Maine would require considerations of other factors indicating the nature of highway traffic, these rough comparisons seem to confirm the estimate that a weight-distance tax similar to the Oregon law, applied only to trucks with a loaded weight of 16,000 lbs. or over, would produce \$2,250,000 to \$2,500,000 a year in additional highway revenue. (See Research Study by Fred W. Goodwin, to which reference is made in the list of informative material.)

Due to insufficient funds and lack of expert personnel, this committee has been obliged to rely in large part upon information assembled by others. Part of this

material was prepared by agencies acting on behalf of interested parties, and even the more impartial studies are necessarily based upon estimates. After study of this information, the committee is in substantial agreement on the following opinions and recommendations:

1. We believe that the heavier trucks are contributing to highway revenues considerably less than the lighter traffic units, in proportion to road use as measured by weight and distance.
2. We recommend that highway revenues be increased by imposing increased registration fees on trucks, progressively in proportion to weight.
3. We believe that there are other factors, besides weight and distance, which contribute to the cost of construction and wear-and-tear on roads and which are in the aggregate so important that the fairness of a policy of taxation based upon weight and distance only is open to question.
4. With an aim to simplicity of administration and ease of collection, and until such time as the desirability of ton-mile and weight-distance taxes on trucks can be better appraised on the

basis of experience elsewhere, we recommend that the legislature revise the truck registration fees, with the design of raising these fees by \$1,500,000 to \$2,000,000 a year, aiming at approximate equalization of the over-all tax-fee charges of the heavier truck units. Part of the funds so raised should be devoted to more thorough enforcement of legal restrictions on truck load weights.