



*ST. LOUIS, THE GATEWAY TO THE WEST*

**67th ANNUAL CONFERENCE  
ON TAXATION**

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Sponsored By

**NATIONAL TAX ASSOCIATION -  
TAX INSTITUTE OF AMERICA**

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October 13-17, 1974  
The Chase Park Plaza Hotel  
St. Louis, Missouri



**SIXTY-SEVENTH  
ANNUAL  
CONFERENCE  
on TAXATION**

*Sponsored  
by the*

**NATIONAL TAX ASSOCIATION –  
TAX INSTITUTE OF AMERICA**

**The Chase Park-Plaza Hotel**

**St. Louis, Missouri**

**OCTOBER 13-17, 1974**

## **GENERAL INVITATION**

The conference sessions are open, and the public is cordially invited to take part in the discussion 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-Tax Institute of America.

A \$20.00 registration fee will be charged for members of the National Tax Association-Tax Institute of America, and a \$40.00 registration fee for nonmembers attending the conference. Wives and children will be registered without charge.

All sessions will be informal.

## **MESSAGE CENTER**

Arrangements have been made with the Southwestern Bell Telephone Company to provide a Message Center to help attendants at the conference receive messages and incoming telephone calls. The telephone number of the Message Center is:

**(314) 367-4880**

The Message Center will be located in the Chase Lounge in the registration area.

## **LADIES' HOSPITALITY ROOM**

The Ladies' Hospitality Room will be located in the Ladies' Room, which is on the first floor on the Chase Section. It will open Sunday at 10:00 A.M. and be open daily from 9:00 A.M. to 4:00 P.M. except Thursday when it will close at noon.

## **NOTICE**

Activity tickets are required for admission to the Sunday Evening Reception, Conference Luncheon and boat ride on Tuesday and the Reception and Banquet on Wednesday.



## **SUNDAY, OCTOBER 13, 1974**

10:00 A.M. to 6:00 P.M.      **REGISTRATION**      Chase Lounge

6:00 P.M. to 7:30 P.M.      **RECEPTION**      Chase Club

## **MONDAY, OCTOBER 14, 1974**

8:00 A.M. to 5:00 P.M.      **REGISTRATION**      Chase Lounge

7:30 A.M. to 8:30 A.M.      **BREAKFAST FOR CONFERENCE PARTICIPANTS**      Stockholm Room

9:30 A.M. to 10:15 A.M.      **OPENING MEETING**      Chase Club  
Douglas J. McClellan, President,  
NTA-TIA, presiding

### **Invocation**

Reverend J. E. Pins, Associate Pastor, St. Luke Evangelist Church

### **Welcome to St. Louis, Missouri**

Honorable John H. Poelker, Mayor of St. Louis

### **Response**

Arthur M. Hayes, Vice President, NTA-TIA

### **Presidential Address**

Douglas J. McClellan, President, NTA-TIA

### **Organization of the Conference**

C. R. Cahoon, Secretary, NTA-TIA

10:30 A.M. to 12:00 Noon      **FIRST CONCURRENT CONFERENCE SESSION**      Chase Club

### **State Sales and Use Tax — New Look At Older Areas and New Areas Being Looked At**

Stephen W. McKessy, CPA, Coopers & Lybrand, New York, presiding

### **Taxation of Services**

Harold Leib, Esquire, Cole, Geaney & Yammer, Paterson, New Jersey

### **Taxation of Computer Services, Data Processing and Time Sharing**

Frank Holland, Director of Sales Tax Bureau, State of Massachusetts

### **Taxation of Leased Equipment Used in Interstate Commerce**

Sam Wright, Esq., Peterson, Howell & Heather, Baltimore, Maryland

### **Tax Exemptions for Production and For Materials Consumed in Production**

Stuart W. Connock, Deputy State Tax Commissioner, State of Virginia

### **Federal Legislation — Senate Bill 2811**

Frank Buehler, Director of Taxes and Assistant Treasurer, Howard Johnson Company, Massachusetts

**10:30 A.M. to 12:00 Noon**      **SECOND CONCURRENT CONFERENCE SESSION**      **Coach Room**

***Taxation of Financial Institutions***

William A. Craven, Director of Tax Research, New York State Department of Taxation, presiding

***State Taxation of Out-of-State Banks and Thrift Institutions***

I. M. Labovitz, Director, Bank Tax Study, Advisory Commission on Intergovernmental Relations, Washington, D. C.

***Taxation of Banks, A State Perspective***

Owen Clarke, Deputy Commissioner of Corporations and Taxation, State of Massachusetts

***Taxation of the Insurance Industry, An Industry Perspective***

James A. Papke, Professor of Economics, Krannert Graduate School of Industrial Administration, Purdue University

***Taxation of the Insurance Industry, A State Perspective***

Charles de Seve, Fiscal Economist, Assembly Ways and Means Committee, State of New York

***Discussants:***

William H. Horne, Senior Vice President and General Tax Counsel, First National City Bank, New York

Francis M. Gregory, Jr., Esq., Partner, Sutherland, Asbill and Brennan, Washington, D. C. and Atlanta, Georgia

**10:30 A.M. to 12:00 Noon**      **THIRD CONCURRENT CONFERENCE SESSION**      **Empire Room**

***Property Taxation***

Keith W. Teague, General Manager of Property Taxes, Union Pacific Corporation, presiding

***Property Tax Reform — An Analysis of a Proposal for Milwaukee***

Arthur P. Becker, Department of Economics, University of Wisconsin, Milwaukee

***Property Tax Inequities***

John O. Behrens, Government Division, U. S. Bureau of the Census

***Some New Complexities in Property Taxation***

Raymond A. Kimball, President of the Colorado Association of Commerce and Industry

***Modernization of the Property Tax***

Arthur Roemer, Commissioner of Revenue, State of Minnesota



1:30 P.M. to  
3:00 P.M.

**FOURTH CONCURRENT CONFERENCE  
SESSION** Chase Club

***Intergovernmental Fiscal Relations —  
Key Issues***

Billy D. Cook, Assistant Director, Department of Finance and Revenue, District of Columbia, presiding

**Federal Revenue Sharing—How Is It Working?**

Robert P. Strauss, Professor, University of North Carolina

**School Finance After Rodriguez**

Will S. Myers, Senior Analyst, Advisory Commission on Intergovernmental Relations, Washington, D. C.

**State Aid to Local Governments — What Form Should It Take?**

Raymond J. Krasniewski, Assistant Professor, Ohio State University

and

Donald J. Curran, Professor, Cleveland State University

**Forecasting Urban Government Expenditures**

Roy Bahl, Professor of Economics, The Maxwell School of Citizenship and Public Affairs, Syracuse University

and

Richard Gustely, Assistant Professor of Environmental and Urban Systems, Virginia Polytechnic Institute and State University

1:30 P.M. to  
3:00 P.M.

**FIFTH CONCURRENT CONFERENCE  
SESSION** Empire Room

***Interstate Allocation and Apportionment of  
Business Income***

Charles E. Ratliff, Jr., Professor and Chairman, Department of Economics, Davidson College, presiding

**Apportionment and Industry Shares of State  
Corporate Income Tax Liabilities**

Kenneth G. Ainsworth, Professor of Economics, Allegheny College

**Modification of Apportionment Formulae by  
State Tax Administrators**

Robert G. Lathrop, Commissioner of Taxes, State of Vermont

**Recent Developments in Apportionment Legislation and Regulations**

P. Michael Davis, Associate Professor of Accounting, University of Kentucky

**Pros and Cons of State Taxation of Foreign  
Source Income**

Thomas P. Kerester, Coopers and Lybrand, Washington, D. C.

**1:30 P.M. to  
3:00 P.M.**

**SIXTH CONCURRENT CONFERENCE  
SESSION**

**Coach Room**

**Local Non-Property Taxation**

Lynn F. Anderson, Professor, Lyndon B. Johnson School of Public Affairs, University of Texas, presiding

**The Case for Increased Reliance on Local Non-Property Taxes**

Richard L. Gabler, Senior Analyst, Advisory Commission on Intergovernmental Relations, Washington, D. C.

**The Dangers in Increased Reliance on Local Non-Property Taxes**

Robert Reischauer, The Brookings Institution, Washington, D. C.

**Integrating Local Non-Property Taxes Into the State Tax Structure**

Albert L. Warren, Director, Income Tax Division, Finance Department, Detroit, Michigan

**Business Compliance Problems of Local Non-Property Taxes (And How They Can Be Minimized)**

John F. Quigley, Corporate Tax Supervisor, Mountain States Telephone & Telegraph Company, Denver, Colorado

**Discussant:**

James R. Spradling, Director of Revenue, State of Missouri

**3:15 P.M. to  
5:00 P.M.**

**COMMITTEE MEETINGS**

**Federal Taxation and Finance      Coach Room**

**Intergovernmental Fiscal  
Relations**

**Park Room**

**Interstate Allocation and Apportionment of  
Business Income**

**Palladian Room**

**Local Non-Property Taxation      Embassy Room**

**Property Taxation**

**Empire Room**

**Public Utility Taxation**

**Zodiac Room**

**State Income and Business  
Taxation**

**Tiara Room (North)**

**States Sales and Use  
Taxation**

**Tiara Room (South)**

**Taxation of Financial  
Institutions**

**English Room**

**Taxation of Public Utilities —  
Transportation**

**Chase Club**

**Education in Public  
Finance**

**Colonial Room #1**

**Committee on  
Committees**

**Colonial Room #2**

All committee meetings are open to members of NTA-TIA, and they are invited to attend the meeting of their choice.



## TUESDAY, OCTOBER 15, 1974

9:00 A.M. to  
12:00 Noon

### FIRST GENERAL CONFERENCE SESSION

Chase Club

#### ***Inflation and Taxation***

C. Lowell Harriss, Professor of Economics,  
Columbia University, presiding

#### ***Reducing the Inflationary Impact of the Federal Budget***

Murray L. Weidenbaum, Department of Economics,  
Washington University

#### ***Some Important Issues in an Inflationary Economy***

#### ***Financial Reporting***

Robert T. Sprouse, member of Financial  
Accounting Standards Board, Stamford, Connecticut

#### ***Real Tax Rates Under Inflation***

James M. Buchanan, University Professor  
and General Director, Center for Study of  
Public Choice, Virginia Polytechnic Institute  
and State University

and  
James Dean, University of Manitoba

#### ***Tax Adjustments — Business***

Joel Barlow, Esq., Covington & Burling,  
Washington, D. C.

#### ***Floor Discussion***

12:15 P.M. to  
2:15 P.M.

### CONFERENCE LUNCHEON

Starlight Roof

Arthur M. Hayes, Vice President, NTA-TIA,  
presiding

#### ***Address***

Honorable William C. Phelps, Lieutenant  
Governor, State of Missouri

6:00 P.M.

Buses leave Chase Park-Plaza Hotel for  
Waterfront and boat ride on the Mississippi  
River.

## WEDNESDAY, OCTOBER 16, 1974

9:00 A.M. to  
10:00 A.M.

### ANNUAL MEETING OF THE NATIONAL TAX ASSOCIATION-TAX INSTITUTE OF AMERICA

Chase Club

Douglas J. McClellan, President, presiding

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

#### ***Nominating Committee Report***

#### ***Election of Honorary Members***

#### ***Presentation of NTA-TIA Outstanding Doctoral Dissertation Awards***

#### ***Reports of Standing & Study Committees***

10:00 A.M. to  
10:15 A.M.

### SECOND GENERAL CONFERENCE SESSION

Chase Club

#### ***Report of Conference Resolutions Committee***

Douglas J. McClellan, President, presiding



10:15 A.M. to  
12:15 P.M.

**THIRD GENERAL CONFERENCE  
SESSION**

**Chase Club**

***Tax Policy for Energy Investments***

Laurence N. Woodworth, Chief of Staff,  
Joint Committee on Internal Revenue Tax-  
ation, U. S. Congress, presiding

***Where We Are***

Thomas R. White, III, Professor of Law,  
University of Virginia

***Where We Should Be***

Stanford G. Ross, Esquire, Caplin and Drys-  
dale, Washington, D. C.

and

Charles J. DiBona, Executive Vice Presi-  
dent, American Petroleum Institute

***State Tax Implications***

Gerald H. Miller, Director, Office of Inter-  
governmental Relations, State of Michigan

***Floor Discussion***

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

**SEVENTH CONCURRENT CONFERENCE  
SESSION**

**Chase Club**

***Taxation of Foreign Income***

Ralph A. Gerra, General Tax Counsel, Beth-  
lehem Steel Corporation, presiding

***U. S. Taxation of Foreign Source Income —  
Are Changes Necessary?***

Wilson E. Schmidt, Professor & Chairman,  
Department of Economics, Virginia Poly-  
technic Institute and State University

and

Norman B. Ture, President, Norman B.  
Ture, Inc.

***Determination of Sources of Income Under  
the Internal Revenue Code (Section 861 et  
seq.)***

Frederic W. Hickman, Assistant Secretary  
for Tax Policy, U. S. Treasury Department

and

Gordorn J. Nicholson, CPA, Arthur Ander-  
sen & Co., New York City

***Current Problems in the Tax Treaty Area***

Mordecai S. Feinberg, Financial Economist,  
U. S. Treasury Department

***Floor Discussion***

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

**EIGHTH CONCURRENT CONFERENCE  
SESSION**

**Empire Room**

***Invited Papers: NTA-TIA Outstanding Doc-  
toral Dissertation Awards***

James A. Papke, Professor of Economics,  
Krannert Graduate School of Industrial  
Administration, Purdue University, presid-  
ing

***Fiscal and Environmental Considerations in  
the Location of Firms in Suburban Commu-  
nities***

William A. Fischel, Assistant Professor of  
Economics, Dartmouth College

***Composition of the Property Tax Base and  
Public Expenditure Behavior***

Helen F. Ladd, Assistant Professor of Eco-  
nomics, Wellesley College

**The Economics of Social Class and Metropolitan Local Government**

Ann A. Markusen, University of Colorado

**Discussants:**

Donald W. Kiefer, Executive Director, Indiana Commission on State Tax and Financing Policy

James R. Nunns, Financial Economist, U. S. Treasury Department

John B. Legler, Associate Professor of Economics, University of Georgia

**6:30 P.M. to  
7:30 P.M.**

**RECEPTION**

**Khorassan Room A**

**7:30 P.M.**

**ANNUAL CONFERENCE  
BANQUET**

**Khorassan Room C**

Douglas J. McClellan, President, presiding

**Entertainment**

Local Arrangements Committee

**THURSDAY, OCTOBER 17, 1974**

**9:30 A.M. to  
12:00 Noon**

**FOURTH GENERAL CONFERENCE  
SESSION**

**Chase Club**

***Public Utility Taxation***

Robert L. Purnell, Chairman, Michigan State Tax Commission, presiding

***How Changes in Legislative and Administrative Policy Affect Property Valuation of Public Utilities***

Carlton Phillipi, Chairman, State Board of Tax Commissioners, State of Indiana  
and

Clark Payne, General Tax Supervisor, Southwestern Bell, St. Louis, Missouri

***How Environmental Controls Affect Property Valuation of Public Utilities***

John Barnes, Assistant Secretary & Tax Manager, Michigan - Wisconsin Pipeline Company

and

Merle Prey, Utility Section, Wisconsin, Department of Revenue



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In St. Louis

