



68th ANNUAL CONFERENCE ON TAXATION

Sponsored By

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

Regency Hyatt House
HOUSTON, TEXAS
NOVEMBER 2-5, 1975

SUNDAY, NOVEMBER 2, 1975

10:00 A.M. to 11:00 A.M. Registration
8:00 P.M.

Continued from

8:00 P.M. to 11:00 P.M.
7:30 P.M.

Continued from

**SIXTY-EIGHTH
ANNUAL
CONFERENCE
ON TAXATION**

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by the*

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

Hyatt Regency Hotel

Houston, Texas

NOVEMBER 2-5, 1975

12:45 P.M. to 1:45 P.M. CONFERENCE LUNCHEON
2:15 P.M.

Inquiries Sent

Lawrence H. Woodbury Jr., Vice President,
ATA, Tax Institute of America

Regan Brown, Secretary, Assistant to President
ATA, Dallas, Texas

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. All sessions will be informal.

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.

MESSAGE CENTER

Arrangements have been made with the Hyatt Regency Hotel to provide a message center to receive messages and incoming telephone calls. The telephone number of the hotel is:

(713) 224-2222

LADIES' HOSPITALITY ROOM

The Ladies' Hospitality Room will be located in the Dogwood Room which is on the third floor of the Hyatt Regency. It will be open Sunday from 10:00 A.M. to 4:00 P.M. and daily from 9:00 A.M. to 4:00 P.M.

SUNDAY, NOVEMBER 2, 1975

10:00 A.M. to 6:00 P.M. **REGISTRATION** **Cypress & Foyer**

6:00 P.M. to 7:30 P.M. **RECEPTION** **Imperial East**

MONDAY, NOVEMBER 3, 1975

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

8:00 A.M. to 5:00 P.M. **REGISTRATION** **Cypress & Foyer**

9:30 A.M. to 10:15 A.M. **OPENING SESSION** **Arboretum 1-5**
Arthur M. Hayes, President,
NTA-TIA, presiding

Invocation

Welcome to Houston, Texas

Gary B. Webb, Assessor-Collector of
Houston, representing the Mayor

Response

Laurence N. Woodworth, Vice President,
NTA-TIA

Presidential Address

Arthur M. Hayes, President, NTA-TIA

Organization of the Conference

Arthur D. Lynn, Jr., Secretary,
NTA-TIA

10:30 A.M. to 12:30 P.M. **FIRST GENERAL CONFERENCE SESSION** **Arboretum 1-5**

TAX POLICY AND EXPENDITURES OF THE U. S. GOVERNMENT AS WE APPROACH THE THIRD CENTURY OF AMERICAN FEDERALISM

H. Clyde Reeves, Consultant, Council of
State Governments, Lexington, Kentucky,
presiding

Tax Policy

The Honorable Al Ullman, Chairman of the
Committee on Ways and Means, U. S. House
of Representatives, Washington, D. C.

Expenditure

Dr. Alice Rivlin, Director of the Congressional
Budget Office, Washington, D. C.

Historical Overview and Implications for the Future

Dr. Laszlo Ecker-Racz, Arlington, Virginia

12:45 P.M. to 2:15 P.M. **CONFERENCE LUNCHEON** **Imperial East**
Laurence N. Woodworth, Vice President,
NTA-TIA, presiding

Address

Reagan Brown, Special Assistant to Honorable
Dolph Briscoe, Governor of Texas

2:30 P.M. to	COMMITTEE MEETINGS	
5:00 P.M.	Federal Taxation and Finance	Ponderosa
	Intergovernmental Fiscal Relations	Mesquite
	Interstate Allocation and Apportionment of Business Income	Redbud
	Local Non-Property Taxation	Pecan
	Property Taxation	Sandalwood A
	Public Utility Taxation	Sandalwood B
	State Income and Business Taxation	Mimosa
	State Sales and Use Taxation	Willow
	Taxation of Financial Institutions	Ebony
	Taxation of Public Utilities — Transportation	Holly
	Education in Public Finance	Raintree
	Committee on Committees	Cedar

TUESDAY, NOVEMBER 4, 1975

9:00 A.M. to	REGISTRATION	Cypress & Foyer
4:00 P.M.		
9:00 A.M. to	FIRST CONCURRENT CONFERENCE	
10:30 A.M.	SESSION	Imperial East
	STATE SALES AND USE TAXATION	
	Chandler A. Hewell, Director, Sales and Use Tax Unit, Georgia Department of Revenue, Atlanta, Georgia, presiding	
	What's New In Manufacturing Exemptions?	
	Stuart W. Connock, Deputy State Tax Commissioner, Virginia Department of Taxation, Richmond, Virginia, presiding	
	Machinery Used in the Recycling of Tangible Personal Property	
	Linda S. Paine, Sr. Tax Attorney, Tenneco, Inc., Houston, Texas	
	Key Words in the Production Exemption — A Suggested Definitional Approach to Uniformity	
	John A. Deasy, Jr., Sr. Tax Attorney, State and Local Taxes, Westinghouse Electric Corporation, Pittsburgh, Pennsylvania	
	Computer Service and Data Processing	
	Edward M. Dudley, Supervisor, State and Local Taxes, American Telephone and Telegraph Company, New York, New York, presiding	
	Terminology	
	Carl Vorlander, Executive Director, National Association of State Information Systems, Lexington, Kentucky	
	Laws and Regulations	
	Edward M. Dudley, Supervisor, State and Local Taxes, American Telephone and Telegraph Company, New York, New York	
	Court Cases	
	O. Lloyd Darter, Jr., Tax Attorney, Western Electric Company, New York, New York	
	The Politics of Revenue Forecasting	
	A. James Heins, Professor of Economics, University of Illinois at Urbana-Champaign, Urbana, Illinois	

9:00 A.M. to 10:30 A.M. **SECOND CONCURRENT CONFERENCE SESSION** Arboretum 1, 2, 3

CAPITAL FORMATION AND FEDERAL TAX POLICY — THE INVESTMENT CREDIT CONCEPT

John Nolan, Esquire, Miller and Chevalier, Washington, D. C., presiding

Efficacy of the Investment Credit for Fiscal Purposes

Robert M. Coen, Professor, Department of Economics, Northwestern University, Evanston, Illinois

Structural Considerations — Existing Investment Credit

John Mendenhall, Esquire, Williams, Connolly and Califano, Washington, D. C.

The Proper Function of the Credit — at Full Employment

Emil M. Sunley, Jr., Associate Director, Office of Tax Analysis, U. S. Treasury Department, Washington, D. C.

Variable Rate Credit and an Alternative Plan

Gerard M. Brannon, Professor of Economics, Georgetown University, Washington, D. C.

10:45 A.M. to 12:15 P.M. **SECOND GENERAL CONFERENCE SESSION** Imperial East

STATE-LOCAL POLICY AND EXPENDITURES AS WE APPROACH THE THIRD CENTURY OF AMERICAN FEDERALISM

Billy D. Cook, Director of Research, Department of Finance, District of Columbia, Washington, D. C., presiding

Choosing Government Size: Fiscal Due Process

Harley Hinrichs, Public Finance Scholar in Residence, Advisory Commission on Intergovernmental Relations, Washington, D. C.

Potentials for Legislative Expenditure Monitoring, Evaluation and Control: State-Local

John F. Kasonic, President, Kasonic, Chapelle and Associates, Inc., Seattle, Washington

State-Local Expenditure Growth: The Causes of and Alternative Possibilities for Control

Bernard L. Weinstein, Assistant Professor of Political Economy, University of Texas at Dallas, Richardson, Texas

Indexing as a Possible Method for the Control and Planning of State Budgets

Arthur Bayer, Associate Professor of Economics, Memphis State University, Memphis, Tennessee

12:30 P.M. to 4:00 P.M. **NASA TOUR INCLUDING BOX LUNCH**

2:30 P.M. to 5:00 P.M. **SPECIAL TECHNICAL PAPERS SESSION** Arboretum 1, 2, 3
James A. Papke, Professor of Economics,
Purdue University, Lafayette, Indiana, pre-
siding

An Alternative for Supplementary Social Security Financing

Joseph M. Bonin, Professor of Economics,
Loyola University, New Orleans, Louisiana
and

John B. Legler, Associate Professor of Bank-
ing and Finance, University of Georgia,
Athens, Georgia

Social Accounting and Taxation: The Tax Effects of Corporate Social Responsibility Decisions

D. Larry Crumley, Professor of Accounting,
Texas A&M University, College Station, Texas
and

Marc J. Epstein, Associate Professor, Cali-
fornia State University, Los Angeles, Cali-
fornia

The Environment as a Source of Revenue

Hugh Macaulay, Professor of Economics,
Clemson University, Clemson, South Caro-
lina

Ethics in Public Finance: The Excess Burden on Resources and Performance

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

The Consequences of Non-Clearing Public Service Prices

R. Charles Vars, Jr., Associate Professor of
Economics, Oregon State University, Cor-
vallis, Oregon

Improving the Design and Interpretation of Tax Burden Studies

Kenneth L. Wertz, Assistant Professor of
Economics, University of North Carolina,
Chapel Hill, North Carolina

6:30 P.M. **RODEO AND BARBECUE**

WEDNESDAY, NOVEMBER 5, 1975

9:00 A.M. to 4:00 P.M. **REGISTRATION** Cypress & Foyer

9:00 A.M. to 10:00 A.M. **ANNUAL MEETING OF THE NATIONAL TAX ASSOCIATION-TAX INSTITUTE OF AMERICA** Imperial East
Arthur M. Hayes, 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. **THIRD GENERAL CONFERENCE SESSION** Imperial East
REPORT OF THE CONFERENCE RESOLUTIONS COMMITTEE
Arthur M. Hayes, President, presiding

10:30 A.M. to 12:15 P.M. **THIRD CONCURRENT CONFERENCE SESSION** Imperial East

PROPERTY TAXATION

Leslie Carbert, Tax Economist, Pacific Gas & Electric Company, San Francisco, California, presiding

Use of State Ratio Findings in the Local Equalization Process

Ronald B. Welch, formerly Assistant Executive Secretary, Property Taxes, California State Board of Equalization, Sacramento, California

Non-Revenue Uses of the Property Tax

Robert D. Matthews, Special Assistant, Council of State Governments, Lexington, Kentucky

Statewide Property Tax and School Finance

John O. Behrens, Governments Division, U. S. Bureau of the Census, Washington, D. C.

Property Taxation, Progressivity and Education Vouchers

Harold E. McClelland, Claremont Men's College, Claremont, California
and

Jerry St. Dennis, Claremont Men's College, Claremont, California

10:30 A.M. to 12:15 P.M. **FOURTH CONCURRENT CONFERENCE SESSION** Sandalwood A & B

IMPORTANT DEVELOPMENTS IN FEDERAL AND STATE BANK TAXATION

John F. Rolph, III, Tax Counsel, American Bankers Association, Washington, D. C., presiding

Important Federal Developments

James G. O'Brien, Vice President, Bankers Trust Company, New York, New York

State Taxation of Out-of-State Banks

Murray Drabkin, Partner, Kaler, Worsley, Daniel and Hollman, Washington, D. C.
and

John Shannon, Assistant Director, Advisory Commission on Intergovernmental Relations, Washington, D. C.

10:30 A.M. to 12:15 P.M. **FIFTH CONCURRENT CONFERENCE SESSION** Cottonwood A & B

INVITED PAPERS: NTA-TIA OUTSTANDING DOCTORAL DISSERTATION AWARDS

James A. Papke, Professor of Economics, Purdue University, Lafayette, Indiana, presiding

The Incidence of Profits Taxes

John B. Burbidge, Assistant Professor of Economics, McMaster University, Hamilton, Ontario, Canada

The Property Taxpayers' Revolt and Education Financing: The Evidence from 1960 and 1970 Millage Referenda

John L. Neufeld, Assistant Professor of Economics, University of North Carolina, Greensboro, North Carolina

Intrametropolitan Residential Location and the Local Public Sector

Andrew M. Reschovsky, Assistant Professor of Economics, Rutgers University, New Brunswick, New Jersey

Discussants:

John S. Akin, University of North Carolina, Chapel Hill, North Carolina (On leave as Brookings Institution Fellow with H.E.W.)

Kenneth R. Biederman, Georgetown University, Washington, D. C. (On leave with U. S. Senate Budget Committee)

Stephen G. Kuzina, Department of Economics, Kenyon College, Gambier, Ohio

**1:45 P.M. to
5:00 P.M.**

**SIXTH CONCURRENT CONFERENCE
SESSION**

Aboretum 4, 5

**PUBLIC UTILITY AND TRANSPORTATION
COMPANIES*****Impacts of Federal and State Regulations on
Utility Investment***

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

Pensy's Problems

William Lahner, Tax Manager, The Penn Central Transportation Company, Philadelphia, Pennsylvania

Con Rail — A Solution

Thomas J. Graves, U. S. Railway Association, Washington, D. C.

Impacts of Abandonments

William R. Black, Professor, Indiana University and Director of Rail Planning, Public Service Commission of Indiana, Indianapolis, Indiana

Telephone Companies

Peter Rosoff, Director, Required Earnings Study, Treasury Department, American Telephone and Telegraph Company, New York, New York

Financing vs. Construction

John Johnson, General Accountant and Principal Accounting Officer, Detroit Edison Co., Detroit, Michigan

Pipeline Companies

J. E. Bixby, Vice President & Chief Financial Officer, Texas Eastern Transmission Corporation, Houston, Texas

1:45 P.M. to 3:15 P.M. **SEVENTH CONCURRENT CONFERENCE SESSION** Cottonwood A & B

**TAXATION OF MULTINATIONAL FIRMS:
EMERGENT POLICY PERSPECTIVE AND
PROBLEMS**

Nathan N. Gordon, Deputy to the Assistant Secretary (International Tax Policy), U. S. Treasury Department, Washington, D. C.
and

B. Kenneth Sanden, Partner, Price Waterhouse & Co., New York, New York

3:30 P.M. to 5:00 P.M. **EIGHTH CONCURRENT CONFERENCE SESSION** Arboretum 1, 2, 3

**THE SOCIAL, ECONOMIC AND POLITICAL
IMPACT OF STATE LOTTERIES**

Robert Allphin, Director, Illinois Department of Revenue, Springfield, Illinois, presiding

Lotteries in General

Ralph F. Batch, Superintendent of the Illinois Lottery, Springfield, Illinois

Legal Aspects of Lotteries

George T. Rummel, Deputy Director, Illinois Department of Revenue, Springfield, Illinois

The Failure of the Delaware Lottery

Marvin R. Brams, Economist and Associate Professor of Urban Affairs, University of Delaware, Newark, Delaware

The Success of the Pennsylvania Lottery

Lynn R. Nelson, Executive Director, Bureau of the State Lottery, State of Pennsylvania, Harrisburg, Pennsylvania

6:30 P.M. to 7:30 P.M. **RECEPTION** Imperial East

7:30 P.M. **ANNUAL CONFERENCE BANQUET** Imperial East

Arthur M. Hayes, President, presiding

Entertainment

Local Arrangements Committee

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