

University of Miami Law Review

Volume 10
Number 4 *Miami Law Quarterly*

Article 22

7-1-1956

ALEXANDER'S FEDERAL TAX HANDBOOK. By Robert M. Musselman and Douglas D. Drysdale. Charlottesville: The Michic Company, 1955.

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Recommended Citation

Meyer M. Brilliant, *ALEXANDER'S FEDERAL TAX HANDBOOK*. By Robert M. Musselman and Douglas D. Drysdale. Charlottesville: The Michic Company, 1955., 10 U. Miami L. Rev. 611 (1956)
Available at: <https://repository.law.miami.edu/umlr/vol10/iss4/22>

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BOOK REVIEWS

ALEXANDER'S FEDERAL TAX HANDBOOK. By Robert M. Musselman and Douglas D. Drysdale. Charlottesville: The Michic Company, 1955. Pp. 921. \$17.50.

The Internal Revenue Code of 1954 (Public Law 591) was approved August 16, 1954, 9:45 A.M., E.D.T., by the Second Session of the 83rd Congress. It was amended by Public Law 729 and 746, approved August 31, 1954, and by Public Laws 761 and 767, approved September 1, 1954.

This resulted in a complete overhauling of our Federal Tax Laws, the first such sweeping revision in this century. Extensive and radical changes were made in all the substantive rules that determine tax liabilities. Hundreds of changes were made throughout the entire system of internal revenue taxes—income, estate, gift and excise.

Since over 58 million individual income tax returns were filed with the Director of Internal Revenue in 1954 alone, there is a great need for an essential tool to enable the average lawyer to cope with these new changes in the code.

Just such a tool is found in Alexander's Federal Tax Handbook, authored by two men who are attorneys, certified public accountants and lecturers in taxation at the University of Virginia.

In reviewing this book, not only was the text read, but a more practical approach was used. The book was used as a reference and research tool over a period of four months. Its usefulness and adequacy was tested in solving tax problems that arose every day throughout this period. Every time a tax problem arose, this book was used to find out if it contained the respective information and answers. This was, in my estimation, the only way to test the book's practicality. Then only could a true report be rendered respecting its usefulness as a tax problem solving tool.

The book is replete with explanations of the new code, supplemented by forms, rate charts and formulas. Specific examples of each rule or regulation discussed are included showing the formula used and the calculations necessary to arrive at the tax liability.

There are 36 chapters, thoroughly indexed, set out in the new easy to read type. Although it is technical because the subject is technical, nevertheless, the book is written in a simple straightforward, comprehensive and interesting fashion. The examples used are self-instructing. The

different forms of reporting income, gifts and estate taxes are included, and when such forms are required they are explained. The book is loose leaf, providing for new insertions.

Each page contains footnotes citing the leading cases, rules and interpretations by the courts and the taxing authorities, accompanied by a one paragraph digest of the facts and decisions in the case. It embodies all the new changes of the new code. Warning: It is not complete because many of the regulations have not been as yet officially interpreted and are ambiguous.

The book is adapted more for attorneys and accountants than for students. Lawyers interested in the jurisdiction, procedure and practice of taxation will find this a welcome volume on the subject. Faced with a tax problem they will find here a concise presentation of the applicable statute, regulation, ruling or court decision governing the tax problem.

The book begins with a concise historical review of federal taxation, explaining why the XVI Amendment to the Constitution was promulgated, and brings us up to the enactment of the new code in 1954.

Some of the many subjects defined and discussed are income, deductions, exemptions, depreciation, business and non-business gains and losses, installment and deferred payment sales, bad debts, different accounting methods and their advantages or disadvantages, withholding taxes, social security taxes, declaration of estimated income, procedures, statute of limitations, bonds to postpone payment of a tax imposed, petitions for appeal, burden of proof, petition for refund, miscellaneous taxes, manufacturers tax stamps, liquor, admission, liquor taxes, and doctrine of form versus substance.

An outstanding feature of this book is the concluding chapter—chapter 36, which lists and recommends the use of tax controls. This chapter explains how to arrange one's affairs in such a manner as to incur the minimum tax liability. It illustrates how one may most advantageously incorporate every option or election provided by the new code, in the way that will result in the least tax liability for the current year or in the long run.

Other problems discussed are: the tax detriment avoidable in making marital settlements, how to shift the income tax on alimony or separate maintenance payments to a wife, avoiding tax pitfalls in lease transactions, when to exchange rather than sell, tax economy under the gift tax provisions, tax control and advantages in selecting the proper form of doing business, pension and profit-sharing plans for corporations, the numerous inter-relationships among the income, gift and estate tax laws and how to avoid double taxation.

A set of specimen tax returns, including individual corporate, partnership and fiduciary income tax returns, filled in and explained, is furnished to each purchaser. The official text of the Internal Revenue Code of 1954 is also furnished in a separate binder.

This book is recommended to the members of the Bar as a keen analysis of our tax code. It is indeed a notable contribution to the tools of the profession.

MEYER M. BRILLIANT

MEMBER OF THE MASSACHUSETTS BAR