

SEVENTY-SEVENTH  
ANNUAL  
CONFERENCE  
ON TAXATION

*Sponsored  
by the*

NATIONAL TAX ASSOCIATION-  
TAX INSTITUTE OF AMERICA



THE HERMITAGE  
Restored Home of Andrew Jackson

Opryland Hotel  
Nashville, Tennessee

November 25-28, 1984

SEVENTY-SEVENTH

ANNUAL

CONFERENCE

ON TAXATION

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NATIONAL TAX ASSOCIATION-  
TAX INSTITUTE OF AMERICA



## 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 \$30.00 registration fee will be charged for members of the National Tax Association-Tax Institute of America, and a \$50.00 registration fee for nonmembers attending the Conference. Spouses and children will be registered without charge.

## MESSAGE CENTER

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

(615) 889-1000

## SPOUSES' HOSPITALITY ROOM

The Spouses' Hospitality Room will be located in the Johnson Room. It will be open Sunday from 1:00 P.M. to 4:00 P.M., Monday from 9:00 A.M. to 12:00 Noon and Tuesday from 10:00 A.M. to 4:00 P.M.

SUNDAY, NOVEMBER 25, 1984

1:00 P.M.- REGISTRATION Nashville  
6:00 P.M. Lobby

6:30 P.M.- RECEPTION Knoxville  
7:30 P.M. Ballroom

MONDAY, NOVEMBER 26, 1984

8:00 A.M.- REGISTRATION Nashville  
5:00 P.M. Lobby

9:15 A.M.- OPENING SESSION Knoxville  
9:45 A.M. Ballroom  
John R. Mendenhall,  
President, NTA-TIA, presiding

WELCOME ADDRESS

Donald W. Jackson, Commissioner  
Tennessee Department of Revenue

RESPONSE

J. L. Merrill, First Vice Presi-  
dent, NTA-TIA

ORGANIZATION OF THE CONFERENCE

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

10:00 A.M.- FIRST GENERAL Knoxville  
12:00 NOON CONFERENCE SESSION Ballroom

FEDERAL TAX REFORM: THE  
MAJOR PROPOSALS

Harvey Galper, Senior Fellow,  
The Brookings Institution,  
presiding

THE BRADLEY-GEPHARDT FAIR TAX AND  
COMPREHENSIVE INCOME TAX REFORM

Gina Despres, Legislative Coun-  
sel, Senator Bradley

Joseph J. Minarik, The Urban  
Institute

THE CASH FLOW TAX

Henry J. Aaron, The Brookings  
Institution

Harvey Galper, The Brookings  
Institution



## WHAT ROLE FOR THE VALUE ADDED TAX?

Mark A. Bloomfield, Executive  
Director, American Council for  
Capital Formation

## A LOW, FLAT, AND SIMPLE TAX

Robert E. Hall, The Hoover  
Institution and Department of  
Economics, Stanford University

Alvin Rabushka, The Hoover  
Institution, Stanford University

## TAX REFORM: A VIEW FROM CAPITOL HILL

David Brockway, Chief of Staff,  
Joint Committee on Taxation

12:15 P.M. - CONFERENCE LUNCHEON      Memphis  
1:45 P.M.      J. L. Merrill, First      Ballroom  
Vice President, NTA-TIA,  
presiding

## PRESIDENTIAL ADDRESS

John R. Mendenhall, President  
NTA-TIA

2:00 P.M. - FIRST CONCURRENT      Knoxville A  
4:00 P.M.      CONFERENCE SESSION

## THE NATION'S PUBLIC INFRA- STRUCTURE: THE CHALLENGES AND SOME EARLY RESPONSES

Hy Grossman, Managing Director,  
Standard & Poor's Corporation,  
presiding

## THE NATION'S PUBLIC INFRASTRUCTURE: AN OVERVIEW

Peter Goldmark, Executive Direc-  
tor, Port of Authority of NY/NJ

## CONNECTICUT'S RESPONSE

The Honorable Henry Parker,  
Treasurer of the State of  
Connecticut

## ALTERNATE FINANCING PROPOSALS

Mark S. Ferber, Vice President,  
Kidder Peabody and Company

## DISCUSSANTS

George Peterson, The Urban  
Institute

Hy Grossman, Standard & Poor's  
Corporation

2:00 P.M. - SECOND CONCURRENT Knoxville B  
4:00 P.M. CONFERENCE SESSION

FISCAL POLICY AND INCOME  
DISTRIBUTION

Bernard Herber, Department of  
Economics, University of Arizona,  
presiding

INCOME DISTRIBUTION EFFECTS OF THE  
1981 TAX CUTS

Joseph J. Minarik, The Urban  
Institute

REAGAN, RECESSION, AND POVERTY

Sheldon H. Danziger, University  
of Wisconsin

Peter Gottschalk, Bowdoin Col-  
lege and University of Wisconsin

Eugene Smolensky, University of  
Wisconsin

DISTRIBUTIONAL CONSEQUENCES  
ARISING FROM EXPLICIT AND IMPLICIT  
FISCAL ACTIONS

Attiat F. Ott, Clark University

DISCUSSANTS

Marilyn Rubin, The New School  
for Social Research

Larry Lindsay, Harvard Univer-  
sity and National Bureau of  
Economic Research

4:15 P.M. - COMMITTEE MEETINGS

5:45 P.M. FEDERAL TAXATION AND  
FINANCE

Cherokee B

David O. Williams, Chairperson

UPDATE ON CURRENT FEDERAL EXCISE  
TAX LEGISLATION: ENACTED AND  
PROPOSED

Leon Klud, Joint Committee on  
Taxation, U. S. Congress

THE CHARITABLE DEDUCTION AND TAX  
REFORM: IMPLICATIONS OF NEW  
EVIDENCE ON GIVING BEHAVIOR

Gerald E. Auten, Department of  
Economics, Bowling Green State  
University

Gabriel Rudney, Research Scien-  
tist, Yale University



INTERGOVERNMENTAL FISCAL  
RELATIONS Cherokee A  
Helen F. Ladd, Chairperson

INTERSTATE ALLOCATION & Natchez  
APPORTIONMENT OF BUSINESS Trace A  
INCOME  
Richard E. Perkins, Chairperson

LOCAL NONPROPERTY  
TAXATION Cumberland A  
John L. Mikesell, Chairperson

PROPERTY TAXATION Volunteer  
H. Clyde Reeves, Chairperson

CITIZEN INFORMATION, CONVENIENCE  
AND FISCAL ILLUSION: THE CASE OF  
THE PROPERTY TAX  
David Lowery, Professor, Univer-  
sity of Kentucky

SOME IMPRESSIONS ABOUT HIGHER  
EDUCATION AND THE PROPERTY TAX  
Frederick D. Stocker, Professor,  
The Ohio State University

REPORT ON A SURVEY RELATING TO  
PROPERTY TAX NOMENCLATURE  
H. Clyde Reeves, Chairperson

PUBLIC UTILITY AND TRANSPOR-  
TATION TAXATION Cumberland B  
John H. Davis, III, Chairperson

WICHITA WORKSHOP REPORT  
Kenneth R. Boyer, Retired  
Douglas Sharp, Dean, College of  
Business Administration, Wichita  
State University

REPORT ON "CALL FOR PAPERS"  
Douglas Sharp

CENSUS DATA REPORT  
Michael Wasylenko, Syracuse  
University

UPDATE ON 4-R LITIGATION  
Everett E. Gibson, Laughlin,  
Halle, Clark, Gibson & McBride

STATE INCOME AND BUSINESS  
TAXATION Cumberland C  
C. Christopher Hagy, Chairperson

STATE SALES AND USE                      Natchez  
TAXATION                                      Trace B  
Mark Kaufman, Chairperson

STATE ENVIRONMENTAL EXCISE/USE  
TAXES

Craig E. Reese, Edwards Aquifer  
Research and Data Center, South-  
west Texas State University

SALES AND USE TAX "TRANSFORMATION  
EXEMPTIONS"

Harold Leib, Harold Leib, P.A.

CURRENT DEVELOPMENTS IN STATE SALES  
AND USE TAXATION

Various Members of the Committee

TAXATION OF FINANCIAL  
INSTITUTIONS

Appalachian

Attiat F. Ott, Chairperson

CURRENT ISSUES AND FUTURE PROSPECTS  
OF STATE APPORTIONMENT OF BANK  
INCOME

Catherine Kweit, New York City  
Office of Management and Budget

Roy E. Crawford, Brobeck, Phleger  
and Harrison

Ronald W. Blasi, Associate Pro-  
fessor of Taxation, School of  
Management, State University of  
New York at Buffalo

Joseph E. Taetle, Vice President,  
Chase Manhattan Bank

CONSUMER REACTION TO KNOWLEDGE OF  
DEREGULATION OF FINANCIAL INSTITU-  
TIONS

Attiat F. Ott, Clark University

EDUCATION IN PUBLIC  
FINANCE

Shiloh

Bernard P. Herber, Chairperson

COMMITTEE ON  
COMMITTEES

Commodore

William H. Forst, Chairperson



TUESDAY, NOVEMBER 27, 1984

8:45 A.M. - REGISTRATION Nashville  
5:00 P.M. Lobby

9:00 A.M. - ANNUAL MEETING OF THE  
10:00 A.M. NATIONAL TAX ASSOCIA-  
TION-TAX INSTITUTE Memphis  
OF AMERICA Ballroom  
John R. Mendenhall, President,  
NTA-TIA, presiding

TREASURER'S REPORT

NOMINATING COMMITTEE REPORT

PRESENTATION OF NTA-TIA OUT-  
STANDING DOCTORAL DISSERTATION  
AWARDS

REPORTS OF STANDING AND STUDY  
COMMITTEES

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

REPORT OF THE CONFERENCE  
RESOLUTIONS COMMITTEE

John R. Mendenhall, President  
presiding

10:30 A.M. - THIRD CONCURRENT Knoxville A  
12:30 P.M. CONFERENCE SESSION

MERGERS AND ACQUISITIONS:  
INPUTTING THE PREMIUM ON COM-  
MON STOCK TO COST-BASED REGU-  
LATED UTILITIES AND RAILROADS

John H. Davis, III, Greene, Davis  
and Associates and Business Valu-  
ation Services, Inc., presiding

THE ECONOMIST'S VIEW

Jared E. Hazleton, President,  
Texas Research League

THE GOVERNMENT VIEW

Seth Franzman, Arizona Department  
of Revenue

THE INDUSTRY VIEW

George Bonner, H. Zinder &  
Associates

10:30 A.M. - FOURTH CONCURRENT Knoxville B  
12:30 P.M. CONFERENCE SESSION

A NATIONAL SALES TAX?

Richard Bird, Director, Institute for Policy Analysis, University of Toronto, presiding

FOREIGN EXPERIENCE WITH NATIONAL SALES TAXES

Sijbren Cnossen, Erasmus University (The Netherlands)

ALTERNATIVE APPROACHES TO THE TAXATION OF CONSUMPTION

Charles E. McLure, Jr., U. S. Treasury Department

George Carlson, U. S. Treasury Department

DISCUSSANTS

John F. Due, University of Illinois

Robert Kleine, Advisory Commission on Intergovernmental Relations

Richard Lindholm, University of Oregon

2:00 P.M. - FIFTH CONCURRENT Knoxville A  
4:00 P.M. CONFERENCE SESSION

ISSUES IN THE TAX TREATMENT OF HOUSING

Ken Beirne, Policy and Development Research, Department of Housing and Urban Development, presiding

TAX INCENTIVES FOR SAVINGS AND MORTGAGE INTEREST DEDUCTIBILITY: POTENTIAL FOR TAX ARBITRAGE

James R. Follain, University of Illinois

James R. Alm, University of Colorado

PROSPECTIVE CHANGES IN TAX LAW AND THE VALUE OF DEPRECIABLE REAL ESTATE

Patric H. Hendershott, The Ohio State University

David Ling, University of Florida



TAX TREATMENT OF OWNER-OCCUPIED  
VERSUS RENTER-OCCUPIED HOUSING

James Heins, University of  
Illinois

Fred Giertz, University of  
Illinois

DISCUSSANTS

Michael Lea, Federal Home Loan  
Mortgage Corporation

Eric Toder, Congressional  
Budget Office

Robert Buckley, Department of  
Housing and Urban Development

2:00 P.M.- SIXTH CONCURRENT Knoxville B  
4:00 P.M. CONFERENCE SESSION

STATE TAX REFORM

Steven D. Gold, Project Direc-  
tor, National Conference of  
State Legislatures, presiding

LESSONS FROM STATE TAX STUDIES

MINNESOTA

Robert Ebel, Minnesota Tax  
Study Commission

NEW YORK

Richard Pomp, New York Legisla-  
tive Commission on Modernization  
and Simplification of Taxation

IOWA

Sylvia Dennen, Coopers and  
Lybrand (Chicago)

TEXAS

W. Norton Grubb, University of  
Texas

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

7:30 P.M.- ANNUAL CONFERENCE Memphis  
BANQUET Ballroom

ENTERTAINMENT

WEDNESDAY, NOVEMBER 28, 1984

8:15 A.M. - REGISTRATION Nashville  
11:30 A.M. Lobby

8:30 A.M. - SEVENTH CONCURRENT  
10:20 A.M. CONFERENCE SESSION Knoxville A

THE STATE OF CITY FINANCES

Claude Vaughan, Eastern  
Kentucky University, presiding

MEASURING THE FISCAL CAPACITY OF  
U. S. CITIES

Helen Ladd, Kennedy School,  
Harvard University

NEW APPROACHES TO MEASURING  
CREDIT STRENGTH

Cathy Macsherry, Standard &  
Poor's Corporation

MEASURING FISCAL CAPACITY AND  
CONDITION

John Peterson, Municipal  
Finance Officers Association

DISCUSSANTS

Daphne Kenyon, Dartmouth  
College and Advisory Commission  
on Intergovernmental Relations

William Fox, University of  
Tennessee-Knoxville

8:30 A.M. - EIGHTH CONCURRENT Knoxville B  
10:20 A.M. CONFERENCE SESSION

PAPERS: NTA-TIA OUTSTANDING  
DOCTORAL DISSERTATION AWARDS

James A. Papke, Professor of  
Economics and Public Finance,  
Purdue University, presiding

EVALUATION OF THE CONSUMPTION TAX  
WITH DYNAMIC GENERAL EQUILIBRIUM  
MODELS

Charles L. Ballard, Michigan  
State University

AN ANALYSIS OF AN ECONOMY WITH  
TAX ARBITRAGE: CONSEQUENCES FOR  
SAVING AND INVESTMENT AND VERTICAL  
EQUITY

Mitchell A. Post, Board of  
Governors of the Federal Reserve  
System



CHARITABLE CONTRIBUTIONS OF  
MONEY AND TIME: THE ROLE OF  
GOVERNMENT POLICIES

Jerald A. Schiff, Tulane  
University

10:30 A.M.- NINTH CONCURRENT Knoxville A  
12:20 P.M. CONFERENCE SESSION

TAX POLICY

Attiat F. Ott, Professor of  
Economics, Clark University,  
presiding

EARMARKING REVISITED

William Oakland, Tulane Univer-  
sity

Harvey Brazer, University of  
Michigan

J. Richard Aronson, Lehigh  
University

Roderick Chu, New York State  
Department of Taxation and  
Finance

John E. Jankowski, Jr., Office  
of Strategic and Policy  
Analysis of the Distilled  
Spirits Council of the United  
States

10:30 A.M.- TENTH CONCURRENT Knoxville B  
12:20 P.M. CONFERENCE SESSION

THE TAXATION OF CAPITAL

Daniel M. Holland, Sloan School,  
Massachusetts Institute of  
Technology, presiding

ALTERED STATES: THE SEARCH FOR  
THE CORPORATE INCOME TAX

Jane Gravelle, Congressional  
Research Service, Library of  
Congress

DOES REDUCING INFLATION LOWER THE  
COST OF CAPITAL?

Yolanda Henderson, Amherst  
College

CROSS-PRICE EFFECTS AND CAPITAL  
TAXATION

Don Fullerton, University of  
Virginia

Jonathan Skinner, University of  
Virginia

## DISCUSSANTS

Seymour Fiekowsky, U. S. Treasury Department, Office of Tax Analysis

Robert Tannenwald,  
Massachusetts Special Commission on Tax Reform and Federal Reserve Bank of Boston

Charles Hulten, The Urban Institute



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New York

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Harvey Galper	District of Columbia
Steven Gold	Colorado
Hy Grossman	New York
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Daniel M. Holland	Massachusetts
Attiat F. Ott	Massachusetts
James A. Papke	Indiana
Claude Vaughan	Kentucky

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Tennessee Department of Revenue

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William R. Snodgrass	Tennessee State Comptroller

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Helen F. Ladd	Harvard University
Edgar L. Lindley	Bricker & Eckler
Mark L. McConaghy	Price Waterhouse & Co.
Arthur C. Roemer	Minnesota Department of Revenue
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David O. Williams, Jr.	Office of U. S. Senator Dave Durenberger

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Douglas J. Sherbaniuk	Canadian Tax Foundation



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NATIONAL TAX JOURNAL

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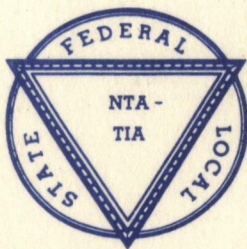
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