

TAXATION: Taxation of Interstate Bus and Truck lines on irregular routes.

January 30, 1941

Mr. Clarence Evans, Chairman
State Tax Commission
Jefferson City, Missouri



Dear Sir:

This is in reply to yours of recent date, wherein you submit the following statement of facts and request:

"On page 872, Laws of 1939, you will find Section 10066 was amended by the addition of the words 'interstate bus and truck lines'.

"We find a great many companies doing interstate business which traverse irregular routes. The assessment of this property should be allocated according to the railroad law.

"We wish to inquire what the basis for allocation should be in such cases. In many instances, the carrier never makes but one trip through a certain taxing subdivision. Is it to be presumed that this carrier keep a minute record and that the assessment be divided in as many parts and parcels as he traverses during the year or is this law applicable only to regular routes?"

By the Act of 1939 the General Assembly has provided that interstate bus and truck lines shall be assessed and taxed in the same manner that railroad property is taxed. Section 10066, Laws of Missouri 1939, page 872. Said section, in so far as it applies to interstate bus and truck lines, provides as follows:

"* * * * and all property, real and personal, including the franchises owned by * * * interstate bus and truck lines, * * * shall be subject to taxation for state county, municipal and other local purposes to the same extent as the property of private persons. And taxes levied thereon shall be levied and collected in the manner as is now or may hereafter be provided by law for the taxation of railroad property in this state, and county courts, and the county and state boards of equalization are hereby required to perform the same duties and are given the same powers in assessing, equalizing and adjusting the taxes on the property set forth in this section as the said courts and boards of equalization have or may hereafter be empowered with in assessing, equalizing, and adjusting the taxes on railroad property; and the president or other chief officer of any such * * * interstate bus and truck lines, * * * is hereby required to render statements of the property of such * * * interstate bus and truck lines, * * * in like manner as the president, or other chief officer of the railroad company is now or may hereafter be required to render for the taxation of railroad property."

It will also be noted that this section provides that such property shall be subject to taxation for state, county,

municipal and other local purposes to the same extent as the property of private persons. So it cannot be questioned but that the property of the interstate bus and truck lines is taxable in some manner in this State.

The property of the railroad companies, commonly known as the distributable property, is assessed and taxed under Section 10012 R. S. Mo. 1929. The taxes from this distributable property is then allocated to the various subdivisions of the State by virtue of the provisions of Section 10022 R. S. Mo. 1929, on a mileage basis. That is, each subdivision of the State through which such railroad passes receives taxes in the proportion that the amount of mileage through such subdivision bears to the mileage of the entire railroad.

From your request it appears that since the carrier on the irregular route does not have any way of determining the miles of highway over which it passes through the various subdivisions, then it would be impossible to tax the property of these carriers as distributable property.

The term "irregular route" is defined in Laws of Missouri 1931 at page 305 in the following language:

"The term 'irregular route,' when used in this act, means that portion of the public highways over which a regular route has not been established."

If no regular route has been established then it would be almost impossible for the interstate bus and truck operator on the irregular route to comply with the railroad act in so far as it requires the carrier to furnish to the taxing authorities its mileage through the various political subdivisions of the State named in said Section 10022 R. S. Mo. 1929.

To construe said section 10066, supra, so that it required an interstate bus and truck operator on an irregular route to comply with the railroad act in so far as it

requires the operator to furnish the taxing officials with the information as to the number of miles of roads it passes over through the various political subdivisions of the State, would almost require an impossible task, and we think it would be an absurdity to so construe this act. We think the rule of construction announced in *Hanna v. Aetna Life Ins. Co.*, 217 Mo. App. 261, l. c. 272, would be applicable here. This rule is as follows:

"* * * The rule is that statutes will not be construed so as to require impossibilities or to lead to absurd results, if they are at all capable of any other reasonable interpretation. (25 R. C. L. 1018-1020; *Potter v. Douglas County*, 87 Mo. 239; *State ex rel. v. Koeln*, 211 S. W. 31; *Corrigan v. Kansas City*, 211 Mo. 608, 650. * * * *

We think this statute would receive the proper interpretation and construction by holding that the properties of the interstate bus and truck operators who have permits to operate on an irregular route should be assessed as local property as is required by Section 10025 R. S. Mo. 1929, which provides as follows:

"All property, real, personal or mixed, including lands, machine and workshops, roundhouses, warehouses and other buildings, goods, chattels and office furniture of whatever kind, owned or controlled by any railroad company or corporation in this state not hereinbefore specified, shall be assessed by the proper assessors in the several counties, cities, incorporated towns and villages wherein such property is located, under the general revenue laws of the state

and the municipal laws regulating the assessments of other local property in such counties, cities, incorporated towns and villages, respectively, but the taxes on the property so assessed shall be levied and collected according to the provisions of this article."

As stated above, our reason for this view is that it would be impossible to assess this property as distributable property of the carrier. We are therefore of the opinion that the provisions of said Section 10066, at page 872, Laws of Missouri, 1939, in so far as they require the distributable property of interstate bus and truck lines to be taxed, do not apply to lines which operate on an irregular route, but that such lines should be taxed as local property as is required by said Section 10025 of the railroad act.

Respectfully submitted,

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APPROVED:

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