

Bulletin No. 1

Sixth Year

Fifth Annual Conference

— ON —

State and Local TAXATION

Summary of Proceedings
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Reports of Committees
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Committee

National Tax Association

Columbus, Ohio

29 Broadway, New York City

SUMMARY OF PROCEEDINGS.

The Fifth Annual Conference on State and Local Taxation was held in Richmond, Virginia, on September 5-8, 1911.

Hon. William Hodges Mann, Governor of Virginia, presided as permanent Chairman.

In response to letters of invitation issued by Governor Mann and Mr. Allen R. Foote, President of the Association, thirty-five States, one Canadian Province and nine Universities and Colleges were represented.

Twenty-two States and one Province were represented by members of permanent or special state tax commissions, state boards of equalization or other administrative taxing officials.

The attendance was thoroughly representative of all sections of the country, delegates being present from points as remote as Oregon, Washington, Manitoba, Texas, Florida, Maine, Vermont, Minnesota, Nebraska, Wisconsin and Kansas.

A number of addresses were made discussing subjects of present day practical interest, well designed to show how tax laws and their administration may be improved. Several of the addresses described important changes made in the tax laws of different States during the year, many of which are the direct result of addresses, discussions and resolutions found in the proceedings of former Conferences.

Among the reports presented by investigating committees, those of most general interest were the reports on substitutes for the personal property tax; on rules for real estate assessment, and on the administration of tax laws.

One session was devoted to a discussion of questions having special reference to the taxation of corporations. The Hon. Herbert Knox Smith, Federal Commissioner of Corporations, presented a paper showing the different methods of taxing corporations employed by the several States. Mr. Alfred E. Holcomb, Assistant Secretary of the American Telephone & Telegraph Company, discussed methods of assessment of public service corporations, and

Mr. Allen Ripley Foote, President of the National Tax Association, discussed the ad valorem and gross earnings methods of taxing public utilities with special reference to the taxation of railroads in the United States. Mr. Foote proposed and advocated the adoption of a low flat rate tax on total revenues to be paid by all corporations and an additional net earnings tax determined by a differential based on margin of difference between total revenue and total operating expenses, such tax to be in lieu of all other taxes of every kind.

One of the most interesting sessions was devoted to an informal round table discussion of administrative problems which gave opportunity for the exchange of practical experiences by taxing officials from all parts of the country.

The opportunity to become personally acquainted, to consult with each other regarding their various problems during the several days of the Conference, to examine and explain an exhibit of blanks, forms, instructions and reports from nearly every State found in the Headquarters Registration Room, proved to be of high value to every taxing official in attendance, held to be sufficient in itself to justify the time and expense required to enable them to be present.

The names of delegates in attendance, a list of the addresses and reports, and the full text of all resolutions adopted are given herewith.

The full text of all addresses, reports, discussions and resolutions will be published in the volume of proceedings which will be published in a cloth bound volume, uniform with the volume of proceedings published for each of the former Conferences, and will be ready for delivery as soon as practicable. One copy will be furnished to all members of the National Tax Association, on payment of dues for 1912, without charge. The price to the general public will be **Two Dollars per copy**. A special price will be made for orders of twenty or more copies to be delivered at one time for the use of members of state legislatures or classes in economics in educational institutions. Orders may be placed now to be filled when the volume is ready for delivery.

**FIFTH INTERNATIONAL TAX
CONFERENCE.**

Richmond, Virginia, September 5-8, 1911.

DELEGATES REPRESENTING STATES.

Alabama.

A. A. EVANS, Member State Tax Commission, Montgomery.

W. R. LOYD, Secretary, State Tax Commission, Montgomery.

Connecticut.

WILLIAM H. CORBIN, State Tax Commissioner, Hartford.

H. E. ELLSWORTH, Simsbury.

CHARLES E. ROWELL, Mayor, Stamford.

Florida.

SAMUEL A. ROBINSON, Member House of Representatives, Orlando.

R. F. ROGERS, Connor.

I. N. WITHERS, State Senator, Lady Lake.

Georgia.

E. C. KONTZ, Attorney, Atlanta.

Idaho.

DOW DUNNING, Member House of Representatives, Wickahoney.

EARL D. FARMIN, Sandpoint.

R. B. WILSON, Emmett.

Illinois.

FRANK P. CRANDON, Tax Commissioner, Chicago & North-Western Railway Co., Chicago.

Indiana.

C. C. MATSON, Member State Board of Tax Commissioners, Greencastle.

FRED A. SIMS, Member State Board of Tax Commissioners, Frankfort.

DAN M. LINK, Member State Board of Tax Commissioners, Auburn.

Iowa.

J. F. WALL, Revenue & Tax Department, Auditor's Office, Des Moines.

J. H. McCONLOGUE, Member Special Tax Commission, Mason City.

- A. C. RIPLEY, Member Special Tax Commission, Garner.
B. E. STONEBRAKER, Member Special Tax Commission, Rockwell City.
CHARLES VOSS, Member Special Tax Commission, Davenport.
PROF. JOHN E. BRINDLEY, Secretary, Special Tax Commission, Ames.

Kansas.

- S. T. HOWE, Chairman State Tax Commission, Topeka.
J. A. BURNETTE, Member State Tax Commission, Topeka.
B. F. MILTON, Member State Tax Commission, Topeka.

Louisiana.

- PROF. JAMES H. DILLARD, President Jeanes Foundation, New Orleans.

Maine.

- OBADIAH GARDNER, Chairman State Board of Assessors, Rockland.
EDWARD W. WHEELER, Chairman Committee on Taxation, Brunswick.

Maryland.

- OSCAR LESER, Judge Appeal Tax Court, Baltimore.
CHARLES G. BALDWIN, Attorney, Baltimore.
GEORGE M. BRADY, Attorney, Baltimore.

Massachusetts.

- CHARLES A. ANDREWS, Deputy Tax Commissioner, Boston.
CHARLES J. BULLOCK, Professor of Economics, Harvard University, Cambridge.

Michigan.

- GEORGE LORD, Chairman Tax Committee, House of Representatives, Detroit.
ROGER I. WYKES, Member Special Tax Commission, Grand Rapids.
FRANK A. BELL, Negannee.

Minnesota.

- O. M. Hall, State Tax Commission, Red Wing.
SAMUEL LORD, State Tax Commission, St. Paul.

Mississippi.

E. F. NOEL, Governor, Jackson.

Nebraska.

HENRY SEYMOUR, Secretary State Board of Equalization, Lincoln.

New Hampshire.

JOSPEH S. MATTHEWS, Legacy Tax Department, Concord.

JOHN B. MORRILL, Gilford.

New Jersey.

FRANK B. JESS, President State Board of Equalization of Taxes, Haddon Heights.

EDWARD E. GROSSCUP, Member State Board of Equalization of Taxes, Wenonah.

O. C. Bogardus, Chairman State Board of Assessors, Keyport.

New York.

ROSSLYN M. COX, Mayor, Middletown.

EDWARD L. HEYDECKER, Asst. Tax Commissioner, New York City.

JOHN D. KERNAN, Attorney, Utica.

LAWSON PURDY, President Department of Taxes and Assessments, New York City.

EDWIN R. A. SELIGMAN, Professor of Economics, Columbia University, New York City.

North Carolina.

FRANKLIN MCNEILL, Chairman Corporation Commission, Raleigh.

North Dakota.

ROBERT B. BLAKEMORE, Fargo.

Ohio.

GEORGE E. POMEROY, Toledo.

Oklahoma.

LEE CRUCE, Governor, Guthrie.

BEN F. HARRISON, Secretary of State, Oklahoma City.

EARL F. KEYS, State Auditor, Oklahoma City.

Oregon.

CHARLES V. GALLOWAY, State Tax Commissioner, Salem.

STEPHEN COLLINS, Member House of Representatives, Portland.

Pennsylvania.

N. E. HAUSE, Chief Clerk, Department of Auditor General, Harrisburg.

Rhode Island.

Z. W. BLISS, Lieutenant Governor, Cranston.
ROBERT S. FRANKLIN, Chairman Committee
on Taxation Laws, Newport.

OSCAR A. BENNETT, Committee on Taxation
Laws, Woonsocket.

WILLIAM M. P. BOWEN, Committee on Taxa-
tion Laws, Providence.

EDWARD P. TOBIE, Clerk, Committee on
Taxation Laws, Pawtucket.

South Carolina.

R. W. HAMILTON, Union.

GEORGE R. REMBERT, Columbia.

Texas.

C. E. KELLY, Mayor, El Paso.

Vermont.

L. P. SLACK, Lieutenant Governor, Mont-
pelier.

J. E. CUSHMAN, Commissioner of State
Taxes, Burlington.

Virginia.

WILLIAM HODGES MANN, Governor, Rich-
mond.

J. TAYLOR ELLYSON, Lieutenant Governor,
Richmond.

DR. DOUGLAS S. FREEMAN, Sec., Special Tax
Commission, Richmond.

W. S. COPELAND, Newport News.

Washington.

T. A. PARISH, Member State Tax Commis-
sion, Olympia.

West Virginia.

GEORGE W. BLAND, West Union.

JOHN J. LINCOLN, Elkhorn.

Wisconsin.

NILS P. HAUGEN, Chairman State Tax Com-
mission, Madison.

T. S. ADAMS, Member State Tax Commission,
Madison.

KOSSUTH KENT KENNAN, Chief Income Tax
Bureau, Madison.

N. S. GILSON, Former Chairman State Tax
Commission, Fond du Lac.

Manitoba.

J. W. HARRIS, Assessment Commisisoner,
Winnipeg.

**DELEGATES REPRESENTING
UNIVERSITIES.**

FRANK P. CRANDON, Northwestern University,
Chicago, Ill.

PROF. JOHN E. BRINDLEY, Iowa State College,
Ames, Iowa.

PRESIDENT JAMES K. PATTERSON, University of
Kentucky, Lexington, Ky.

PROF. EDWARD TUTHILL, University of Ken-
tucky, Lexington, Ky.

PROF. CHARLES J. BULLOCK, Harvard Univer-
sity, Cambridge, Mass.

PROF. DAVID FRIDAY, University of Michigan,
Ann Arbor, Mich.

PROF. EDWIN R. A. SELIGMAN, Columbia Uni-
versity, New York.

PROF. HARLEY L. LUTZ, Oberlin College,
Oberlin, Ohio.

PROF. EDWIN S. TODD, Miami University,
Oxford, Ohio.

PROF. LEE BIDGOOD, University of Virginia,
Charlottesville, Virginia.

ADDRESSES.

State Comity and Taxation.

HON. JOHN A. DIX, Governor of New York.

Tax Legislation of the Year.

A. C. PLEYDELL, Corresponding Secretary
International Tax Association.

Taxation Conditions in Virginia.

DOUGLAS S. FREEMAN, Secretary Special Tax
Commission of Virginia, Richmond, Va.

Recent Tax Reforms in Iowa.

PROF. JOHN E. BRINDLEY, Iowa State Col-
lege, Ames, Iowa, Secretary Iowa Special
Tax Commission.

Tax Legislation in New York, 1911.

EDWARD L. HEYDECKER, Assistant Tax Com-
missioner, City of New York, Secretary
Utica Tax Conference.

Wisconsin Income Tax Law.

K. K. KENNAN, Chief of Income Tax Bureau,
Madison, Wis.

Tax Reform in California.

PROF. CARL C. PLEHN, University of Cali-
fornia, Berkeley, California, Secretary
California Special Tax Commission.

Methods of Taxing Corporations.

HERBERT KNOX SMITH, Commissioner of Cor-
porations, Washington, D. C.

Assessment of Public Service Corporations.

ALFRED E. HOLCOMB, Assistant Secretary,
American Telephone & Telegraph Co., N. Y.

Taxation of Railroads in the United States.

ALLEN RIPLEY FOOTE, President International
Tax Association, Columbus, Ohio.

Taxation Developments in Oregon.

CHARLES V. GALLOWAY, Member State Board
of Tax Commissioners, Salem, Oregon.

State Tax on Local Government Incomes a Sub- stitute for a State General Property Tax.

ALLEN RIPLEY FOOTE, President International
Tax Association, Columbus, Ohio.

Apportionment of State Taxes on Basis of Local Revenue.

WM. H. CORBIN, State Tax Commissioner,
Hartford, Conn.

Local Option in Taxation.

PROF. CHARLES J. BULLOCK, Harvard Uni-
versity, Cambridge, Mass.

REPORTS OF COMMITTEES.

- On Inheritance Tax Laws,
Chairman, WM. H. CORBIN, State Tax Commissioner, Hartford, Conn.
- On Banks and Financial Institutions,
Chairman, N. S. Gilson, Former State Tax Commissioner, Fond du Lac, Wis.
- On Mercantile Business,
Chairman, Oscar Leser, Judge Appeal Tax Court, Baltimore, Md.
- On Practicable Substitutes for Personal Property Tax.
Chairman, PROF. EDWIN R. A. SELIGMAN, Columbia University, New York.
- On Classification of Real Estate,
Chairman, T. C. TOWNSEND, Former State Tax Commissioner, Charleston, W. Va.
- On Administration of Laws for Taxation of Property.
Chairman, SAMUEL LORD, Chairman State Tax Commission, St. Paul, Minn.
- On Co-operation with Census.
Chairman, ALLEN RIPLEY FOOTE, President International Tax Association, Columbus, Ohio.
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The following Committees reported by requesting continuation for another year:

- On Taxation of Manufacturing Corporations.
On Uniform Insurance Tax Laws.
On Publication of an Official Journal.

RESOLUTIONS ADOPTED.

Improvement of Local Assessments.

WHEREAS, The present administration of the general property tax, from which seventy-five per cent of the state and local revenue is derived, is unsystematic, antiquated and unequal, and substantial improvement can be secured by improving the ordinary local assessment work,

Resolved: (1) That there should be such a readjustment of local assessment systems as will insure to local assessors better pay for their work; (2) That where practicable local assessment districts should be made sufficiently large to justify the employment of the whole time of a competent assessor; (3) that a central supervisory board which will assist and supervise local assessors either directly, or through a district supervisor, can secure great improvement in the original assessment work and minimize inequalities.

Methods of Assessing Real Estate.

Resolved: That as steps towards an equitable and scientific assessment of real estate, we earnestly recommend that the method of assessment *in rem* be extended to all districts in all states; the preparation and use of tax maps in each taxing district; the separate assessment of land and buildings and the use of standard units of measurement as a basis of valuation for both land and buildings to assist the assessor in the exercise of his judgment, such standards of value to be determined for each locality by its officials, with the greatest possible co-operation of its citizens, having due regard to local conditions.

Collection and Publication of Statistics.

WHEREAS, Statistical comparison and the determination of the economic effects of taxation are impossible without complete and comparable statistics of state and local revenues:

Resolved, That provision should be made in every state for the collection and publication of statistics of assessment, taxes and other public revenue.

Committee on Public Service Corporations.

WHEREAS, The taxation of public service corporations in the several states exhibits a total lack of uniformity in the methods and underlying theory,

Resolved, That this Conference requests the International Tax Association to appoint a committee to consider the subject of the taxation of public service corporations.

Home Rule in Taxation.

Resolved, That it is inexpedient for this Conference to express any opinion upon the subject of local option or home rule in taxation and therefore, without expressing any opinion upon this subject, the officers of the Association, be and hereby are, instructed to omit from subsequent proceedings of the Association the resolution dealing with separation of sources and home rule adopted at the Conference of 1907.

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FIFTH ANNUAL BUSINESS MEETING of the NATIONAL TAX ASSOCIATION.

The business meeting of this Association was held, following the Conference, on September 8, 1911.

At this meeting the name of the Association was changed from "International Tax Association" to "NATIONAL TAX ASSOCIATION," thus resuming the name under which the Association was originally organized. This action was taken because it has been found that Canadian taxation laws and systems present problems widely different from those demanding consideration in the United States.

In order to preserve the friendly and helpful relations that have been established with Canadian tax officials, and to continue co-operation with them as far as practicable, two honorary memberships in the Executive Committee were created and Col. A. J. Matheson, Provincial Treasurer of Ontario, and Hon. J. W. Harris, Assessment Commissioner of Winnipeg, Manitoba, were elected as such members.

Recommendations Adopted.

The following recommendations, made by the President in his annual address were unanimously adopted:

"1. That your Executive Committee be authorized and directed to co-operate with the taxing officials and others in any State, in which important tax legislation is to be undertaken, in organizing and holding a State Conference on State and Local Taxation, under the auspices of the National Tax Association, for the purpose of promoting the enactment of the proposed measures.

"2. That your Executive Committee be authorized and directed to examine the text of all proposed taxation constitutional amendments, and of all taxation measures, submitted to it for that purpose by members in any State, and, if found satisfactory, to approve the same in the name of the Association, or, if not satisfactory, to recommend such changes as will make them satisfactory, such action to require an affirmative vote of not less than two-thirds of all members of the Executive Committee.

"3. That your Executive Committee be authorized and directed to draft a specific program of work to be carried out by this Association that can be used as a basis of representations to be made to tax-paying officials, and to taxpayers generally, in soliciting their co-operation and support as active and sustaining members of this Association."

OFFICERS AND MEMBERS OF THE EXECUTIVE COMMITTEE.

The following persons were elected to serve as the officers and members of the Executive Committee for the ensuing year:

Officers.

President,

ALLEN RIPLEY FOOTE, Columbus, Ohio.
President Ohio State Board of Commerce.

Vice President,

LAWSON PURDY, New York City.
President Department of Taxes and Assessments.

Treasurer,

FOSTER COPELAND, Columbus, Ohio.
President City National Bank.

Secretary,

ARTHUR C. PLEYDELL, New York City.
Office, 29 Broadway.

Executive Committee.

ALLEN RIPLEY FOOTE, Chairman,
Columbus, Ohio.

LAWSON PURDY,
Hall of Records, New York City.

ARTHUR C. PLEYDELL,
29 Broadway, New York City.

JAMES E. BOYLE,
University of North Dakota, Grand Forks,
North Dakota.

WILLIAM H. CORBIN,
State Tax Commissioner, Hartford, Conn.

DOUGLAS S. FREEMAN,
Secretary Virginia Tax Commission,
Richmond, Va.

CHARLES V. GALLOWAY,
State Tax Commissioner, Salem, Oregon.

- NILS P. HAUGEN,
Chairman State Tax Commission,
Madison, Wis.
- ALFRED E. HOLCOMB,
Assistant Secretary, American Telephone
& Telegraph Co., New York City. "
- SAMUEL T. HOWE,
Chairman State Tax Commission, Topeka,
Kansas.
- SAMUEL LORD,
State Tax Commission, St. Paul, Minn.
- E. F. NOEL,
Governor of Mississippi, Jackson, Miss.

Honorary Members.

- A. J. MATHESON,
Provincial Treasurer, Toronto, Ontario.
- J. W. HARRIS,
Assessment Commissioner, Winnipeg,
Manitoba.