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## APPENDIX H

### *Estimates of Nonbusiness Deductible Tax Payments*

#### NOTES TO TABLE 26

A breakdown of our estimate of the amount of taxes that qualify as personal deductions is presented in Table H-1.

**TABLE H-1**  
Estimated Nonbusiness Tax Payments in Deductible Category, 1922-1956

	<i>State and Local Taxes</i>					<i>Federal Excises (until 1943) (6)</i>	<i>Total Deductible Taxes (7)</i>
	<i>Property (1)</i>	<i>Income (2)</i>	<i>Motor Vehicle Licenses (3)</i>	<i>Gasoline (4)</i>	<i>Sales and Poll (5)</i>		
1922	811	54	79	9	27	153	1133
1923	879	68	97	44	26	124	1238
1924	948	49	113	79	24	92	1305
1925	1017	60	128	114	25	50	1394
1926	1086	76	142	149	26	40	1519
1927	1155	90	149	185	26	33	1638
1928	1163	107	158	240	27	28	1723
1929	1172	133	187	296	24	22	1836
1930	1213	110	183	341	27	20	1894
1931	1196	74	171	373	34	17	1865
1932	1134	64	158	374	38	24	1792
1933	1005	67	152	387	36	34	1681
1934	1013	87	153	410	244	35	1942
1935	1033	121	163	448	334	37	2136
1936	1017	167	176	480	441	40	2321
1937	1032	204	183	524	478	43	2464
1938	1046	208	181	564	514	42	2555
1939	1019	201	190	595	515	44	2564
1940	1049	232	210	649	582	71	2793
1941	1068	258	219	690	650	192	3077
1942	1102	291	198	513	838	417	3359
1943	1164	330	183	279	869	665	3490
1944	1231	366	178	250	833		2858
1945	1307	402	182	341	889		3121
1946	1430	409	199	697	1084		3819
1947	1664	488	226	765	1388		4531
1948	1943	570	253	812	1649		5227
1949	2311	718	288	909	1731		5957
1950	2597	776	326	1005	1893		6597
1951	2995	910	373	1100	2191		7569
1952	3377	1007	397	1239	2456		8476
1953	3721	1047	421	1309	2661		9159
1954	4059	1143	456	1477	2698		9833
1955	4350	1356	496	1596	2977		10,775
1956	4672	1473	534	1901	3230		11,810

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### Source, by Column

Column 1. 1929-1956: Commerce Department, *National Income*, 1954 ed., and *Survey of Current Business*, July 1957, Tables 8 and 39. 1922-1928: Bureau of the Census, *Historical Statistics on State and Local Government Finances, 1902-1953*, Table 1. The figures in this source cover all state and local property taxes, whereas the Commerce Department figures for 1929-1952 are for taxes on personal property, owner-occupied farm and non-farm dwellings. We therefore multiplied the pre-1929 Census figures by the average 1932-1942 ratio of Commerce to Census figures to obtain an estimate of deductible property taxes for the 1922-1928 period. In each of the six years for which there are Commerce and Census figures in the 1932-1942 period, the former amounted to about one-fourth of the latter. The Census figures are given for only 1922 and 1927. The values for the other years 1922-1928 are our interpolations.

Column 2. 1930-1956: Commerce Department, *op.cit.*, Table 8. 1925-1929: Roy G. Blakey, *The State Income Tax*, p. 65. 1922-1924: New York State individual income tax collections blown up by the 1925 ratio of total individual income tax (Blakey) to New York individual income tax collections. The New York figures are found in *Report of the New York State Commission for Revision of the Tax Laws, 1932*, Memorandum No. 11, p. 12.

Column 3. 1929-1956: Commerce Department, *op.cit.* 1922-1928: The average cost of motor vehicle licenses in the 1929-1940 period was multiplied by a series on motor vehicle registrations for the 1922-1928 period. The annual number of registrations for the 1922-1940 period was taken from *Automotive Industries*, March 15, 1949, p. 91 (as cited in Wilfred Owen, *Automotive Transportation*, The Brookings Institution, 1949, p. 19).

Column 4. Gasoline taxes qualifying as personal deductions were estimated by multiplying total gasoline tax collections of state and local governments by the ratio of personal consumption of gasoline to total gasoline consumption. The latter ratio was obtained by dividing the Commerce Department personal consumption estimates (Commerce Department, *op.cit.*, Table 30) by the Commerce figures on total domestic consumption of gasoline. Total domestic consumption figures in current dollars were computed by multiplying domestic consumption in gallons by the annual price per gallon (Supplement to Survey

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of Current Business, 1940 and 1957). For years before 1929 the average of personal to total consumption for the 1929-1939 period was used. The gasoline tax figures are taken from Commerce Department, *op.cit.*, Table 8, for 1929-1952; and from Bureau of the Census, *op.cit.*, Table 2, for 1922 and 1927. The remaining years are interpolations.

Column 5. Sales taxes on personal consumption purchases rather than for final business use were estimated by applying to total sales tax collection figures the ratio of personal consumption expenditures to the total of personal consumption expenditures and gross private domestic investment (adjusted for change in inventories). For 1929-1956 we used Commerce Department, *op.cit.*, Table 2; for the earlier years, Simon Kuznets, *National Income and Its Composition, 1919-1938*, National Bureau of Economic Research, 1941, pp. 137, 269, 272. Sources of the sales tax figures used are: 1929-1952, Commerce Department, *op.cit.*, Table 8; 1922-1928, Bureau of the Census, *op.cit.*, Table 3.

The poll taxes included in column 5 are from the Census Bureau's annual publications dealing with state government finances, e.g. *Financial Statistics of States* for 1922-1928, and *Compendium of State Government Finances* for recent years. For 1933-1936, the poll tax figures are interpolations.

Column 6. This item comprises taxes on admissions, playing cards, passenger transport, dues, bowling alleys, slot machines, the use of boats and automobiles, and one-half of telegraph and telephone services. The figures as given in column 6 are placed on a calendar year basis by simple averaging. Source: *Annual Report of the Secretary of the Treasury*, Fiscal Year 1929, Table 10; and Annual Reports of the Commissioner of Internal Revenue (Treasury Department) for later years.