Bulletin No. 3 Series for 1908

Second International Conference

on

State and Local Taxation

Under the Auspices of the

National Tax Association

To be held at Toronto, Ontario, Dominion of Canada. October 6-8, 1908

Second Annual Meeting

NATIONAL TAX ASSOCIATION

Toronto, October 9, 1908

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NOTICE—Copies of Bulletins Nos. 1 and 2 will be supplied on request.

ANNOUNCEMENTS.

The Second International Conference on State and Local Taxation will be held in Toronto, Ontario, October 6-8, 1908.

OUTLINE OF WORK.

Tuesday, October 6th.

Afternoon session: — Organization and opening addresses.

Evening session:—Papers and Discussions.

Wednesday, October 7th.

Morning session:—Papers and Discussions.

Afternoon session:—Papers and Discussions.

Evening session:—Papers and Discussions.

Thursday, October 8th.

Morning session:—Papers and Discussions.

Afternoon session:—Papers and Discussions.

Evening session:—Report: Committee on Resolutions and Conclusions. General Discussion.

This outline shows that there will be six sessions for papers and discussions, to which can be added the time gained for such purpose from the afternoon session on Tuesday, October 6th, and the evening session on Thursday, October 8th.

In Bulletin No. 2 it is stated that these six sessions will be three hours each, and that *thirty minutes* will be allowed for the presentation of each paper, to be followed by *thirty minutes* allowed for discussion. This arrangement will provide for the presentation of *eighteen papers.*

ONE SUBJECT FOR EACH SESSION.

It has been suggested that the papers be grouped so as to present but one subject at each session; that all papers on a subject be read and that the discussion of the subject then follow, filling out all of the remaining time of the session. This would make it necessary for persons on the program to file a copy of their paper with the Secretary, to be read by some other person if called for in his absence. Otherwise all papers on a subject could not be presented when such subject was under consideration.

SUBJECTS SUGGESTED FOR DISCUSSION.

In response to the request made in Bulletin No. 2, the following subjects have been suggested for discussion:

1. Taxation and the Public Welfare.

1. Taxation Should be so Apportioned as to Make Payment a Privilege of Good Citizenship.

2. Indifference of the Public to Reform in Taxation.

3. Relation of Taxation to Governmental Regulation of Industry.

4. Relation of the Proposed Council of States to Tax Problems.

5. Respective Spheres of Judges, Legislators and Economists in Taxation.

6. The Social Aspect of Fees paid to Justices of the Peace.

7. Taxation a Factor in Distribution.

8. Regulation by Taxation: Statistics of the Interstate Commerce Commission and of the State Railroad and Public Utilities Commissions as a Basis for the Taxation of Public Utility Corporations.

2. Taxation and Public Finance.

1. Possibility of Establishing a Journal of Public Finance.

2. The Growth of State and Local Expenditures in the United States and Canada.

3. Relation of Bonded Indebtedness and Governmental Expenditures to Questions of Taxation.

4. Given Separation of State from Local Taxation, and Assuming that the Local Divisions of Government will Retain the Taxation of Real Estate (together with some remnants of the old general property tax), What Should be the Sources of State Revenue?

5. Reform in Public Expenditures.

6. Scientific Division Between State and Local Taxation.

7. What Things are Property within the Purview of Rational Tax Laws.

8. The Financial Aspect of Fines and Fees.

3. Constitutional Limitations on the Power of Taxation.

1. Constitutional Limitations on the Power of Taxation.

2. Constitutional and Statutory Limitations upon Tax Rates.

4. Work of State Tax Commissions.

1. Model Plan of Centralized Supervision.

2. The Work of State Tax Commissions and County Boards of Equalization.

3. Proper Enforcement of Tax Laws.

4. Organization and Work of State Tax Commissions.

5. Problems of Local Administration.

5. Methods of Valuation.

1. Massachusetts' Valuation on Taxable Property.

2. Assessment Values as Determined by County Assessors.

3. County Assessors' System vs. Township System.

4. Elected or Appointed Assessors?

5. Shall Assessment Lists be Published?

6. Manitoba System of Assessments.

7. Shall Things be Taxed at Their Situs or the Owners of Those Things at Their Residence, or Both?

8. Is the Fiction that Personal Property follows the owner applicable to Taxation, and, if applicable, is it Applied Properly?

6. Fees and License Charges as a Means of Raising Revenue.

1. Fees.

2. The Privilege License Tax in Southern States. (Georgia.)

3. The Most Equitable System of Taxation on Occupations.

4. Toronto System of Business Licenses.

7. Taxation of Forested Lands.

1. Taxation of Forested Lands and Products, with the View of Encouraging Forest Growth for the Protection of Water Supply, for the Prevention of Soil Erosion and for Marketable Products.

8. Taxation of Minerals and Mineral Lands.

1. Taxation of Coal, Oil and Natural Gas.
2. Taxation of Mining Properties.
3. Mineral Taxation in Ontario.

9. Taxation of Inheritances.

1. The Practical Work of Construing and Administering Inheritance Tax Laws.
2. How Shall the Proceeds of Inheritances be Divided Among the Various Jurisdictions in Order to Avoid Double Taxation?
3. Taxation of Inheritances in New Zealand.
4. Taxation of Inheritances Should be Reserved for the Exclusive Use of the States.
5. The Inheritance Tax. Should it be State, or National?
6. The Progressive Inheritance Tax.

10. A State Income Tax.

1. Suggestions of Schemes by Which a State Income Tax can be Successfully Administered.
2. The Income Tax. Its Place and Functions.

11. Taxation of Life Insurance.

1. Essential Provisions for a Uniform State Law for the Taxation of Life Insurance.

12. Taxation of Fire Insurance.

1. Taxation of Fire Insurance, with the View of Reaching an Agreement on Essential Provisions to be Incorporated in a Law for Uniform Enactment by all States.

13. Taxation of Banks and Trust Companies and of Intangible Property.

1. Taxation of Banks and Trust Companies.
2. Taxation of Money on Deposit.
3. The Extent and Methods of Taxing Intangible Property.
4. Incidence of Taxation of Intangible Property.
5. State Taxes on Stock Transfers.
6. Taxation of Mortgages in Different States.
7. Taxation of Stocks and Bonds.
8. Double Taxation.

14. Single Tax.

1. Is the Amortization Theory of Taxation Valid?

15. Taxation of Farm Lands.

1. Taxation of Farm Lands.
2. A Practical Tax System Applicable to an Agricultural State.
3. Valuation of Farm Lands Under a Separate Assessment System.

16. Taxation of Manufacturing, Mercantile and Industrial Corporations.

1. Value of Uniform Corporation Accounts in the Economy of Taxation.
2. Taxation of Manufacturing and Mercantile Corporations.
3. Taxation of Machinery and Merchandise.
4. The Place and Methods of Corporation Taxation.
5. Should the Stock of Corporations be Taxed in the hands of Stockholders when the Property of the Corporation Pays Its Taxes to the Proper Jurisdictions in Which the Said Property is Situated.
6. Exemption of Machinery.

17. Taxation of Public Service Corporations.

1. Practical Methods of Taxing Railroad Property.

2. Why a Mathematical Basis Should be Preferred to an Ad Valorem Basis for Taxation of Public Service Corporations.

3. Taxing Railroads in Different States.

4. Shall We Have Federal Assessments of Railroads Doing Interstate Business?

5. An Interstate Association for the Assessment of Railroad Companies, Interstate Corporations, and the Inter-Communication of Valuable Information.

6. The Question of Railway Taxation.

This list contains *seventeen* titles for subjects, under which *seventy-three* suggestions are grouped.

WHICH SUBJECTS SHALL BE ELIMINATED?

Suggestions are requested as to which of these subjects shall be eliminated. As shown above, if the suggestion is adopted that each session be devoted to the consideration of but one subject, quite a number of the suggested subjects will have to be dropped, but some of them may be grouped for discussion at the same session, such as *"Life and Fire Insurance,"* and *"Forested Land and Minerals."*

WHO SHALL BE INVITED TO DISCUSS SUBJECTS?

The next question, of equal importance, is *"Who shall be invited to discuss subjects?"*

Undoubtedly every one who attends the Conference, and every one who may read its volume of proceedings, will desire to have those discuss subjects who are well equipped to express the best informed economic thought and ripest administrative experience available for the correct guidance of public opinion, legislative and administrative action.

The occasion, the personnel of the Conference, the larger audience composed of all who will read its proceedings throughout the *United States* and the *Dominion of Canada,* and the cause to be served, all are worthy of the best any person can give.

It will be understood that all suggestions regarding persons to be invited to discuss subjects will be considered as *confidential.* Any person who feels himself equipped to discuss a subject should give notice, as promptly as possible, stating on what subject he is willing to prepare a paper, or will prepare himself to take part in the discussion after the papers on the subject have been read.

It is very important that the time for papers, and leaders in the discussion, be well divided between *Educators* and *Administrators;* also that those who prepare papers shall furnish copy in time to permit supplying a copy of the same to those who desire to discuss the subject, in order to enable them to direct their discussion to the propositions advanced by the author. In this way all discussions can be made most helpful.

If the suggestions herein asked for and given are promptly and properly acted upon, the *Second International Conference on State and Local Taxation will establish a standard of excellence for the World.*

SECOND ANNUAL MEETING
NATIONAL TAX ASSOCIATION.

FRIDAY, OCTOBER 9TH.

Morning session:—Business meeting of the National Tax Association; Adoption of Constitution; Election of Officers.

THE PROPOSED CONSTITUTION.

The full text of the constitution of the International Tax Association, as proposed by the Committee on Constitution and By-Laws, appointed by authority of a resolution adopted at the *First Business Meeting* of the Association, November 15, 1907, is published herewith.

One purpose in making this publication is to submit this draft of the Constitution to all who may be interesed in order that it may be improved by their suggestions, and that the Constitution as finally adopted may possess the stability that is derived from complete satisfaction.

Another purpose is to advise all persons on what terms they may become members of the Association. It will be observed that *Individual memberships* are divided into two classes:

1. Active Members. All Professors, Instructors and Students in the economic and political science department of institutions for higher education; the librarians of all libraries, on account of library; all state and local officials holding legislative or administrative positions charged with the duty of investigating, legislating upon or administering tax laws; and all public men, editors, writers and speakers who hold no educational or official position but who have developed a special interest in the subject of state and local taxation, shall be eligible to membership in this class.

2. Sustaining Members. All persons agreeing to contribute ten dollars or such larger amount as they may elect to pay annually for the support of this Association, shall be eligible to membership in this class.

The Annual dues for Active Members are two dollars.

The Annual dues for Sustaining Members are ten dollars, or such larger amount as the member may elect to pay.

In order to start right and keep right, since the designation of "Active" and "Sustaining" members cannot now be used, the Committee on Constitution and By-Laws has authorized the following statement:

Until the proposed Constitution has been adopted, the designation "Corresponding" and "Contributing" members will be used.

Upon the adoption of the proposed Constitution all "Corresponding" and "Contributing" members will be listed as Active and Sustaining members, as provided in the last section of the Constitution.

All persons interested in this work are cordially invited to qualify themselves as Members of this Association, in whichever class they may elect, and to supply the addresses of persons to whom this Bulletin may be sent, with a view of developing their interest in the work and inducing them to become members of the Association, designating the class they may be expected to enter.

Acknowledging the assistance of many co-workers, the above is respectfully submitted.

NATIONAL TAX ASSOCIATION.
ALLEN R. FOOTE, President.

Columbus, Ohio, June 15, 1908.

CONSTITUTION

OF THE

International Tax Association

Proposed to be Adopted at its Second Annual Meeting, to be held at Toronto, Ontario, October 9th, 1908

ARTICLE I.

NAME AND OBJECT.

Section 1. The name of this Association shall be, "International Tax Association."

Sec. 2. Its objects shall be to formulate and announce, through the deliberately expressed opinion of an annual conference, the best informed economic thought and ripest administrative experience available for the correct guidance of public opinion, legislative and administrative action on all questions pertaining to state and local taxation, and to interstate and international comity in taxation.

Sec. 3. The Term "State" or "State and Province" wherever it occurs in this constitution shall be construed to mean any subdivision of a National Government corresponding in governmental rank with the States of the United States of America.

ARTICLE II.

MEMBERSHIP.

Section 1. Individual membership in this Association shall be divided into two classes:

Class 1. Active members. All Professors, Instructors and Students in the economic and political science department of institutions for higher education; the librarians of all libraries, on account of the library; all state and local officials holding legislative or administrative positions charged with the duty of investigating, legislating upon, or administering tax laws; and all public men, editors, writers and speakers who hold no educational or official position but who have developed a special interest in the subject of state and local taxation, shall be eligible to membership in this class.

Class 2. Sustaining members. All persons agreeing to contribute ten dollars or such larger amount as they may elect to pay annually for the support of this Association, shall be eligible to membership in this class.

Sec. 2. All Memberships shall be continuing, and the dues therefor shall be paid annually unless the membership is discontinued by reason of death, resignation or non-payment of dues.

ARTICLE III.

AFFILIATED MEMBERSHIP FOR STATE AND LOCAL ASSOCIATIONS.

Section 1. This Association shall encourage the organization of state and local associations on lines that will insure a harmonious co-operation between all such associations, with each other and with this association, and that will provide the means of conducting investigations, educational propaganda, and efforts to secure the practical application of economic principles and methods of administration upon lines approved by this Association, without duplication of work, with the direct view of seeking economic efficiency in the expenditure of energy and money.

Sec. 2. State and local associations whose constitutions and purposes are approved by the Executive Committee of this Association may become affiliated members of this Association. When a state association becomes an affiliated member of this Association, all memberships of affiliated local associations within such state shall be transferred to affiliated membership in such state association.

ARTICLE IV.

DUES AND DONATIONS.

Section 1. Each class of members shall pay annual dues as follows:

Class 1. Active Members, Two Dollars.

Class 2. Sustaining Members, Ten Dollars, or such larger amount as the member may elect to pay.

Class 3. Affiliated members shall pay such annual dues as may be determined from time to time by the Executive Committee of this Association.

Sec. 2. All annual dues shall be due and payable in advance, on the date of the application for membership.

Sec. 3. Any member who shall fail to pay his dues within one year from the date when payable shall be dropped from membership in this Association on account of such non-payment.

Sec. 4. The Executive Committee of this Association may, whenever it deems such a course wise, issue a call to the general public for voluntary donations to a fund in aid of its general work, or for any specific purpose it may at any time undertake to promote.

ARTICLE V.

VOTING POWER AND MEMBERSHIP PRIVILEGES.

Section 1. In all meetings of this Association every individual member, and every accredited delegate representing an affiliated association, shall be entitled to one vote, but no person shall be entitled to vote as a member and also as a delegate representing an affiliated association. The basis of representation for affiliated associations shall be determined from time to time by the Executive Committee of this Association, and shall be specified in the official call for each annual meeting.

Sec. 2. Voting by proxy shall not be allowed.

Sec. 3. No member of this Association shall have the right to vote in any Annual Conference by virtue of such membership.

Sec. 4. Propositions may be submitted to the membership of this Association by its Executive Committee to be voted upon by mail ballot. All mail ballots shall be canvassed by the Executive Committee within thirty days after the date on which such proposition and ballot were mailed to the membership. Announcement of the result of a mail ballot shall be made by circular addressed to all members entitled to vote.

Sec. 5. All members not in arrears for annual dues shall be entitled to receive, *without charge, one copy* of the proceedings of the Annual Conference, and one copy of such pamphlets and documents as may be issued by the Association from time to time for general circulation.

ARTICLE VI.

ANNUAL CONFERENCE.

Section 1. An annual international conference on state and local taxation shall be held under the auspices of this Association, during the month of October in each year, or at such time and place as its executive committee may determine. The details of each conference shall be arranged by the Executive Committee in co-operation with such special and standing committees as may be created by this Association at its annual meetings for such purpose.

Sec. 2. The educational personnel of each annual conference shall be composed of delegates representing universities and colleges that maintain a special course in public finance, or at which that subject receives special attention in a general course of economics; and public men, editors, writers and speakers who hold no educational or official position but who have developed a special interest in the subject of state and local taxation.

Sec. 3. The administrative personnel of each annual conference shall be composed of *three delegates* appointed by the Governor of each State and the Premier of each Province, and public officials holding legislative or administrative positions charged with the duty of investigating, legislating upon or administering tax laws.

Sec. 4. The voting power in each conference upon any question involving an official expression of the opinion of the conference, shall be vested in *one delegate* who shall cast *one vote* for each university and college, or institution for higher education, represented in the conference, and *one vote* for each delegate present appointed by the Governor of a State or by the Premier of a Province, but no delegate shall vote as the representative of an educational institution and also as the representative of a State or Province.

Sec. 5. Voting by proxy shall not be allowed.

Sec. 6. No member of this Association shall have the right to vote in any annual conference by virtue of such membership.

Sec. 7. The last session of each annual conference, or so much of it as may be necessary, shall be devoted to the consideration of the report of the conference committee on *Resolutions and Conclusions.* The report of this committee, as adopted by the conference, shall be its official expression of opinion, and it shall not be held to have endorsed any other expression of opinion by whomever made. The voting power of the conference upon an official expression of its opinion, is limited to delegates representing educational institutions and delegates representing States and Provinces by appointment of their Governor or Premier, with the purpose of safeguarding the conference from the possibility of having its expression of opinion influenced by any class interest; or consideration for those who devote their time to the work or management of this Association; or favor for those who contribute money for its support. The Annual Conference will be the means used by the Association for carrying into practical effect its purpose to secure an expression of opinion that will formulate and announce the best informed economic thought and ripest administrative experience available for the correct guidance of public opinion, legislative and administrative action on all questions pertaining to state and local taxation, and to interstate and international comity in taxation.

Sec. 8. The temporary and permanent chairman; secretary and official stenographer; address of welcome and response to the same; meeting place, accommodations for delegates, and all necessary preliminary details for each conference, and also the program of papers and discussions, shall be arranged for the conference by the Executive Committee of this Association, in co-operation with a local committee and such other commitees as it may appoint. All other details of the organization and work of the conference shall be arranged by the delegates present in such manner as they may from time to time decide.

ARTICLE VII.

ANNUAL AND SPECIAL MEETINGS OF THE ASSOCIATION.

Section 1. The annual meeting of the Association shall be held on the day next following the day of the last session of the annual conference at the same place at which the conference was held, and at such hour as its Executive Committee may determine. A sixty days' notice shall be given to all members of the time and place at which each annual meeting is to be held.

Sec. 2. Special meetings of this Association may be held at any time and place, when called by its Executive Committee. At least thirty days' notice shall be given to all members of each special meeting, which notice shall specify the purpose for which the meeting is called, and no business shall be transacted at such meeting other than that specified in the call.

Sec. 3. A majority of all members and delegates representing affiliated associations registered as being present at any annual or special meeting of this Association shall constitute a quorum for the transaction of business, but such quorum shall at no time be less than fifteen, and whenever the attendance of members and delegates exceeds one hundred, twenty-five shall constitute a quorum.

ARTICLE VIII.

OFFICERS AND EXECUTIVE COMMITTEE.

Section 1. The work and affairs of this Association shall be administered by a President, a Vice-President, a Secretary, a Corresponding Secretary, a Treasurer, and a Vice-President and a Corresponding Secretary for each National Government represented, who, with six other members shall constitute an Executive Committee, all of whom shall be elected by the Association at its annual meeting to serve for one year and until their successors are duly elected. Five members shall be a quorum of the Executive Committee.

Sec. 2. The terms of all officers, the members of the Executive Committee, and of the members of all standing committees created by this Association, shall begin ~~on the first day of November in each year, or~~ thirty days after the date of its Annual Meeting.

Sec. 3. A vacancy in any offiice or in the membership of the Executive Committee or of any Standing Committee may be filled by the Executive Committee for the unexpired term.

ARTICLE IX.

DUTIES OF OFFICERS AND COMMITTEES.

Section 1. The officers of this Association shall perform the customary duties of their respective offices, and such other duties as may be assigned to or required of them from time to time by its Executive Committee, or by the Association.

Sec. 2. If compensation is paid to any officer of this Association, the amount thereof shall be fixed by the Executive

Committee, and payment shall be made only as authorized by this Committee.

Sec. 3. The Executive Committee and all Standing Committees created by this Association shall perform such general and special duties as may be assigned to them by the Association.

Sec. 4. Such Standing and Special Committees may be created from time to time by this Association, or by its Executive Committee, as may be deemed necessary for the efficient promotion of the work being undertaken. All Committees appointed by the Association shall report to the Association.

ARTICLE X.

FINANCIAL MANAGEMENT.

Section 1. This Association, its Executive Committee, or any of its officers, agents or employes shall have no power to contract a debt, or liability, of any kind, for which the Association or its members collectively or individually, can be held responsible, in excess of the amount of its funds available for the payment of the same.

Sec. 2. The fiscal year of the Association shall begin with the first day of the month of September and end with the last day of the month of August in each year.

Sec. 3. The accounts of the Association for each fiscal year shall be closed on the 31st day of August in each year. They shall be audited by a chartered or certified public accountant, who shall certify to the correctness of the financial reports submitted to the Association at its annual meeting.

ARTICLE XI.

GENERAL OFFICES AND LIBRARY.

Section 1. Until otherwise directed by the Association, its general offices and library shall be established and maintained at Columbus, Ohio, U. S. A.

Sec. 2. This Association shall accumulate and properly index, as rapidly as its funds will permit, a reference and circulating library which shall contain one or more copies of every useful leaflet, pamphlet, address, document and book on the subject of state and local taxation. As far as is possible with the funds available for the purpose, this library shall be kept continuously written up to date and indexed so as to enable its custodian to supply on application correct and full reference to all authorities on any phase of the subject of state and local taxation, the decisions of courts, the statistical results of taxation laws and of changes made in such laws from time to time.

Sec. 3. The services of this Library shall be without charge to all members of this Association and to all legislative, executive and judicial officers of states and of their political subdivisions, and to every person desiring to study, discuss or speak upon any feature of the subject of state and local taxation.

ARTICLE XII.

PROCEEDINGS AND PUBLICATIONS.

Section 1. At each annual meeting the Association shall elect, or authorize its President to appoint, a standing publication committee, under whose supervision a full report of the proceedings of the annual conference last held shall be edited and published. This committee shall also edit and supervise the publication of all reports, pamphlets and literature in other forms issued by this Association.

Sec. 2. The Executive Committee shall authorize the terms of sale or of distribution of all publications issued by this Association.

ARTICLE XIII.

BY-LAWS.

Section 1. The Executive Committee is authorized to formulate, adopt, and, from time to time amend, such by-laws as it may deem necessary for the good government of the affairs of this Association, and of the official conduct of its officers and committees.

ARTICLE XIV.

AMENDMENTS.

Section 1. This Constitution may be amended at any annual or special meeting of this Association by a two-thirds vote of all members and delegates representing affiliated associations present, *provided* the full text of the amendment shall have been submitted to the membership by the member or members proposing the same or by the Ex Com at least thirty days before the date of the meeting at which such proposed amendment is acted upon.

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ARTICLE XV.

ADOPTION OF THE CONSTITUTION.

This Constitution shall be submitted for adoption to such persons as may be present at the annual meeting to be held in Toronto, Ontario, on October 9, 1908, who shall have previously subscribed and paid, during the year 1908, two dollars or more for the support of this Association.

Upon the adoption of this Constitution all persons who shall have previously subscribed and paid, during the year 1908, two dollars or any larger amount less than ten dollars for the support of this Association, shall thereby become *Active Members* of this Association, with dues paid for the year 1908; and all persons who shall have previously subscribed and paid, during the year 1908, ten dollars or more, for the support of this Association, shall thereby become *Sustaining Members* of this Association, with dues paid for the year 1908.

Respectfully submitted,

COMMITTEE ON CONSTITUTION AND BY-LAWS

Andrew L. Harris, Chairman,
Charles J. Bullock,
T. S. Adams,
A. J. Matheson,
Ernest C. Kontz.