



September 5-9  
1960

# 53<sup>RD</sup> ANNUAL

CONFERENCE  
ON TAXATION

sponsored by

NATIONAL TAX ASSOCIATION

STATLER HILTON HOTEL  
New York City



***53rd Annual  
Conference  
on  
Taxation***

**Sponsored  
by the  
NATIONAL TAX ASSOCIATION**

**STATLER HILTON HOTEL  
New York City  
September 5-9, 1960**

## **GENERAL INVITATION**

The conference sessions are open and the public is cordially invited to take part in the discussions following the formal papers to the extent that available time permits and in accordance with the conference rules.

Anyone may take part in the discussion of resolutions submitted for conference action but the voting is confined to members of the National Tax Association and official delegates appointed by chief executives of states, territories, and provinces.

A \$10.00 registration fee will be charged for persons attending the conference, but wives and children will be registered without charge.

All sessions will be informal.



**MONDAY, SEPTEMBER 5**

**2:00 to 7:00 P.M.** REGISTRATION (Mezzanine Area)

**6:30 to 8:30 P.M.** RECEPTION AND BUFFET SUPPER  
(Grand Ballroom)

**TUESDAY, SEPTEMBER 6**

**8:00 to 9:15 A.M.** BREAKFAST FOR CONFERENCE SPEAKERS AND SESSION CHAIRMEN  
(Pennsylvania Room)

**9:30 to 9:45 A.M.** SPECIAL MEETING OF THE NATIONAL TAX ASSOCIATION (Terrace Ballroom)

Walter W. Walsh, President  
National Tax Association, presiding

**9:45 A.M. CONFERENCE SESSION** (Terrace Ballroom)  
**to 12:00 M.**

Walter W. Walsh, presiding

### Invocation

### Address of Welcome

Honorable Joseph H. Murphy, Commissioner of Taxation and Finance, State of New York

### Response

Paul E. Alyea, Vice President  
National Tax Association

## ORGANIZATION OF THE CONFERENCE

## TAXES IN THE AFFLUENT SOCIETY

Seymour E. Harris, Lucius N. Littauer Professor of Political Economy, Harvard University

George Cline Smith, Vice President and  
Economist, F. W. Dodge Corporation

**12:30 to 2:00 P.M.** FIRST CONFERENCE LUNCHEON  
(Terrace Ballroom)

Walter W. Walsh, President  
National Tax Association, presiding

### Invocation

## Address

Honorable Nelson A. Rockefeller  
Governor of the State of New York



## **Tuesday, September 6 (Continued)**

**2:30 to 5:00 P.M.**      **CONCURRENT CONFERENCE SESSIONS**

### **I**

#### **PROPERTY TAXES** (Penn Top South)

Thomas A. Byrne, Tax Commissioner  
City of Milwaukee, presiding

#### **Property Tax Expedients in Urban Redevelopment**

Mabel L. Walker, Executive Director  
Tax Institute, Inc.

#### **Financing Government in the Suburbs; The Role of the Property Tax**

Lynn Stiles, Economist  
Federal Reserve Bank of Chicago

#### **The Property Tax: Quicksand or Bedrock**

I. M. Labovitz, Senior Specialist, Legislative Reference Service, Library of Congress

#### **The Revenue Productivity of the Real Property Tax**

John D. Hogan, Staff Economist, Northwestern Mutual Life Insurance Company

### **II**

#### **STATE FISCAL PROBLEMS** (Gold Ballroom)

Welles A. Gray, Director, Department of Governmental Affairs, Empire State Chamber of Commerce, presiding

#### **The States Face a New Decade**

Wylie Kilpatrick, Research Professor, Bureau of Economic and Business Research  
University of Florida

#### **Local and Federal Pressures on State Revenue**

Alvin A. Burger, Executive Director  
Texas Research League

#### **Possible Alternatives to State Tax Increases**

Joseph M. Robertson, Commissioner  
Minnesota State Department of Taxation

#### **Equipping State Legislatures to Deal With Fiscal Problems**

Edward J. Steimel, Executive Director  
Public Affairs Research Association of Louisiana

### **III**

#### **TAX RESEARCH** (Terrace Lounge)

Denzel C. Cline, Professor of Economics  
Michigan State University, presiding



## **Tuesday, September 6 (Continued)**

### **How Research Aids State Tax Administration**

John A. Gronouski, Commissioner of Taxation, Wisconsin Department of Taxation

### **Census Data and Fiscal Research**

Allen D. Manvel, Chief, Governments Division, Bureau of the Census, U. S. Department of Commerce

### **Results of Recent State Tax Studies**

Leon Rothenberg, Research Director  
Federation of Tax Administrators

### **Estimating State Revenues**

Paul H. Wileden, Deputy Director, Budget Division, Michigan Department of Administration

## **IV**

### **THE IMPACT OF RECENT SUPREME COURT DECISIONS ON MULTISTATE TAXATION**

(Georgian Room)

Harry F. Schroeder, Vice President  
Bankers Trust Company, presiding

### **Taxation of Intangibles in Interstate Commerce**

Martin Saxe, Attorney  
Saxe & Keigwin, New York

### **Taxation Without Representation Modernized**

Floyd E. Britton, Attorney  
Hubachek & Kelly, Chicago

### **Small Business Looks at Public Law 86-272**

John Dane, Jr., Attorney  
Choate, Hall & Stewart, Boston

### **An Academician's View of State Taxation of Interstate Business**

Jerome R. Hellerstein, Professor of Law  
New York University School of Law

## **WEDNESDAY, SEPTEMBER 7**

**9:30 A.M. CONFERENCE SESSION** (Terrace Ballroom)  
**to 12:00 M.**

### **COMMUTERS AND THE RAILROAD TAX PROBLEM**

John F. Tarrant, Counsel to the Governor of Connecticut on Commuter Tax Problems, presiding



## **Wednesday, September 7 (Continued)**

George Alpert, Chairman of the Board  
and President, New York, New Haven &  
Hartford Railroad Company

Larry S. Provo, Vice President and Comp-  
troller, Chicago and North Western  
Railway Company

David Berger, Solicitor  
City of Philadelphia

**12:30 to  
2:00 P.M.**

### **SECOND CONFERENCE LUNCHEON** (Terrace Ballroom)

Walter W. Walsh, President  
National Tax Association, presiding

#### **Invocation**

#### **Address**

Honorable Robert F. Wagner  
Mayor of the City of New York

#### **Taxation and Fiscal Policy**

Honorable Arthur Levitt  
Comptroller, State of New York

**2:30 P.M.** ENTERTAINMENT TO BE PROVIDED BY  
LOCAL ARRANGEMENTS COMMITTEE  
FOR AFTERNOON AND EVENING

## **THURSDAY, SEPTEMBER 8**

**9:30 to  
11:15 A.M.** ANNUAL MEETING OF THE NATIONAL  
TAX ASSOCIATION (Terrace Ballroom)

President Walter W. Walsh, presiding

#### **Treasurer's Report**

Lee P. Miller, Louisville, Kentucky

#### **Report of the Nominating Committee**

H. Kenneth Allen, University of Illinois  
Chairman

#### **Amendments to the By-Laws**

#### **REPORTS OF STUDY COMMITTEES**

##### **Bank Taxation**

Carter T. Louthan, New York, Chairman

##### **Cost of Tax Compliance and Administration**

Aaron K. Neeld, New Jersey, Chairman

##### **Federal Excise Taxation**

Clarence Heer, North Carolina, Chairman



## **Thursday, September 8 (Continued)**

### **Financing Public Education**

Roger A. Freeman, California, Chairman

### **Intergovernmental Fiscal Relations**

Alfred G. Buehler, Pennsylvania, Chairman

### **Interstate Allocation of Business Income**

Fred L. Cox, Georgia, Chairman

**11:15 A.M. CONFERENCE SESSION  
to 12:00 M.**

(Terrace Ballroom)

Walter W. Walsh, presiding

**Report of the Conference Resolutions Committee**

**2:30 to  
5:00 P.M.**

### **CONCURRENT CONFERENCE SESSIONS**

## **V**

### **TAXATION OF RAILROADS AND UTILITIES** (Gold Ballroom)

John A. Williams, Member, Missouri  
State Tax Commission, presiding

#### **Railroads Deserve Tax Equality**

James N. Ogden, Vice President and General Counsel, Gulf, Mobile and Ohio Railroad Company

#### **Problems in the Use of Stock and Debt Income Factors in the Assessment of Telephone and Electric Utilities**

Dean Ellis, Chairman  
Oregon Tax Commission

#### **Assessment and Equalization of Railroads and Utilities**

Broley E. Travis, Chief of Valuation Division, California State Board of Equalization

#### **Obsolescence and the Assessment of Public Service Properties**

James W. Martin, Director, Bureau of Business Research, University of Kentucky

## **VI**

### **LOCAL PERMISSIVE TAXES** (West Room)

Randall S. Stout, Professor of Economics  
Pennsylvania State University, presiding

#### **A Review and Forecast**

Eugene A. Myers, Associate Professor of Economics, College of Business Administration, Pennsylvania State University



## **Thursday, September 8 (Continued)**

### **Economic Aspects of Permissive Local Taxes**

Robert A. Sigafoos, Senior Economist  
Stanford Research Institute

### **State Supervision and Coordination of Permissive Local Taxes**

Joseph Pois, Vice President and Treasurer  
Signode Steel Strapping Company

### **An Industry Viewpoint**

Paul W. Smith, Manager, Tax Department  
Union Carbide Corporation

## **VII**

### **FEDERAL INCOME TAX PROBLEMS**

(Terrace Ballroom)

Lawrence E. Thompson, Associate Professor,  
Graduate School of Business Administration,  
Harvard University, presiding

### **Intercompany Transactions in Consolidated Returns - Revenue Ruling 60-245**

E. Randolph Dale, Attorney  
Hawkins, Delafield & Wood, New York

### **The Deductibility of Lobbying Expenses - The Problems of Compliance in Practice**

Richard B. Barker, Attorney, Ivins, Phillips  
& Barker, Washington, D. C.

### **Taxation of Income Earned Abroad**

Ira T. Wender, Attorney, Baker, McKenzie  
& Hightower, Chicago

### **Taxation of Real Estate Investment Income**

Philip Davidowitz, Research Division, Graduate  
School of Business Administration  
Harvard University

## **VIII**

### **STATE SALES AND USE TAXES**

(Terrace Lounge)

Albert G. Preston, Consultant, State and  
Local Tax Accounting Services, General  
Electric Company, presiding

### **Sales Taxes and Stable Income Growth**

David G. Davies, Associate Professor of  
Economics, College of Business Administration,  
University of Cincinnati

### **Broadening the Sales Tax Base - Recent Trends and Impending Developments**

James R. Stanford, Secretary  
Washington State Tax Commission

## **Thursday, September 8 (Continued)**

### **The Michigan Use Tax Story**

Clarence W. Lock, Commissioner of Revenue, State of Michigan

### **Local Sales Taxes in the Empire State**

Ernest Kurnow, Professor of Economics  
School of Commerce, Accounts and Finance,  
New York University

## **7:45 P.M. CONFERENCE BANQUET**

(Informal)

(Grand Ballroom)

Stanley J. Bowers, Past President, National  
Tax Association, Tax Commissioner, State  
of Ohio, presiding

### **Invocation**

### **Presidential Address (Brief)**

Walter W. Walsh, President, National Tax  
Association; Attorney, Hawkins, Dela-  
field & Wood, New York, and Chap-  
man, Walsh & O'Connell, Washington,  
D. C.

**One Additional Speaker - to be Announced**

**ENTERTAINMENT TO BE PROVIDED BY  
LOCAL ARRANGEMENTS COMMITTEE**

## **FRIDAY, SEPTEMBER 9**

**9:30 A.M. CONFERENCE SESSION** (Terrace Ballroom)  
**to 12:00 M.**

### **FEDERAL INCOME TAXES AND ECONOMIC BEHAVIOR**

Paul E. Alyea, Vice President  
National Tax Association  
Professor of Finance, University of Ala-  
bama presiding

Weaver W. Dunnan, Attorney  
Covington & Burling, Washington, D. C.

Mortimer M. Caplin, Professor  
Law School, University of Virginia

C. Harry Kahn  
National Bureau of Economic Research

Raymond L. Richman, Associate Professor  
of Economics, University of Pittsburgh



## CONFERENCE COMMITTEES

### PROGRAM

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### **TO DETERMINE APPROPRIATE NTA RESEARCH PROJECTS**

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*Allen Ripley Foote, Ohio	1907-1913
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*Samuel T. Howe, Kansas	1915-1917
*Charles J. Bullock, Massachusetts	1917-1919
*Nils P. Haugen, Wisconsin	1919-1920
*Zenas W. Bliss, Rhode Island	1920-1921
*Samuel Lord, Minnesota	1921-1922
*Thomas S. Adams, Connecticut	1922-1923
*William Bailey, Utah	1923-1924
*Thomas W. Page, Virginia	1924-1925
*George Vaughn, Arkansas	1925-1926
*Joseph S. Matthews, New Hampshire	1926-1927
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*Mark Graves, New York	1928-1929
Fred R. Fairchild, Connecticut	1929-1930
*Clarence Smith, Kansas	1930-1931
*Robert M. Haig, New York	1931-1932
*Franklin S. Edmonds, Pennsylvania	1932-1933
*Alfred E. Holcomb, New York	1933-1934

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*Henry F. Long, Massachusetts	1934-1935
*Philip Zoercher, Indiana	1935-1936
*Oscar Leser, Maryland	1936-1937
Simeon E. Leland, Illinois	1937-1938
*Alfred H. Stone, Mississippi	1938-1939
*Charles W. Gerstenberg, New York	1939-1940
*A. J. Maxwell, North Carolina	1940-1941
*Seth T. Cole, New York	1941-1942
*Walter G. Query, South Carolina	1942-1943
Roy G. Blakey, Minnesota	1943-1944
Dixwell L. Pierce, California	1944-1946
James W. Martin, Kentucky	1946-1947
George W. Mitchell, Illinois	1947-1948
Carl S. Shoup, New York	1948-1949
G. Howard Spaeth, Minnesota	1949-1950
William A. Sutherland, Washington, D. C.	1950-1951
Alfred G. Buehler, Pennsylvania	1951-1952
H. Clyde Reeves, Kentucky	1952-1953
John L. Connolly, Minnesota	1953-1954
Robert S. Ford, Michigan	1954-1955
William F. Connelly, Connecticut	1955-1956
J. L. Reuther, Missouri	1956-1957
H. Kenneth Allen, Illinois	1957-1958
Stanley J. Bowers, Ohio	1958-1959
Walter W. Walsh, New York	1959-1960

\*Deceased.

## HONORARY MEMBERS OF THE NATIONAL TAX ASSOCIATION

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Robert J. Eby	New York
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*Lawson Purdy	New York
Martin Saxe	New York

\*Deceased.

## OFFICERS

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## **EXECUTIVE COMMITTEE**

The listed officers ex officio, the two ex-presidents who have last held office, fifteen elected members and two honorary members

### **EX-PRESIDENTS**

STANLEY J. BOWERS  
Ohio Tax Commissioner, Columbus  
H. KENNETH ALLEN  
University of Illinois, Urbana

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M. P. BROGAN, Northwestern Bell Telephone Company, Omaha  
THOMAS A. BYRNE, City Tax Commissioner, Milwaukee  
F. E. GLEACH, Chesapeake & Ohio Railway Co., Richmond  
JAMES C. KENADY, Great Northern Railway Co., Saint Paul  
WILLIAM KINGSLEY, New Jersey Division of Taxation, Trenton  
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PHILIP S. ROBIRA, Transcontinental Gas Pipe Line Corp. Houston  
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## NOTES