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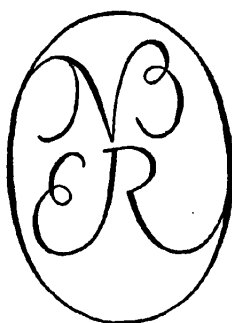
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Dividends Under the Income Tax

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A STUDY BY THE
NATIONAL BUREAU OF ECONOMIC RESEARCH, NEW YORK



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TO JEANNE, LAURA, JONATHAN, AND ANDREW

CONTENTS

ACKNOWLEDGMENTS	xv
PREFACE, BY LAWRENCE H. SELTZER	xvii
INTRODUCTION AND SUMMARY	3
1. THE IMPORTANCE OF DIVIDENDS IN PERSONAL AND TAXABLE INCOME	13
Taxable Dividends and Aggregate Personal Dividend Receipts	13
Patterns in Income Class Distribution of Taxable Dividends	18
An Attempt to Correct for Price Level Changes	27
Shifts in Distribution of Taxable Dividends Among Income Classes	29
Distribution of Dividends by Dividend Size Classes	34
A Note on Possible Variation of Pay-Out Ratios with Tax Bracket of Stockholders	38
2. DIVIDEND UNDERREPORTING ON TAX RETURNS	57
High Fraction of Total Dividends Traced to Tax Returns	57
Dividend Gap in 1958	62
Changes in Gap over Last Twenty-Three Years	68
Income Class Distribution of Dividend Underreporting	83
Effect of Voluntary Compliance Campaign on Dividend Gap	91
Summary of Findings on Dividend Underreporting	96
Technical Note	98
Note on Difference Between Aggregate Gap and Survey Gap	108
3. DIVIDEND RECEIPTS AND INCOME TAX LIABILITY	110
Variations in Tax Liability Attributable to Dividend Receipts	110
Effect of Dividends on Revenue Flexibility of Tax Structure	113

Contents

Dividend Receipts After Taxes	119
Comparison of Tax Liability Attributable to Dividends and Other Sources of Income	122
Equalizing Effect of Taxes on Dividends	123
Distribution of Dividend Tax Liability and of Dividends	127
Share of Dividend Tax Liability in Total Tax Liability	130
Effective Tax Rates on Dividends Compared with Other Sources of Property Income	132
Tax Liability on Corporate Earnings	133
4. "DOUBLE TAXATION" OF DIVIDENDS, DIFFERENTIAL TAXATION OF STOCKHOLDERS, AND INCOME TAX RELIEF	138
Taxation of Corporate Earnings	138
Conceptual Framework	142
An Alternative Measure	152
Variation of "Extra" Burden Among Income Levels and over Time	157
Effect of a More Liberal Dividend Credit	165
Differential Taxation of Stockholders	169
The "Extra" Burden on Earnings for Retention	170
Measuring the Differential Taxation of Earnings for Stockholders	174
The Net Extra Burden as a Percentage of Stockholders' Total Income	176
Differential Taxation of Stockholders in 1950	177
Effect of Relief Provisions on Differentials	184
INDEX	187

TABLES

1. Total Personal Dividend Receipts and Dividends Reported on Taxable Returns, 1918–1957	14
2. Summary Data for Dividends Reported on Taxable Returns Arrayed in Three Broad Income Classes, 1918–1957	20
3. Share of Dividend Receipts Reported on Taxable Returns, by “Real” Net Income Classes, 1918–1957	28
4. Comparison of Number of Stockholders and Number of Dividend Recipients on Tax Returns, 1952 and 1956	32
5. Distribution of Dividend Receipts by Dividend Size Classes, 1946–1952	36
6. Shares of Selected Percentile Bands of Recipients of Specified Income Types, 1950	38
7. Dividends Reported on Taxable Returns, by Income Classes, 1918–1957	40
8. Dividends as a Percentage of Adjusted Gross Income Reported on Taxable Returns Arrayed by Adjusted Gross Income Classes, 1918–1957	42
9. Income Class Shares of Dividends Reported on Taxable Returns, 1918–1957	43
10. Effective Rate on an Added Dollar of Dividend Income and on an Added Dollar of Net Long-Term Capital Gains for Selected Statutory Net Incomes and Years, 1936–1960	44
11. Investment Objectives of a Sample of Active Investors Interviewed in 1949	45
12. Ratio of Net Dividends Paid Out to Net Corporate Earnings for Net Income Corporations, by Asset Size Classes, 1936	49
13. Net Income Classes’ Weighted-Average Distribution Ratios, 1936	50
14. Yield on Traded and Untraded Common Stock Held by Wisconsin Individuals, Arrayed by Income Classes, 1949	53
15. Aggregate Personal Dividends and Dividends Reported on Taxable Returns, 1918–1957	58
16. Derivation of Dividends Not Accounted for on Tax Returns, 1958	59
17. Dividend Gap, 1936–1958	69
18. Effective Rates of Individual Income Tax for a Married	

Tables

Person with Two Dependents and a Single Person, at Selected Levels of Net Income, 1940-1954	74
19. Percentage Increase in Effective Rates and Percentage Decline in Income After Tax, at Selected Net Income Levels, Between 1939 and 1952	75
20. Comparison of Percentage Changes in Aggregate Personal and Fiduciary Dividends and in Dividend Gap for Selected Two-Year Periods	82
21. Estimates of Amount of Dividend Underreporting and Frequency of Such Errors in 1948 Derived from Audit Control Program Data	85
22. Estimated Absolute and Relative Size of Underreporting and Overreporting Errors for Returns with Major and Minor Errors in Dividends, 1948	86
23. Percentage of Taxpayers in Sample Who Fully Reported Information Document Dividends on Their Income Tax Returns, 1959	89
24. Percentage of Taxpayers Who Fully Reported Information Document Dividends, by Size of Reportable Dividends, 1959	90
25. Percentage of Information Document Dividends Reported on Income Tax Returns, 1959	90
26. Derivation of Dividends Not Reported on Tax Returns, 1936-1958	100
27. Values of Z_1 and Z_2 for Year-to-Year Changes in the Gap, 1936-1958	107
28. Estimated Revenue Loss Due to Dividend Underreporting in 1958	109
29. Selected Data on Dividends and Dividend Tax Liability, 1918-1957	112
30. Comparison of Percentage Changes in Dividends Reported on Taxable Returns and Dividend Tax Liability	116
31. Derivation of Measure of Revenue Flexibility	117
32. Personal Dividend Receipts Before and After Taxes, 1918-1957	118
33. Weighted-Average Marginal and Aggregate Average Rates of Tax on Dividends, Selected Years, 1929-1952	120

Tables

34. Comparison of Percentage Shares of Selected Components in Personal Income, Before and After Taxes, 1918-1956	124
35. Dividend Distribution Equalization Effect of the Personal Income Tax, 1934, 1937, 1941, 1947, and 1952	126
36. Share of Dividend Tax Liability by Income Classes, 1918-1957	128
37. Dividend Tax Liability as a Percentage of Total Personal Income Tax Liability, 1918-1957	131
38. Comparison of Effective Rates on Fully Taxable Interest and Dividends, 1924, 1929, 1935, and 1956	134
39. Comparison of Contributions of Corporate Earnings to Tax Liability and to National Income, 1918-1957	137
40. Differential as a Percentage of Earnings for Distribution, Computed at Average Rates at Selected Taxable Income Levels, 1913-1961	149
41. Differential as a Percentage of Earnings for Distribution, Computed for Marginal Increments at Selected Taxable Income Levels, 1913-1961	151
42. Percentage Reduction in Earnings for Distribution After Personal Tax Because of Corporate Tax, 1913-1961	166
43. "Extra" Burden Computed on Marginal Rates and Relief Provided by Dividend Tax Credits of 4 and 15 Per Cent, at Selected Levels of Stockholders' Taxable Income, 1961	168
44. Percentage Differentials, 1950	179
45. Comparison of Differential Against Net Corporate Earnings Under Standard Assumption and Two Alternative Assumptions, 1947	183
46. Effect of Relief Provisions of Internal Revenue Code of 1954 on Differential Against Earnings for Distribution	184
47. Reduction in Differential Against Net Corporate Earnings and Stockholder Incomes Due to Relief Provisions of the Internal Revenue Code of 1954	186

CHARTS

1. Personal Dividend Receipts and Dividends Reported on Taxable Returns, 1918–1957	16
2. Income Class Distribution of Dividends on Taxable Returns, 1918–1957	24
3. Percentage of Dividends and Wages and Salaries Accounted for on Tax Returns, 1936–1958	72
4. Tax Liability Attributable to Dividends as a Percentage of Total Personal Income Tax Liability, 1918–1957	113
5. Percentage Breakdown of Dividend Tax Liability by Income Classes, 1918–1957	129
6. Tax Liability Attributable to Dividends as a Percentage of Total Personal Income Tax Liability, by Income Classes, 1918–1957	132
7. Differential on Marginal Increments of Earnings for Distribution at Four Selected Taxable Income Levels, 1913–1961	160
8. Percentage Reduction in Earnings for Distribution After Personal Tax Because of Corporate Tax, 1913–1961	167
9. Differentials, 1950	178

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PREFACE

THE individual income tax levied by the Federal Government has since the war become by far the most important single source of governmental revenue in the United States. In 1958, an aggregate tax liability of \$34.3 billion was reported on 45.7 million taxable income tax returns. Over 85 per cent of the estimated total of adjusted gross income received by all individuals now appears on taxable returns.

Because of the fiscal and the broader economic importance of the individual income tax, the National Bureau of Economic Research has sponsored quantitative and analytical studies of various aspects of the tax and their changes over time. One of these studies, *Interest as a Source of Personal Income and Tax Revenue*, written by me, was published by the Bureau in 1955 as Occasional Paper 51. Another, entitled *Personal Deductions in the Federal Income Tax* by C. Harry Kahn, appeared in 1960. The present report on dividend income is the third.

LAWRENCE H. SELTZER

