



# Wisconsin Taxpayers Alliance

Official Publication . . . THE WISCONSIN TAXPAYER

122 W. WASHINGTON AVE.  
MADISON 3, WISCONSIN  
TELEPHONE 5-4581  
PAUL N. REYNOLDS  
EXECUTIVE DIRECTOR

March 2, 1951

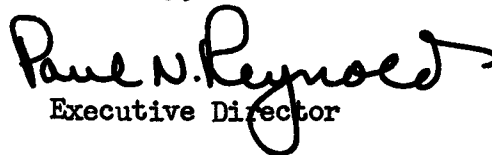
Mr. Marriner Eccles  
Board of Governors  
Federal Reserve Board  
Washington, D. C.

Dear Mr. Eccles:

When in Miami recently I heard a speaker at the Rotary Club refer to a talk which you gave some time ago in which you suggested that it might be well for the federal government to levy and collect all taxes. I believe he said you made this suggestion to a meeting of state officials which was held in Washington.

We would like to have a copy of this talk and hope this sketchy outline will be sufficient to identify it.

Yours sincerely,

  
Executive Director

Paul N. Reynolds:s  
Encl - 1

P.S.: What do you think of the enclosed copy of a letter from  
Commissioner Long of Massachusetts?

---

OFFICERS AND DIRECTORS

---

W. E. MALZAHN, *President*  
RICHARD A. BRACKETT

R. J. DEMPSEY

O. J. FALGE

H. H. SEAMAN, *Secretary-Treasurer*  
A. W. MILLER

COLA G. PARKER

T. B. MYERS, *Vice-President*  
S. N. PICKARD  
J. V. QUARLES

TYPES OF TAXPAYERS' ORGANIZATIONS: Henry F. Long is the well-known Commissioner of Taxation in Massachusetts and one of the outstanding tax authorities in the United States. Read what Commissioner Long has to say about the Wisconsin Taxpayers Alliance.

Copy

THE COMMONWEALTH OF MASSACHUSETTS  
DEPARTMENT OF CORPORATIONS AND TAXATION  
STATE HOUSE, BOSTON

June 30, 1950

Paul N. Reynolds, Executive Director  
Wisconsin Taxpayers Alliance  
908 Tenney Building  
Madison, Wisconsin

Dear Mr. Reynolds:

It seems to be that there are clearly two kinds of taxpayers associations. There may be a third kind about which I will speak.

The first kind of taxpayers' association is the kind I look to with a good deal of reverence and watch with a great deal of satisfaction as a type of which the Wisconsin Taxpayers Alliance is one. This sort of taxpayers' association, and it is the only kind I know of that has survived, is the one that gives to the persons interested the facts in respect to their government. It is reluctant to draw conclusions, it gives all the facts, and it does not withhold anything which might be reflective of the true condition of a governmental unit.

It constantly, however, makes this information available and while it may use devices to present the information so that it will be quickly absorbed it does not undertake to be a political organization, to seek publicity, or to do other than to be a very definite aid to the taxpayers. This puts the taxpayer into the position where he can rely on that sort of association and is not constantly fearful that some unholy motive is back of what he is getting or that there are people seeking personal private profit and gain.

This sort of taxpayers' association is, as you can sense, a fact-finding body for the people. Its reports can be relied upon as the dictionary can be relied upon. It is totally impartial, impersonal and merely calls attention to facts.

There is the second kind of taxpayers' association that may be only a group that seeks publicity. It has no long range thought as to what might be good or bad but perhaps thinks in terms of coming in and making a quick conquest so as to get some personal benefit. It relies on publicity and statements which attract the front page to keep it in the limelight and possibly to get subscriptions. It undertakes to take that which comes to it that could be put out as facts and digested by intelligent readers in such shape as will make for scare heads and arouse the people. Unquestionably, there is a field for this sort of activity just as it may be a good idea when a person wants his windows washed instead of doing it quietly to call out the fire department and get them to do it for him.

(more)

Occasionally people get to be vitalized by something moving fast across the stage and temporarily much benefit may flow from it but it does not impress me as something which is permanently of benefit and I know it impresses none with the thought that definite reliance can be had on its activities or what it says.

Of course, the third group with which you are not concerned and possibly do not even know of their existence, is the one which is formed primarily for specific private purposes. It makes quite a show for some time and is more dramatic than one can imagine would be possible with such little material as it has to work on. Being possessed of good publicity people it seizes on something that has popular appeal and away they are to headlines for a short period and after the smoke has cleared away it will be found that it has attained its objective but it is purely private.

It is my thought that the Wisconsin Taxpayers Alliance is one of the taxation groups throughout the country that has earned the confidence of all who know anything about government. It has earned it by doing that which was best for all the people at all times.

With every good wish,

Cordially yours,

(Signed) Henry F. Long

Commissioner of Corporations  
and Taxation

HFL:RH

v

March 12, 1951.

Mr. Paul N. Reynolds, Executive Director,  
Wisconsin Taxpayers Alliance,  
122 West Washington Avenue,  
Madison 3, Wisconsin.

Dear Mr. Reynolds:

I read the copy of Commissioner Long's letter that you sent me, and think it is very complimentary to your association. The taxpayer is certainly entitled to an explanation of what taxes are being collected and the purposes for which tax revenues are being used--an association that performs such a service without seeking to bias the facts or to use them for purely political purposes serves an extremely useful and important function.

I believe the enclosed copy of a speech which I delivered on October 14, 1941, before the National Tax Association at the University of Minnesota is the one you have in mind.

Very truly yours,

M. S. Eccles.

CRS:mf



# Wisconsin Taxpayers Alliance

Official Publication . . . THE WISCONSIN TAXPAYER

May 10, 1951

122 W. WASHINGTON AVE.  
MADISON 3, WISCONSIN  
TELEPHONE 5-4581  
PAUL N. REYNOLDS  
EXECUTIVE DIRECTOR

Mr. Marriner S. Eccles  
Board of Governors  
Federal Reserve System  
Washington, D. C.

Dear Mr. Eccles:

This is a belated reply to your letter of March 12 in which you comment on a copy of a letter from Commissioner Long of Massachusetts. We are glad you approve of the aims and purposes of our organization. Incidentally, did you see the entertaining article on Mr. Long in the April 7 "Collier's"?

Thank you for sending us a copy of your October 14, 1941, address to the National Tax Association meeting at the University of Minnesota. It happens that I attended the conference--and remember very well hearing your talk.

Dr. Alexander and the other men on our research staff appreciate reading your address. We all agree that it is one of the best examples we have seen of a talk dealing with technical aspects of taxation and fiscal policies. It is well-organized and stated in simple yet effective language.

We enclose a copy of the May issue of our official publication, the Wisconsin Taxpayer. This issue deals with the trend of tax collections in Wisconsin. Your comments on the Taxpayer--and suggestion for improvement--would be much appreciated.

Yours sincerely,

  
Executive Director

Paul N. Reynolds :d  
Encl - 1

---

---

OFFICERS AND DIRECTORS

W. E. MALZAHN, *President*  
RICHARD A. BRACKETT

R. J. DEMPSEY

O. J. FALGE

H. H. SEAMAN, *Secretary-Treasurer*  
A. W. MILLER

COLA G. PARKER

T. B. MYERS, *Vice-President*  
S. N. PICKARD J. V. QUARLES

# THE WISCONSIN *Taxpayer*



**MAY 1951**  
**Vol. 19 - No. 5**

**Taxes in Wisconsin Total \$1,178  
Million; Near All-Time Record**

●  
**Federal Collections Decline  
State, Local Taxes Increase**

●  
**Federal Government Still Major  
Tax Collector in Wisconsin**

**A SERVICE OF THE WISCONSIN TAXPAYERS ALLIANCE**

# THE WISCONSIN TAXPAYER

Published each month by the Wisconsin Taxpayers Alliance, 122 W. Washington Ave., Madison 3, Wis.

---



---

### Subscription Price

One Year \$1.00 Three Years \$2.00

---



---

Vol. 19

MAY, 1951

No. 5

---



---

### Officers and Directors

The Wisconsin Taxpayers Alliance

W. E. MALZAHN.....*President*

T. B. MYERS.....*Vice-President*

H. H. SEAMAN.. *Secretary-Treasurer*

R. A. BRACKETT      A. W. MILLER

R. J. DEMPSEY      COLA G. PARKER

O. J. FALGE              S. N. PICKARD

J. V. QUARLES

---



---

### Executive Staff

PAUL N. REYNOLDS. *Executive Dir.*

C. K. ALEXANDER... *Research Dir.*

JOHN P. REYNOLDS... *Assistant Dir.*

J. W. VILBERG... *Senior Accountant*

R. V. ESTES... *Field Representative*

I. M. CAMPBELL... *Field Secretary*

E. M. JOHNSON... *Office Manager*

---



---

Entered as second-class matter September 1, 1934, at the post office at Madison, Wisconsin, under the act of Mar. 3, 1879.

---



---

### RADIO TALKS

YOUR WISCONSIN GOVERNMENT—A Radio address prepared each week by the Wisconsin Taxpayers Alliance is presented as a public service feature over the following stations:

WATW .....Ashland .....Mon., 9:30 p.m.

WGEZ .....Beloit .....Sat., 4:45 p.m.

WEAU .....Eau Claire ....Sun., 10:30 p.m.

KFIZ .....Fond du Lac ..Wed., 7:15 p.m.

WDUZ .....Green Bay ....Tues., 8:45 p.m.

WCLO .....Janesville .....Wed., 8:15 p.m.

WKBH .....La Crosse .....Sat., 1:15 p.m.

WLDY .....Ladyamith ....Mon., 7:30 p.m.

WHA .....Madison .....Sat., 1:00 p.m.

WDLB .....Marshfield ...Mon., 7:30 p.m.

WIGM .....Medford .....Tues., 8:45 p.m.

WNAM .....Neenah .....Sat., 11:30 a.m.

WRJN .....Racine .....Sun., 11:15 a.m.

WJMC .....Rice Lake .....Sat., 5:00 p.m.

WRCO .....Richland Center .Sat., 1:00 pm.

WLBL .....Stevens Point ..Sat., 1:00 p.m.

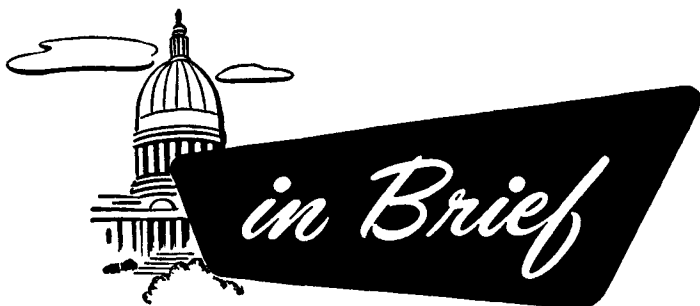
WBKV .....West Bend .....Sat., 4:30 p.m.

---



---

*The Wisconsin Taxpayers Alliance is a non-political, citizen - supported organization, dedicated to study the problems and services of government. The results of its research are presented in the interest of an informed public opinion and citizen participation in affairs of government. The Alliance is not affiliated in any way with any federal, state, county, city, or other organization.*



Total federal, state, and local taxes levied or collected in Wisconsin have exceeded a billion dollars for the seventh consecutive year. Tax collections in Wisconsin in the fiscal year which ended June 30, 1950 amounted to \$1,178,000,000.

Total taxes were down three million dollars from 1949 and were only 7 million dollars short of the all-time record set in 1945.



Total federal taxes dropped off in 1950, but state and local government collections climbed 27 million dollars to a record 419 million. Federal taxes for 1950 were 758 million dollars as compared with 788 million in 1949.



Despite the slight decline in federal tax collections, the federal government still claims 64 cents out of the average tax dollar collected in this state. The state's share was 18 cents in 1950, and local governments collected a similar amount of the 1950 tax dollar.



Revenues from income taxes declined in 1950. Federal income tax collections fell off 37 million dollars, but revenues from other federal taxes were up, resulting in a net over-all drop of about 30 million dollars.

State income taxes dropped 2 million dollars, but a 29 million dollar increase in general property and other taxes more than offset this loss.



Since 1930, total federal tax collections have increased over 2000 percent; state taxes are up 239 percent; and local tax revenues have climbed 71 percent.



# Total Taxes in Wisconsin-1950

## Total Federal, State, and Local Taxes in State

### Exceeded One Billion Dollars for Seventh Year

For the seventh consecutive year total taxes paid to local units of government, the state of Wisconsin, and the federal government by individuals and corporations in Wisconsin were well over a billion dollars.

Total taxes levied or collected in Wisconsin by all units of government for the fiscal year which ended June 30, 1950, were about \$1,178,000,000. This was seven million dollars short of the all time record established in 1945.

Compared with the previous year, tax collections in fiscal 1950 dropped about three million dollars. This net reduction in total tax receipts resulted from a \$30 million decrease in federal collections, offset by a \$27 million increase in state and local tax collections.

#### Federal Taxes

The net reduction in total federal collections was due to a sharp decline in income tax receipts, partially compensated by increased revenues from certain other taxes. Federal collections by type of tax for the fiscal years 1949 and 1950 were as follows (in millions):

Tax	1949	1950	Change
Income . . . . .	\$588.4	\$551.4	—\$37.0
Motor Vehicle . . . . .	18.1	21.4	+ 3.3
Utility . . . . .	12.6	12.9	+ 0.3
Business . . . . .	1.3	1.3	0.0
Death and Gift . . . . .	10.7	9.9	— 0.8
Consumer Items . . . . .	115.6	117.0	+ 1.4
Employment .. . . .	41.5	44.5	+ 3.0

Total . . . . . \$788.2    \$758.4    —\$29.8

*Income.* Revenue from federal income taxes on corporations in Wis-

consin declined \$12.3 million during this period, while taxes on individuals, including withholding taxes, dropped off \$23.1 million. This reduction is due primarily to a decline in the level of economic activity and income payments to individuals; there was no change in the federal income tax rates during the 1949-1950 fiscal years.

*Motor Vehicle.* Increased collections from motor vehicle taxes, largely from gasoline and trucks and autos, was due to expanded sales rather than higher tax rates.

*Others.* Greater collections from taxes on consumer items came principally from a \$2 million rise in beer tax yields. Social security, or old age benefits, accounted for nearly all of the \$3 million increase in employment taxes between 1949 and 1950.

#### State and Local Taxes

While federal tax collections went down in fiscal 1950, state and local taxes in Wisconsin increased from \$392.4 to \$419.4 millions, a gain of \$27 million. State and local collections by type of tax for the fiscal years 1949 and 1950 were as follows (in millions):

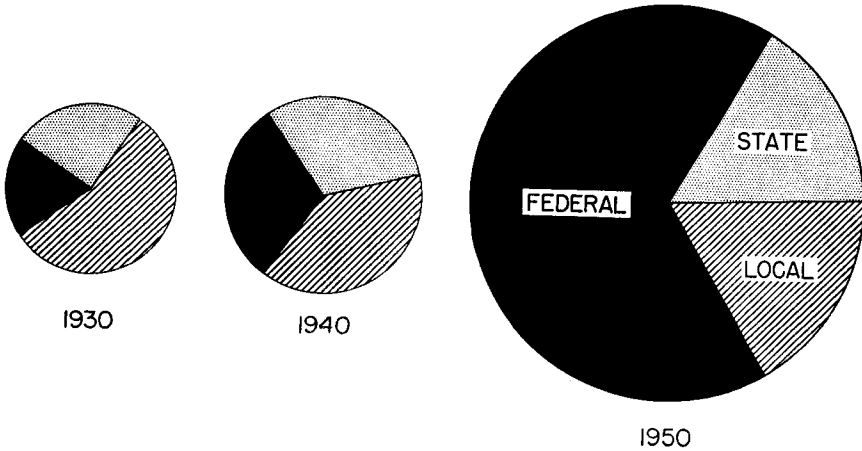
Tax	1949	1950	Change
Property . . . . .	\$194.6	\$209.4	+\$14.8
Income . . . . .	87.4	85.4	— 2.0
Motor Vehicle . . . . .	50.8	55.3	+ 4.5
Utility . . . . .	19.3	19.6	+ 0.3
Business . . . . .	4.4	4.7	+ 0.3
Death and Gift . . . . .	5.6	5.6	0.0
Consumer Items . . . . .	18.6	26.1	+ 7.5
Employment .. . . .	11.5	13.2	+ 1.7
Miscellaneous . . . . .	0.2	0.1	— 0.1

Total . . . . . \$392.4    \$419.4    +\$27.0

(Continued on page 7)

## THE WISCONSIN TAX DOLLAR

### Federal, State, and Local



The extent of the federal government's dominance in the tax picture in Wisconsin is clearly seen in the chart above. In 1930, local governments collected over half of all taxes. By 1940, the local, state, and federal governments were collecting about equal amounts. Last year, 1950, the federal government collected nearly two-thirds of all taxes in this state.

The break down of the tax dollar in selected years follows:

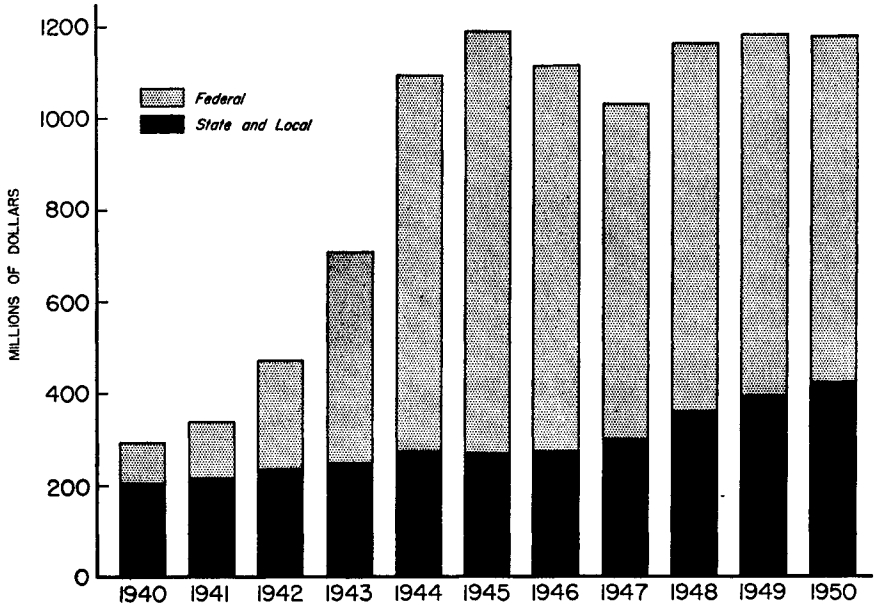
	1930	1940	1950
Local . . . . .	56c	38c	18c
State . . . . .	28c	32c	18c
Federal . . . . .	16c	30c	64c

Since 1930, the federal government has increased its share of the Wisconsin tax dollar by 48 cents. The state and local units of government have lost ground on this basis, even though their total collections have increased considerably.

With the federal government predominating in the over-all tax picture, the state and local units of government have been pressed to find sources of additional revenues.

## TOTAL TAXES IN WISCONSIN

Fiscal Years Ended June 30, 1940-1950



The expansion of tax collections in recent years, especially federal taxes, is illustrated in the chart above.

Total taxes collected in Wisconsin in 1950, by the federal, state, and local governments, were within seven million dollars of the all-time peak reached in 1945. Collections in 1950 dropped nearly three million dollars from 1949.


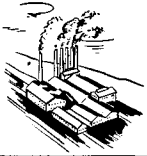




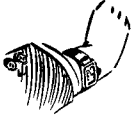

While federal tax collections fell off 30 million dollars from 1949, a 27 million dollar increase in state and local taxes nearly offset the federal decline, leaving a net total of near-record levels.

State and local taxes, the black portion of the bars, have been climbing at a fast rate in the years following the end of the war. The 1950 total of state and local taxes, 419 million dollars, is the highest in state history.

Federal taxes, the shaded portion of the bar, account for just under two-thirds of all taxes collected in Wisconsin.

## COMPARATIVE FEDERAL AND WISCONSIN TAX RATES

April 1, 1951

	Tax	Federal	Wisconsin
	Individual Income	20% to 91%	1% to 7%* Plus 25% Surtax
	Corporate Income	25% to 47%**	2% to 6%*
	Beer (barrel)	\$8	\$1
	Cigarettes (per package)	7c	3c
	Liquor (gallon)	\$9	\$2
	Estate or Inheritance	3% to 77%	2% to 40% 15% limit***
	Luxury Tax (watches, etc.)	20%	None
	Gasoline (gallon)	1½c	4c

\* Plus teachers retirement surtax.  
\*\*\* Plus surtax of 30% of tax.

\*\* Plus excess profits tax of 30% of excess profits.

# TOTAL FEDERAL, STATE AND LOCAL TAXES COLLECTED IN WISCONSIN\*

Fiscal Year Ended June 30, 1950

Tax	State and Local	Federal	Total Federal State and Local	Percent of Total
<b>TOTAL</b>	<b>\$419,350,385</b>	<b>\$758,371,637</b>	<b>\$1,177,722,022</b>	<b>100.0</b>
<b>Real and Personal Property</b>	<b>209,355,996</b>		<b>209,355,996</b>	<b>17.8</b>
<b>Income Taxes</b>	<b>85,373,417</b>	<b>551,382,983</b>	<b>636,756,400</b>	<b>54.1</b>
Corporation	34,423,477	223,779,225	258,202,702	21.9
Individual	30,736,051	129,899,822	160,635,873	13.7
Withholding, Salaries & Wages		192,522,373	192,522,373	16.4
Teachers' Retirement	8,037,864		8,037,864	0.7
25% Surtax	7,594,612		7,594,612	0.6
All Expired Surtaxes	67,035		67,035	(α)
Dividends	4,514,378		4,514,378	0.4
Excess Profits—Declared Value		70,519	70,519	(α)
Excess Profits—1940, '41, '42				
Revenue Acts		5,111,044	5,111,044	0.4
<b>Motor Vehicle Taxes</b>	<b>\$ 55,255,891</b>	<b>\$ 21,374,378</b>	<b>\$ 76,630,269</b>	<b>6.5</b>
Gasoline	31,455,230	2,223,347	33,678,577	2.9
License Fees (Auto & Driver)	20,990,177		20,990,177	1.8
Trucks, Transportation	2,810,484		2,810,484	0.2
Lubricating Oils		211,022	211,022	(α)
Tires and Inner Tubes		53,876	53,876	(α)
Parts and Accessories		2,817,751	2,817,751	0.2
Trucks and Autos		16,068,382	16,068,382	1.4
<b>Special Utility Taxes</b>	<b>\$ 19,571,998</b>	<b>\$ 12,947,166</b>	<b>\$ 32,519,164</b>	<b>2.8</b>
Railroads	5,586,819		5,586,819	0.5
Power & Light Utilities	9,833,733		9,833,733	0.9
Telephone, Telegraph, Cable & Leased Wire	3,736,550	10,547,426	14,283,976	1.2
Freight Lines	125,313		125,313	(α)
Sleeping Car Companies	19,081		19,081	(α)
Express	16,284		16,284	(α)
Electrical Energy		2,399,740	2,399,740	0.2
Rural Electric Cooperatives	220,712		220,712	(α)
Airlines	33,506		33,506	(α)
<b>Other Business Taxes</b>	<b>\$ 4,739,879</b>	<b>\$ 1,325,003</b>	<b>\$ 6,064,882</b>	<b>0.5</b>
Coal, Grain & Scrap Iron	252,270		252,270	(α)
Insurance	4,475,649		4,475,649	0.4
Beekeepers	5,940		5,940	(α)
Mink Farms	6,120		6,120	(α)
Capital Stock		2,680	2,680	(α)
Stock Transfer Stamps		844,056	844,056	0.1
Bowling Alleys, Pool Tables, etc.		101,300	101,300	(α)
Coin-Operated Devices		279,782	279,782	(α)
Business and Store Machines		97,185	97,185	(α)
<b>Death and Gift Taxes</b>	<b>\$ 5,655,143</b>	<b>\$ 9,869,537</b>	<b>\$ 15,524,680</b>	<b>1.3</b>
Inheritance Tax & Surtax	5,111,612		5,111,612	0.4
Estate		9,352,347	9,352,347	0.8
Gift Tax	543,531	517,190	1,060,721	0.1
<b>Taxes on Consumers</b>	<b>\$ 26,056,595</b>	<b>\$116,956,431</b>	<b>\$ 143,013,026</b>	<b>12.1</b>
Liquor and Wine	12,037,475	854,582	12,892,057	1.1
Beer	3,006,588	92,557,468	95,564,056	8.1
Tobacco	9,950,116	149,360	10,099,476	0.9
Narcotics & Marijuana		9,676	9,676	(α)
Cocoonut Oil, Etc.		3,985	3,985	(α)
Playing Cards		1,447,739	1,447,739	0.1
Radios & Components		10,940	10,940	(α)
Mechanical Refrigerators, etc.		109,176	109,176	(α)
Sporting Goods		196,675	196,675	(α)
Admissions		6,885,087	6,885,087	0.6
Club Dues, etc.		394,382	394,382	(α)
Safety Deposit Boxes		210,629	210,629	(α)
Sugar		179,218	179,218	(α)
Oleomargarine	1,062,416	9,497	1,071,913	0.1
Phonograph Records		1,214	1,214	(α)
Photographic Apparatus		160,965	160,965	(α)

Tax	State and Local	Federal	Total Federal State and Local	Percent of Total
Musical Instruments		100,356	100,356	(a)
Luggage		1,056,986	1,056,986	0.1
Electric, Gas & Oil Appliances		4,168,370	4,168,370	0.4
Silver Bullion Transfers		1,086	1,086	(a)
Electric Light Bulbs		1,122	1,122	(a)
Jewelry		3,031,339	3,031,339	0.3
Furs		949,250	949,250	0.1
Toilet Preparations		1,199,061	1,199,061	0.1
Transportation of Persons		389,671	389,671	(a)
Transportation of Property		2,878,597	2,878,597	0.2
<b>Employment Taxes</b>	<b>\$ 13,221,732</b>	<b>\$ 44,515,238</b>	<b>\$ 57,736,970</b>	<b>4.9</b>
Carrier		273,043	273,043	(a)
Unemployment Compensation	13,221,732	4,674,132	17,895,864	1.5
Old Age Benefits		39,568,063	39,568,063	3.4
<b>Miscellaneous Taxes</b>	<b>\$ 119,634</b>	<b>\$ 901</b>	<b>\$ 120,535</b>	<b>(a)</b>
Forest Crop	105,020		105,020	(a)
Other	14,614	901	15,515	(a)

\* Source—Wisconsin Department of Taxation Bulletin No. 156 and U. S. Commissioner of Internal Revenue 1950 Annual Report.

(a) Less than 1/10 of one percent.

Note: State and local figures (except property and special utility taxes which are levies) are net receipts; federal figures are gross, refunds not being deducted. Customs or non-tax collections are excluded. The figures do not necessarily indicate the tax burden on Wisconsin residents.

(Continued from page 2)

**Property.** Increased taxes on property and certain consumer items were chiefly responsible for the \$27 million gain in collections by the state of Wisconsin and its local units of government. A 14.8 million dollar jump in the general property tax levy on real and personal property boosted the total yield to well over 200 million dollars.

**Sales.** The 7.5 million dollar increase in state tax collections on consumer items largely stemmed from higher receipts from taxes on liquor and wine and on tobacco (cigarettes). Liquor taxes rose 4 million, and cigarette taxes 3 million dollars. The sharp gain in cigarette tax revenue from 7 to 10 million dollars resulted primarily from a one cent per pack tax increase, rather than greater consumption.

**Motor Vehicle.** Motor vehicle taxes reached an all-time high in 1950, yielding \$4.5 million more than in

1949. For the second year in a row taxes paid by Wisconsin highway users exceeded 50 million dollars. The increase in 1950 over 1949 is mainly attributable to sharp gains in collections from the state's four cent gasoline tax and from motor vehicle fees.

### Income Returns

**Income.** Somewhat neutralizing gains from other state and local taxes was a two million dollar reduction in collections from state income taxes. Income tax receipts fell from \$87.4 in 1949 to \$85.4 million in 1950. Despite the decline income taxes continued to be the most important source of general state revenue, and yielded over 20 percent of all state and local tax collections.

The normal income and teachers' retirement surtax on both individuals and corporations fell 10 million dollars in 1950, with no changes in rate. However, this drop was offset to a large extent by collections of 7.5 million dollars from the 25 percent sur-

tax on individuals, enacted by the 1949 Wisconsin Legislature.

In the total tax picture, the federal government continued to dominate in the amount of taxes collected from individuals and corporations in Wisconsin. Federal tax collections amounted to over 64 percent of total tax collections in this state in 1950.

Income taxes, chief source of revenue for both the federal and state government, was the most important tax, yielding 54 percent of all collections. Revenues from the local general property tax ranked second, taking 18 percent of the total taxes, followed by state and federal taxes on various consumer items, taking 12 percent. Motor vehicle taxes and employment taxes ranked fourth and fifth respectively in the total tax picture.

### **Trends**

The charts on pages 3 and 4 show two major trends in taxes collected in Wisconsin: one, total taxes are increasing, and two, the federal government is taking an increasingly larger portion of the Wisconsin tax dollar.

As indicated in the chart on page 4, total taxes in Wisconsin in 1950 fell only a little short of the record high collections of \$1,185,000,000 in 1945. Total taxes declined slightly from 1945 to 1946, and fell off again in 1947. The trend was reversed in 1948 and 1949, with soaring property and income taxes, but fell slightly in 1950.

From 1930 to 1950, total taxes levied or collected in Wisconsin increased 436 percent. Total collections by the local, state, and federal governments in 1930 were about 220 million dollars.

While total taxes collected in Wisconsin have increased 436 percent since 1930, federal taxes have gone up more than 2,000 percent. In 1930, total federal taxes collected in this state amounted to 36 million dollars. Last year the federal government collected 758 million dollars from Wisconsin taxpayers.

In the same period, taxes collected by the state of Wisconsin increased from 61 million dollars to over 207 million dollars, an increase of 239 percent. Local tax levies climbed from 124 million dollars in 1930 to 212 million dollars last year. This represents an increase of 71 percent.

The chart on page 5 illustrates the high comparative federal tax rates to Wisconsin tax rates.

### **Burden**

The total tax figures included in this issue do not reflect the exact tax burden shouldered by Wisconsin taxpayers. Various fees, fines, permit costs, business licenses, and like revenues are not included.

Nor is the final incidence of certain taxes taken into consideration. For example, federal beer taxes collected from the brewer in Wisconsin are included in the total, even though consumers in other states may eventually pay the tax. On the other hand, federal excise taxes on liquor and cigarettes purchased by Wisconsin consumers are not included in these totals if the product is manufactured in another state.

Thirdly, it should be remembered that the unit of government which collects a particular tax is not necessarily the unit which spends the revenue.

# Attorney General OPINIONS

The following are brief statements of points of law in opinions handed down by Attorney General VERNON W. THOMSON from February 15 to March 22, 1951.

## DRIVERS' LICENSES

Motor Vehicle Commissioner must revoke operator's license upon receipt of record of conviction of operating vehicle while intoxicated, in violation of city ordinance conforming to state statute, notwithstanding that person convicted claims evidence was insufficient to support such conviction.—*Motor Vehicle Department.*

## CITY-COUNTY BUILDING

A city and county may construct a joint city-county building which will be known as a "Safety Building" and which will be used for courthouse and city hall purposes.

A city and county have authority to issue general obligation bonds to finance their respective share of the cost of constructing such building.—*Eugene F. McEssey, Fond du Lac County.*

## PUBLIC WELFARE PERSONNEL

Personnel employed by state department of public welfare for purpose of administering diagnostic center may be placed on payroll of said department of public welfare.—*Department of Public Welfare.*

## CONSTITUTIONAL AMENDMENTS

Joint Resolution No. 6, 1951, provides for an amendment of Article XI, section 3, of the Constitution, which if adopted will increase the debt limitation, in cities authorized to issue bonds for school purposes, from 5% to 8% of the value of the taxable property in such cities.

Joint Resolution No. 7, 1951, provides for an amendment of Article II, section 2, of the Constitution, which if adopted will authorize the state of Wisconsin with the consent of Congress to tax lands owned by the United States.—*Secretary of State.*

## TRUST FILING FEES

Common law trust which was created and which sold all of its beneficial certificates prior to the enactment of law requiring filing fee to be paid must pay the full filing fee imposed by that section, including the fee of \$1 for each \$1,000 of beneficial certificates sold.—*Secretary of State.*

## LIFE INSURANCE AGENTS

Power of commissioner of insurance to make rules and regulations pertaining to life insurance agents does not authorize acceptance of certificate by life insurance company that applicant has satisfactorily completed its agents' training course and is recommended as qualified for a license as a life insurance agent as substitute for application and written examination.—*Department of Insurance.*

## COUNTY CONTRACTS

Additional work on county asylum building which will add about \$60,000 to the cost of about \$65,500 covered by original contract must be let by contract to lowest responsible bidder in the absence of facts or circumstances bringing the situation within any well recognized exceptions or limitations to the mandatory effect of such a statute. This section does not apply to purchase of equipment such as mattresses, chairs and dressers.—*William R. Glasow, Manitowoc County.*

## BRIDGE TAXES

Cities and villages which have constructed bridges under "Long Bridge Statutes", may be taxed for aid to town bridges. Receipt of county aid for bridge by city or village does not necessarily subject the municipality to bridge tax.—*Raymond P. Dohr, Outagamie County.*

## DEPUTY SHERIFFS

County board may by ordinance authorize the sheriff to appoint as undersheriff a person holding the office of deputy sheriff under civil service after giving him a leave of absence from the position of deputy sheriff; and upon ceasing to serve as undersheriff such person reverts to his former status as a deputy sheriff without loss of civil service standing.—*Edward A. Krenzke, Racine County.*

## SEXUAL PSYCHOPATHS

Statute relating to the commitment and treatment of "sexual psychopaths" in Milwaukee county has never become effective because the Milwaukee county board has not designated an institution for that purpose. If such persons are mentally ill, infirm or deficient, proceedings may be had under usual procedure for care of such persons.—*Wilson H. Brue, Iowa County.*

## FIRE INVESTIGATION EVIDENCE

All information and physical evidence obtained by state fire marshal and his deputies in investigating fires is privileged from disclosure in civil cases. State fire marshal is the only one authorized to waive the privilege. When he or his deputies are subpoenaed they must respond by appearing in court and trial court should conduct preliminary examination to determine whether the privilege has been waived in whole or in part. State fire marshal should waive privilege whenever he can safely do so in order to prevent injustice to private litigants. Privilege does not apply when evidence is needed by state in criminal prosecution.—*State Fire Marshal.*

## VETERANS' AID

In case of need, aid may be extended by county veterans service commission to family of honorably discharged soldier who has returned to and presently is in the service of the United States Army.—*James H. Levi, Portage County.*

## DEPUTY SHERIFFS

Where county traffic patrolman is also a deputy sheriff not under civil service, sheriff may require him to give bond notwithstanding that he has given bond as traffic patrolman.—*William R. Glasow, Manitowoc County.*



## ***Tax Questions***

**Q.** *How much of the Wisconsin tax dollar is collected by the following governments:*

- (a) Federal?*
- (b) State?*
- (c) Local?*

**A.** See page 3.

★            ★            ★

**Q.** *What are the comparative federal and state tax rates on:*

- (a) Corporate income?*
- (b) A barrel of beer?*
- (c) A watch?*

**A.** See page 5.