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TAXATION

By S. G. McMullin, of the Grand Junction Bar

A NUMBER of years ago, Professor Richard T. Ely of the University of Wisconsin, made the prediction that in 25 years we would see state socialism because excessive taxation would destroy private ownership of land. Looking at the matter from the present condition, his predictions seem to be about verified. To be sure, this is not the first time that there has been a general inability to pay taxes on real estate due to the financial condition of the owners, but it is much more serious now because of the tremendous burden which our system of government and our standard of civilization has imposed upon the various states, and living as I do, in a largely agricultural county, I become more impressed with the thought that the great problem and predominant cause of our present depression in this country is excessive taxation, and that our present system is ineffective, and destructive.

For the sole purpose of starting a round table on the question by the bar, I am offering my personal views on the remedy.*

1. Inasmuch as the protection of government inures to the benefit of everybody, both male and female, and inasmuch as a very large percentage of our population are not taxpayers, it seems to me that part of the revenue necessary for our state and local government should be secured from per capita taxes. I don't see why it is not feasible for every adult in the State of Colorado, as a qualification for the rights of citizenship, to pay a per capita tax of say, \$10.00 a year, or even \$5.00 a year; the tax to be a prerequisite to voting and possibly other rights as valuable, and which are established at public expense, such as access to the courts. Corporations in this state are required to pay two kinds of local taxes; one on filing their annual report, and the other, which is called the flat tax, and why should this not be extended to all citizens.

2. State income taxes in a state like Colorado, are impractical and would be unjust. The feeling is growing that the ideal tax would be a general sales tax, collected and paid

*Dicta will be pleased to publish any replies received.

by the seller of merchandise of every kind and description. The State of Mississippi has been forced to try this experiment, which is still in its infancy and has not had time to disclose what, if any, weaknesses there are in the plan, but which, up to the present time, apparently is accomplishing good results.

It seems apparent to me that unless taxes, on farms especially, can be reduced greatly, or even abolished, that there can be no economic recovery in this country. We are facing, under the present rate of consumption, an over-production in everything, and production must be curtailed, which will in itself reduce income to a point where there is no room for the payment of taxes by the average farmer. In addition, the day is fast approaching when instead of looking upon the big corporations of this state, like the railroads, as an inexhaustible source of revenue for the purpose of carrying out the fads and fancies of government, especially education, it will become a matter of first concern to help them maintain themselves so that they can furnish proper service, and reduce their rates and charges to meet present day conditions.

It seems further, that there is a general lack of business efficiency in the collection of taxes. I know of no county treasurer's office that is equipped to keep track of and see that the collection of personal taxes is made, nor do I know of any county treasurer's office where accumulated taxes on abandoned property are being worked out, or where deeds are being taken by the County so that the land can be resold to someone who will utilize it and put it in the taxpaying class again.

Our present system of taxes is based on the idea that real estate is the basis of all value. In the economic evolution, especially since the World War, conditions have destroyed the foundation for this belief and our system of taxation has not kept march with the change of conditions. One cause of the bitterness of the farming class in this country is their feeling that the principal wealth of the country, to-wit, stocks and bonds, and other securities, escapes any taxation whatever, while they pay more than their proportionate share.

I hope this will start a train of thought which will result in a movement to develop a present day working system of taxation.