

NATIONAL TAX ASSOCIATION —  
TAX INSTITUTE OF AMERICA

72nd Annual Conference



WILL ROGERS  
1879-1979

It is most fitting that we pay tribute to Will Rogers on this centennial year of his birth. It is appropriate that we give a rebirth to him within ourselves, and share his heritage with our neighbors.

George Nigh, Governor



OKLAHOMA CITY, OKLAHOMA



SEVENTY-SECOND

ANNUAL

CONFERENCE

ON TAXATION

*Sponsored*

*by the*

NATIONAL TAX ASSOCIATION-  
TAX INSTITUTE OF AMERICA

Sheraton-Century Center Hotel

Oklahoma City, Oklahoma

OCTOBER 28-NOVEMBER 1, 1979

## 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.

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 Sheraton-Century Center Hotel to provide a message center to receive messages and incoming telephone calls. The telephone number of the hotel is:

(405) 235-2780

## LADIES' HOSPITALITY ROOM

The Ladies' Hospitality Room will be located in the Red Carpet Room. It will be open Sunday from 2:00 P.M. to 5:00 P.M. and daily from 9:00 A.M. to 4:00 P.M.



SUNDAY, OCTOBER 28, 1979

11:00 A.M.- REGISTRATION Century Foyer  
6:00 P.M.

6:00 P.M.- RECEPTION 18th & 19th  
7:30 P.M. Century  
Ballroom

MONDAY, OCTOBER 29, 1979

8:00 A.M.- REGISTRATION Century Foyer  
5:00 P.M.

9:30 A.M.- OPENING SESSION Plaza  
10:15 A.M. William H. Forst, President,  
NTA-TIA, presiding

INVOCATION

Dr. Herschel H. Hobbs, Pastor  
Emeritus, First Baptist Church  
of Oklahoma City

WELCOME TO OKLAHOMA CITY

The Honorable Patience Latting,  
Mayor of Oklahoma City

RESPONSE

Norman B. Ture, Second Vice  
President, NTA-TIA

PRESIDENTIAL ADDRESS

William H. Forst, President,  
NTA-TIA

ORGANIZATION OF THE CONFERENCE

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

10:30 A.M.- FIRST GENERAL CONFERENCE

12:30 P.M. SESSION Plaza  
Will S. Myers, Senior Analyst,  
Advisory Commission on Intergov-  
ernmental Relations, Washington,  
D. C., presiding

THE RELATIONSHIP OF THE MULTILAT-  
ERAL TRADE NEGOTIATIONS TO STATE  
AND LOCAL BUSINESS TAX POLICY

Gary Hufbauer, Deputy Assistant  
Secretary for Trade and Invest-  
ment Policy, U. S. Department of  
the Treasury, Washington, D. C.



WHAT'S HAPPENING TO THE PROPERTY  
TAX?

Richard Pomp, Associate Professor  
of Law, The University of Con-  
necticut School of Law, West  
Hartford, Connecticut

12:45 P.M.- CONFERENCE LUNCHEON 19th &  
2:15 P.M. Norman B. Ture, Second 20th  
Vice President, NTA- Century  
TIA, presiding Ballroom

ADDRESS

Honorable George Nigh, Governor  
of Oklahoma

2:30 P.M.- COMMITTEE MEETINGS

4:00 P.M. Federal Taxation Kiamichi  
and Finance Room  
Intergovernmental Green Country  
Fiscal Relations Room  
Interstate Allocation  
& Apportionment of Frontier  
Business Income Room  
Local Non-Property \*Balinese  
Taxation Room  
Property Taxation \*Imperial  
Ballroom  
Public Utility &  
Transportation  
Taxation Plaza South  
State Income & Busi- \*Regency  
ness Taxation Room  
State Sales & Use  
Taxation Plaza North  
Taxation of Financial \*Crystal  
Institutions Room  
Committee on  
Committees \*Room 416

\*These rooms are located in the  
Skirvin Hotel.



TUESDAY, OCTOBER 30, 1979

8:45 A.M.- REGISTRATION Century Foyer  
4:00 P.M.

8:45 A.M.- FIRST CONCURRENT 18th Century  
10:45 A.M. CONFERENCE SESSION Ballroom

FEDERAL TAX INTERACTION IN  
INTERNATIONAL DEALINGS

Sarah Salter, Associate Professor  
of Law, Syracuse University,  
Syracuse, New York, presiding

FOREIGN TAX CREDIT DEVELOPMENTS  
AND PROSPECTS

Gerald Ball, Partner, Arthur  
Andersen & Co., Washington, D. C.

TAX RULES AND THEIR EFFECT ON REOR-  
GANIZATION OF FOREIGN OPERATIONS

Dennis Meyer, Resident Partner,  
Baker and McKenzie, Washington,  
D. C.

TAX TREATMENT OF EXPATRIATES

Adrian Collins, Senior Tax Coun-  
sel, Exxon Corporation, New York,  
New York

8:45 A.M.- SECOND CONCURRENT  
10:45 A.M. CONFERENCE SESSION Plaza North

INCENTIVE TAXES AND CHARGES  
IN HIGHWAY FINANCE

Fred Lee Smith, Jr., Senior  
Research Economist, Association  
of American Railroads, Washing-  
ton, D. C., presiding

THE ECONOMICS OF HIGHWAY FINANCE

Milton Z. Kafoglis, Professor  
of Economics, Emory University,  
Atlanta, Georgia

USER CHARGES: DO WE REALLY HAVE  
ANY?

Eric W. Beshers, Deputy Director,  
Office of Transportation Economic  
Analysis, U. S. Department of  
Transportation, Washington, D. C.



THE STATE PERSPECTIVE ON HIGHWAY  
TAX DESIGN

Loyd Henion, Transportation  
Economic Supervisor, Oregon  
Department of Transportation,  
Salem, Oregon

8:45 A.M.- THIRD CONCURRENT 20th Century  
10:45 A.M. CONFERENCE SESSION Ballroom

PRICING PUBLIC SERVICES

Raymond J. Krasniewski, Associate  
Professor of Accounting &  
Public Administration, The Ohio  
State University, Columbus, Ohio,  
presiding

PRICING AND CAPITAL INVESTMENT FOR  
MUNICIPAL WATER RELATED TO COST AND  
DEMAND

William Goolsby, Associate Pro-  
fessor of Finance, University of  
Tennessee, Knoxville, Tennessee

FORWARD LOOKING CHARGES FOR SEWER  
AND WATER SERVICES

R. Charles Vars, Jr., Professor,  
Department of Economics, Oregon  
State University, Corvallis,  
Oregon

FIRE-FLOW FEES

Fred Silva, California Senate  
Local Government Committee,  
Sacramento, California

11:00 A.M.- FOURTH CONCURRENT 18th Century  
12:30 P.M. CONFERENCE SESSION Ballroom

TAX APPEALS

Karen Johnson, Assistant Control-  
ler for Legal Service, Texas Con-  
troller's Office, Austin, Texas,  
presiding

THE INCIDENCE AND CONSEQUENCE OF  
PROPERTY TAX ASSESSMENT APPEALS:  
EVIDENCE FROM PERIODIC MASS REAS-  
SESSMENT IN INDIANA

John L. Mikesell, School of Pub-  
lic and Environmental Affairs,  
Indiana University, Bloomington,  
Indiana

and

Scott S. Lloyd, Director, Com-  
mission on State Tax and Finance  
Policy, Indianapolis, Indiana



NEW JERSEY'S TAX COURT

Sidney Glaser, Director, New  
Jersey Division of Taxation,  
Trenton, New Jersey

REORGANIZING THE FEDERAL TAX  
APPEAL PROCESS

Myron C. Baum, Counsel to Caplin  
and Drysdale, Washington, D. C.

11:00 A.M.- FIFTH CONCURRENT 20th Century  
12:30 P.M. CONFERENCE SESSION Ballroom

ISSUES IN TAXATION OF  
UTILITIES

Claude M. Vaughan, Commissioner,  
Energy Regulatory Commission,  
Frankfort, Kentucky, presiding

UTILITY ACCIDENT: AN ISSUE FOR THE  
TAX ADMINISTRATOR

Howard Cohen, Secretary, Pennsyl-  
vania Department of Revenue,  
Harrisburg, Pennsylvania

UTILITY ACCIDENT: ECONOMIC IMPACTS  
AND TAX IMPLICATIONS

Attiat Ott, Professor of Econom-  
ics, Clark University, Worcester,  
Massachusetts

THE LESSONS OF THREE-MILE ISLAND--  
INSURING THE RISKS

F. X. Boyland, Vice President,  
Nuclear and Foreign Credit Divi-  
sion, Alexander & Alexander,  
Inc., New York, New York

12:30 P.M. AFTERNOON FREE

EVENING ACTIVITIES TO BE PRO-  
VIDED BY THE LOCAL ARRANGE-  
MENTS COMMITTEE



WEDNESDAY, OCTOBER 31, 1979

9:00 A.M.- REGISTRATION Century Foyer  
4:00 P.M.

9:00 A.M.- ANNUAL MEETING OF THE  
10:00 A.M. NATIONAL TAX ASSOCIATION-TAX  
INSTITUTE OF AMERICA Plaza  
William H. Forst, President,  
presiding

TREASURER'S REPORT  
NOMINATING COMMITTEE REPORT  
PRESENTATION OF NTA-TIA OUTSTANDING  
DOCTORAL DISSERTATION AWARDS  
REPORTS OF STANDING & STUDY  
COMMITTEES

10:00 A.M.- SECOND GENERAL CONFERENCE  
10:15 A.M. SESSION Plaza

REPORT OF THE CONFERENCE  
RESOLUTIONS COMMITTEE  
William H. Forst, President,  
presiding

10:15 A.M.- THIRD GENERAL CONFERENCE  
11:00 A.M. SESSION Plaza  
Emil M. Sunley, Jr., Deputy  
Assistant Secretary for Tax  
Policy (Tax Analysis), U. S.  
Treasury Department, Washington,  
D. C., presiding

THE ROLE OF TAXATION IN ENERGY CON-  
SERVATION, DEVELOPMENT, DISTRIBU-  
TION AND ALLOCATION  
The Honorable James R. Jones,  
U. S. House of Representatives,  
Committee on Ways and Means,  
Tulsa, Oklahoma

11:15 A.M.- SIXTH CONCURRENT CONFER-  
12:45 P.M. ENCE SESSION Plaza North

SALES AND USE TAX  
DEVELOPMENTS  
A. W. Cervenka, Manager, Property  
and Excise Taxes, Marathon Oil  
Company, Findlay, Ohio, presiding



COMMITTEE REPORT ON THE NATIONAL  
SURVEY OF PRODUCTION EXEMPTIONS  
UNDER SALES AND USE TAX LAWS: A  
POSITIVE GROWTH TREND DURING THE  
1970'S

Robert J. Ritter, Tax Attorney,  
Western Electric Company, New  
York, New York

APPLYING STATISTICAL SAMPLING IN  
SALES AND USE TAX AUDITS

James A. Heintz, Associate Pro-  
fessor of Accounting, Indiana  
University, Bloomington, Indiana

THE LOUISIANA FIRST USE TAX: A  
NOVEL AND CONTROVERSIAL APPROACH  
TO ENERGY TAXATION

Representative Billy Tauzin,  
Chairman, House Natural Resources  
Committee, Baton Rouge, Louisiana

11:15 A.M.- SEVENTH CONCURRENT CONFER-  
12:45 P.M. ENCE SESSION Plaza South

EDUCATIONAL FINANCE: RESEARCH  
AND REFORM RESULTS

Carol O'Cleireacain, Assistant  
Director of Research and Negoti-  
ations, AFSCME, District 37, New  
York, New York, presiding

THE CONGRESSIONALLY MANDATED SCHOOL  
FINANCE STUDY

Emerson Elliott, Study Director,  
National Institute of Education,  
Washington, D. C.

IMPLEMENTATION OF SCHOOL FINANCE  
REFORM: TAX EFFECTS IN NEW JERSEY

Andrew Reschovsky, Department of  
Economics, Tufts University,  
Medford, Massachusetts

and

James Knickman, Assistant Profes-  
sor of Public Administration, New  
York University, New York, New  
York

SCHOOL FINANCE AND TAX REFORM IN  
NEVADA

Glen W. Atkinson, Associate  
Dean, University of Nevada,  
Reno, Nevada



11:15 A.M.- EIGHTH CONCURRENT  
12:45 P.M. CONFERENCE SESSION

Kiamichi  
Room

PROPERTY TAX PROGRESS OR  
REGRESS

John O. Behrens, Bureau of the  
Census, Washington, D. C.,  
presiding

RANGE FITTING, RATIOS, AND THE  
4R ACT

Ronald J. Schultz, Property  
Appraiser, Pinellas County,  
Clearwater, Florida

DOOMSDAY, NO--CADASTRE, MAYBE

Thomas M. Tully, Partner, Tully  
and Roddy, Chicago, Illinois

LET'S LEVEL WITH MARKET VALUE

Ann Carmichael, MAI, SRPA,  
Carmichael & Carmichael, Mont-  
gomery, Alabama

2:00 P.M.- NINTH CONCURRENT CON-

4:00 P.M. FERENCE SESSION Plaza North

PAST, PRESENT AND FUTURE  
INFLUENCES ON TAX POLICY

Glenn W. Fisher, Department of  
Political Science, Wichita State  
University, Wichita, Kansas,  
presiding

PROGRESS AND POVERTY: 100 YEARS  
LATER

Elliott Brownlee, Associate Pro-  
fessor, Department of History,  
University of California, Santa  
Barbara, California

INCOME TAX COMPLIANCE, BETTER,  
WORSE, ABOUT THE SAME?

Clara Penniman, Professor,  
Department of Political Science,  
University of Wisconsin, Madison,  
Wisconsin

ARE STATE TAX AND SPENDING LIDS  
PREDICTABLE?

Eleanor Craig, Economics Depart-  
ment, University of Delaware,  
Newark, Delaware



2:00 P.M.- TENTH CONCURRENT CON-  
4:00 P.M. FERENCE SESSION Plaza South

PAPERS: NTA-TIA OUTSTANDING  
DOCTORAL DISSERTATION AWARDS

James A. Papke, Professor of  
Economics, Krannert Graduate  
School of Management, Purdue  
University, West Lafayette,  
Indiana, presiding

A GENERAL EQUILIBRIUM TAXATION  
MODEL WITH APPLICATIONS AND DYNAMIC  
EXTENSIONS

Donald H. Fullerton, Assistant  
Professor, Economics and Public  
Affairs, Woodrow Wilson School,  
Princeton University, Princeton,  
New Jersey

DISCUSSANT

J. Gregory Ballentine, Associate  
Professor of Economics, Univer-  
sity of Florida, Gainesville,  
Florida

THE INTRAURBAN MIGRATION PROCESS  
AND THE LOCAL GOVERNMENT ACTIVITY

Michael S. Johnson, Assistant  
Professor, Department of Consumer  
Economics & Housing, Cornell  
University, Ithaca, New York

DISCUSSANT

S. Gary Kuzina, Associate Profes-  
sor of Economics, Xavier Univer-  
sity, Cincinnati, Ohio

2:00 P.M.- ELEVENTH CONCURRENT Kiamichi  
4:00 P.M. CONFERENCE SESSION Room

NATURAL RESOURCE TAXATION

Calvin Kent, Director, Center for  
Private Enterprise and Entrepre-  
neurship, Baylor University,  
Waco, Texas, presiding

FOREST RESOURCE TAXATION IN CALI-  
FORNIA: PROGRESS & PROSPECTS

William McKillop, Professor of  
Forest Taxation, Department of  
Forestry, University of Califor-  
nia, Berkeley, California

PREFERENTIAL TAX TREATMENT OF  
ALTERNATIVE ENERGY SOURCES

Jack Suyderhoud, Assistant  
Professor, College of Business  
Administration, University of  
Hawaii, Honolulu, Hawaii

and

John Strefeler, Assistant Profes-  
sor, College of Business Adminis-  
tration, University of Hawaii,  
Honolulu, Hawaii

TAXATION & NATURAL RESOURCE PRODUC-  
TION TRENDS: THE CASE OF CRUDE OIL  
IN THE UNITED STATES

John R. McNamara, Professor of  
Economics, Lehigh University,  
Bethlehem, Pennsylvania

6:30 P.M.- RECEPTION                      Century Foyer  
7:30 P.M.

7:30 P.M.    ANNUAL CONFERENCE                      Century  
                    BANQUET                      Ballroom  
                    William H. Forst, President,  
                    presiding

ENTERTAINMENT

Local Arrangements Committee

This year's program has been planned to allow  
time for questions and discussion among partici-  
pants and the audience.



## CONFERENCE COMMITTEES

### PROGRAM

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Bruce Davie	District of Columbia
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#### VICE CHAIRMAN

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Southwestern Bell Telephone Company

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Oklahoma Gas & Electric Company

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Bob Huggins	Oklahoma Tax Commission
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Booth Moffett	Public Service Company of Oklahoma
Dwight Neeley	Oklahoma Tax Commission
A. E. Shelton	Oklahoma Tax Commission
Mary Jane Sinclair	Oklahoma Tax Commission
Shirley Smith	
James E. Walker	Oklahoma Tax Commission
Perry A. Wimpey	Oklahoma Natural Gas Company

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Fe Railway System

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R. H. Waterman                    Retired, Missouri Pacific  
Railroad Company



EXECUTIVE DIRECTOR  
Stanley J. Bowers  
21 East State Street  
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NATIONAL TAX JOURNAL

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