invalidity of tax on combined income of spouses, 252-3; validity of estate tax on dower and curtesy, 311; invalidity of conclusive presumption concerning gifts in contemplation of death, 312-13, 322; “penumbra theory” supporting taxes to prevent avoidance, 312-13, 315-16, 318; validity of estate tax on transfers taking effect on death, 315-16, on revocable transfers, 317-18, on survivorship in joint estates, 319; validity of retrospective taxes on transfers inter vivos, 325-8; validity of review of tax cases in proposed Court of Tax Appeals, 351-2.

**Corliss v. Long**, 327, 328

**Corliss v. Bowser**, 248, 251, 262

**Corporate Income Taxes**

in Civil War period, 266-7; under 1909 Act, 267; under 1913 Act, 267-8; under 1916 and 1917 Acts, 268; under 1918 Act, 268-9; under 1919-21 Acts, 271-2; under 1922 Act, 272; under 1933 Act, 273-4; under 1935 Act, 274-5; under 1936 Act, 275-7; under 1938 Act, 277-8; under 1939 Act, 278-9; under all above acts since 1909, 280 (table); significance of increasing resort to, 281; justification of, on benefit theory, 282-4; difficulty in applying ability-to-pay theory to, 282; application of progressive principle to, 274, 283-4; use of cost-factor tax as supplement to, 284-5; use of, as supplement to personal income taxes, 285-8, by taxation at source, 255, by undistributed profits tax, 256-8; as affecting corporate structure, 288, monopoly profits, 289, business financing, 289-90, employment, 290. See **Capital Stock Tax, Consolidated Returns, Excess Profits Tax, Intercompany Income Taxation, Personal Holding Corporations, Undistributed Profits Tax**.

**Corporate Reorganizations**

exchanges in, as means of income tax avoidance, 254-5; provisions exempting exchanges in, under 1916 Act, 269, under 1921 Act, 271.

**Coutzen, James**

quoted, on consolidated returns, 308.

**Declaratory Administrative Rulings**

see **Administrative of Revenue Laws**.

**Douglas v. Wilcox**, 254, 261

**Duport v. Comm’r**, 247

**Easter v. Macomber**, 248, 253

**Estate Tax**

problem of avoidance under, generally, 209-20; imposed on: dower and curtesy, 310-11, gifts in contemplation of death, 311-15, transfers taking effect on death, 313-16, revocable transfers, 316-19, survivorship in joint estates, 319-20, general powers of appointment, 320-2, insurance proceeds, 323-5; judicial attitudes toward, 310, 328-30. See **Avoidance**.

**Exxon**

see **Avoidance**.

**Excess Profits Tax**

under 1917 Act, 269-70, 292; under 1918 Act, 270, 292; under NIRA, 272, 296; under 1934 Act, 273; under 1935 Act, 275; under 1936 Act, 276; under 1938 Act, 278; under 1939 Act, 279; present, criticized, 291-2, 295; in Great Britain during World War, 292-3; yield of U. S. war-time, 293; effectiveness of high, in war time, 294-5; peacetime, in Ireland, Japan, Colombia, Mexico, 296; yield of, and capital stock tax since 1934, 298 (table); administrative difficulties in, 297-8; as means of recovering monopoly profits, 289, 299, of stabilizing business cycles, 299; difficulty in fixing value base for, 300.

**Federal Tax System**

development of, prior to Civil War, 162-3, during and after Civil War, 163, prior to World War, 163-4, during World War, 164, during 1920’s, 165, during 1930’s (personal income taxes), 165, (corporate income taxes), 165-7, (payroll taxes), 167, (estate taxes), 167, (liquor taxes), 167-8, (miscellaneous excises), 168, (processing taxes), 168; general tendencies in, 162, 169; development of taxation of capital gains in, 196-9, 209-13.

**Flint v. Stone Tracy Co.**, 239

**France**

taxation of capital gains in, 201, 209; excess profits tax in, during present war, 295.

**Germany**

income exemptions in, 175; taxation of capital gains in, 201; effect of increase of corporate tax rates in, 283; income tax collected at corporate source in, 286; failure of incentive taxation in, 290; excess profits tax in, during present war, 295.

**Gifts**

difficulties in taxing, in contemplation of death under estate tax, 311-13, 331; use of, to avoid estate tax, 331-2; use of tax on, to deter avoidance, 332-3; proposal that tax on, be integrated with estate tax, 333-4. See **Avoidance, Estate Tax**.


**Gray v. Darlingtown**, 209, 210

**Great Atlantic & Pacific Tea Co. v. Grosjean**, 241

**Great Britain**

stability of income tax yields in, 174, 212; low income exemptions in, 175; their psychological effects, 180, their administrative difficulties, 180, 181-3; taxation of capital gains in, 201, 209-9, 212; family as unit for income tax in, 232; income tax collected at corporate source in, 286; excess profits tax in, during World War, 292-4, during present war, 295-6.

**Green, William R.**

quoted, on tax avoidance, 244.


**Griffiths v. Helvering**, 243, 256, 257, 262

**Groman v. Comm’r**, 261

**Hald. R. M.**

quoted, 201.

**Hanks, John W.**

quoted, on tax exempt securities, 223, 226-7.

**Heiner v. Donnan**, 312, 313, 315

**Helvering v. Bathford**, 261

**Helvering v. Blumenhard**, 261

**Helvering v. Brown**, 215, 350

**Helvering v. City Bank Farmers Trust Co.**, 318

**Helvering v. Clifford**, 243, 258, 259, 260, 261, 262
INTERCOMPANY INCOME

HORNER

HAYDEN R. ST.

PERSONAL

PALTRO,

ANDOLUS

PAJR.

NATIONAL LIFE INSURANCE CO.

MELLON,

MCULLOCH

XJ%X

HIGGINS

HORER

HEIRERING

HEIRERING

HEIRERING

HEIRERING

HEIRERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HEERERING

HORER v. COMM'T., 239

INCENTIVE TAXATION

effectiveness of, questioned, 290.

INTERCOMPANY INCOME TAXATION

special nature of intercompany income, 301; rates of, imposed by 1935 Act, 302, by 1936 Act, 303, by 1938 Act, 303; reasons for, 302; present law imposing, criticized, 303, 304; not imposed in Great Britain, 303; future prospects for, 304. See CONSOLIDATED RETURNS.

ISHAM v. U. S., 246

KLEIN v. U. S., 315

LE TULLE v. SCHOFIELD, 261

LUCAS v. EARL, 248, 249, 250, 251, 262

LUZ, HARLEY L.

report of, on tax exempt securities, 225.

MACDONALD, RUSSELL

quoted, on valuation, 214, on tax exempt securities, 221, on excess profits tax, 298.

MAXWELL v. BUSEY, 241

MAY v. HEINER, 314, 315

MCCULLOCH v. MARYLAND, 222, 235

MILLON, ANDREW

arguments of, against high surtaxes, 184, 185.

NATIONAL LIFE INSURANCE CO. v. U. S., 240

NATIONAL TAX ASSOCIATION

Committee of, on Federal Taxation of Corporations: recommendations by, of cost-factor tax on corporations, 284, relating to undistributed profits tax, 286-8, to excess profits tax, 292.

NORRIS, GEORGE W.

quoted, on consolidated returns, 308.

PARKER, L. H.

quoted, 212, 213.

PAUL, RANDOLPH E.

quoted, on valuation, 214, on tax avoidance, 264.

PERSONAL HOLDING CORPORATIONS


POER v. SEABORN, 248, 249, 251, 252, 261, 262, 264

POLOK v. FARMERS LOAN & TRUST CO., 199, 210, 213, 236, 237, 238

PROCEDURE IN TAX CASES

see ADMINISTRATION OF REVENUE LAWS.

REINECKE v. NORTHERN TRUST CO., 317

REINECKE v. SMITH, 251

ROOSEVELT, FRANKLIN D.

quoted, on tax exempt securities, 223.

SHULTZ, WILLIAM J.

quoted, on tax exempt securities, 225.

TAFT v. BOWERS, 248, 262

TAXATION OF LARGE INCOMES

development of surtax rates in, 183-4; tendency of high surtaxes to deter equity investments, 185-8; incentive to invest in exempt securities given by high surtax rates, 186-8, 223; social policies favoring high, 189-90: productivity of high, 191: deterrent effect of high, on investment, questioned, 190-3; higher taxes on lower incomes as alternative to lowering, 193.

TAXATION OF SMALL INCOMES

various groups supporting, 171; estimated yields derivable from, 171-4; theory of exemption of, 175-6; effect of other taxes on, 176-8; stimulation of tax consciousness by, 178-80; administrative difficulties in, 180-2.

TAX EXEMPT SECURITIES

tax savings from, 186 (table), 218-19; effect of, in deterring equity investments, 187-8, 211, 223, 226-7; proportion of, in decedents' estates, 188 (table), 224-5 (table); movement for taxing, 217, 222, 235, against, 232; expansion in volume of, 217; law of diminishing utility applied to demand for, 218-20; interest differential due to tax savings from, 219-20, 225-6, 228-9; importance of, to state and local governments, 220, 229-32; effect of, on progression in income tax, 221, 223, 227-8; effect of, on government spending, 224, 228; interest savings to various governments from, 229-31; revenue losses due to, 229-30; constitutional problems in taxing, 232-4, 235-6; effect of taxing, on structure of government, 234; proposals for indirect taxing, 238-42. See CONSTITUTIONAL LAW.

TAX YIELDS


TREMAINE, MORRIS S.

quoted, on tax exempt securities, 229.

TWENTIETH CENTURY FUND


UNDISTRIBUTED PROFITS TAX

preliminary efforts to impose under 1934 and 1935 Acts, 273-4; President urges adoption of, 2751 provisions of, in 1936 Act, 275-6; revision of, in 1938 Act, 277-8; elimination of, in 1939 Act, 278, as means of supplementing personal income tax, 275, 286-8, 289, of preventing oversaving, 289-90.

U. S. v. FIELD, 320

U. S. v. MERRIAM, 265

WAR PROFITS TAX

under 1918 Act, 270; proposals for future, 291.

WHITE v. POOR, 318

WOOLFORD REALTY CO. v. ROSE, 247