STATE OF NORTH CAROLINA

REPORT

OF

THE TAX COMMISSION

TO

GOVERNOR ANGUS WILTON MCLEAN

Authorized by the 1927 General Assembly

RALEIGH

THE TAX COMMISSION

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LETTER OF TRANSMITTAL

To His Excellency, Angus Wilton McLean
Governor of North Carolina

Sir: We have the honor to transmit herewith the report of The Tax Commission authorized by the 1927 General Assembly, Chapter 157 of the Public Laws of 1927.

A. J. Maxwell, *Chairman*
L. A. Bethune, *Vice-Chairman*
Robert Lassiter
J. K. Norfleet
T. D. Warren

Fred W. Morrison, *Executive Secretary*
Office of The Tax Commission
Raleigh, North Carolina
December 31, 1928

PREFACE

The Tax Commission is under the pleasurable necessity of making acknowledgment to many persons, institutions, and departments for coöperation in the making of this survey of our tax system and its bearing upon all classes of taxpayers.

Our first acknowledgment is to the State Colleges and University for their fine coöperation. We take this opportunity of thanking the Presidents and other administrative officers of the University, State College, and North Carolina College for generously placing at our disposal the services of their best equipped professors for research in the fields which the Commission purposed to study. Our state institutions have an enviable reputation in research. This volume is the outcome of a distinctive major effort in coöperative practical research in a field which, perhaps more than any other, holds the key to our continued economic and industrial progress. We invite the attention of the whole state to the potential significance of applying business principles to the administration of our public affairs and of drawing to the aid of such business administration mature research from our institutions of learning.

To other state departments and to the financial officers of the counties we are indebted for coöperation and help in practically every phase of our investigations. We make especial acknowledgment to Hon. R. A. Doughton, Commissioner of Revenue, for generous aid in making available official reports and information on state and local revenue.

We are under obligation to the Federal Bureau of Agricultural Economics for generous assistance in projecting and carrying through the survey of agriculture. The Bureau generously placed its farm taxation and farm management staff at the disposal of the Commission in making the study of agriculture.

The Forest Taxation Inquiry of the United States Forest Service gave real assistance in the consideration of the taxation of forests and timberlands, for which we make due acknowledgment.

The first major investigation undertaken by the Commission, the Taxation of Agriculture, owes its value in large measure to the efforts of Dr. G. W. Forster, professor of agricultural economics, North Carolina College of Agriculture and Engineering, who directed the survey and wrote the report.

The Commission is indebted to Dr. Clarence Heer, research associate in the Institute for Research in Social Science, the University of North Carolina, for the survey of the Taxation of Public Service Corporations. For this important study Dr. Heer was peculiarly well equipped by virtue of having recently made a similar study for the Governor and General Assembly of Virginia.

One of the important and difficult problems facing the Commission when it began its work was the question of the taxation of intangible personal property. Professor Albert S. Keister of the North Carolina College for Women was selected to investigate this subject. After finishing this study, Dr. Keister conducted the survey of the tax burden on city real property. In connection with the field work for this investigation, Dr. Keister also collected the data presented in the report on highway advertising signs.

The survey of the administration of the general property tax was the outgrowth of a joint conference between the Tax Commission and the County Government Advisory Commission in the early summer of 1928. The plan for the study is the combined work of Professor Erle E. Peacock and Professor P. W. Wager, and Messrs. C. J. Bradley and Edward A. Terry, members of the Institute for Research in Social Science—all of the University of North Carolina, and Mr. W. E. Easterling, assistant executive secretary of the County Government Advisory Commission. Mr. Peacock was in charge of the field survey, and Mr. Wager, with the assistance of Mr. Bradley, wrote the report. The work of this group makes available a comprehensive body of information on the administration of the general property tax and on related subjects.

Grateful acknowledgment is made to Professor J. B. Woosley of the University of North Carolina, for his excellent study of the Taxation of Banks, and to Professor C. P. Spruill, Jr., of the same institution, for making the valuable study of the Taxation of Inheritances and Estates.

The Commission is indebted to Dr. Roy G. Blakey, professor of economics, the University of Minnesota, for the study of the State Income Tax. Professor Blakey, who had just spent a year with the Institute of Economics, making a special study of the Federal Income Tax, possessed a splendid equipment for making an analysis of our state income tax.

To Mr. L. R. Gottlieb, formerly with the National Industrial Conference Board, we are indebted for making the study of the Comparative Burdens of Taxation.

To Professor Thomas S. Adams of Yale University we make grateful acknowledgment for most valuable advice and guidance in the critical period of acquiring a perspective and a conception of the scope of our investigation. He brought to us a theoretical knowledge, seasoned with a practical experience, which was of inestimable value in visioning our problem.

The Commission is indebted to Professors Stewart Robertson and Roger Marshall, of the English faculty of North Carolina State College, for valuable assistance in editing and preparing the report for publication, and to Professor Marc C. Leager of the same institution for the preparation of the charts used in the graphical presentation of the various tables. The excellent graphs in the section on Taxation of Agriculture, however, were prepared by the Bureau of Agricultural Economics, United States Department of Agriculture.

The Commission was fortunate in its office staff, the non-commissioned officers. It is under especial obligation to Mr. H. H. Wooten and to Mr. C. J. Bradley and their assistants for careful and intelligent handling of the clerical and statistical work which represents the bulk of the Report.

Our final acknowledgment must be to Dr. Fred W. Morrison, executive secretary of the Commission; and, if official documents permitted the luxury of honorary dedication, we would dedicate this volume to his understanding zeal and his never-failing labors for the success of this undertaking. From his student days at the University of North Carolina through his graduate studies under Professor Seligman and Professor Strayer at Columbia University, he has majored in studies of taxation, and always with his thought upon North Carolina's tax problem. He had just completed a leave of absence from his classes at the North Carolina College for Women, to serve as assistant executive secretary of the State Educational Commission, when at our request he agreed to ask for another leave of absence to undertake this assignment. In planning the scope of this investigation, and in organizing coöperative assistance of individuals, departments, and institutions, his services have been invaluable.

THE TAX COMMISSION

Raleigh,
North Carolina

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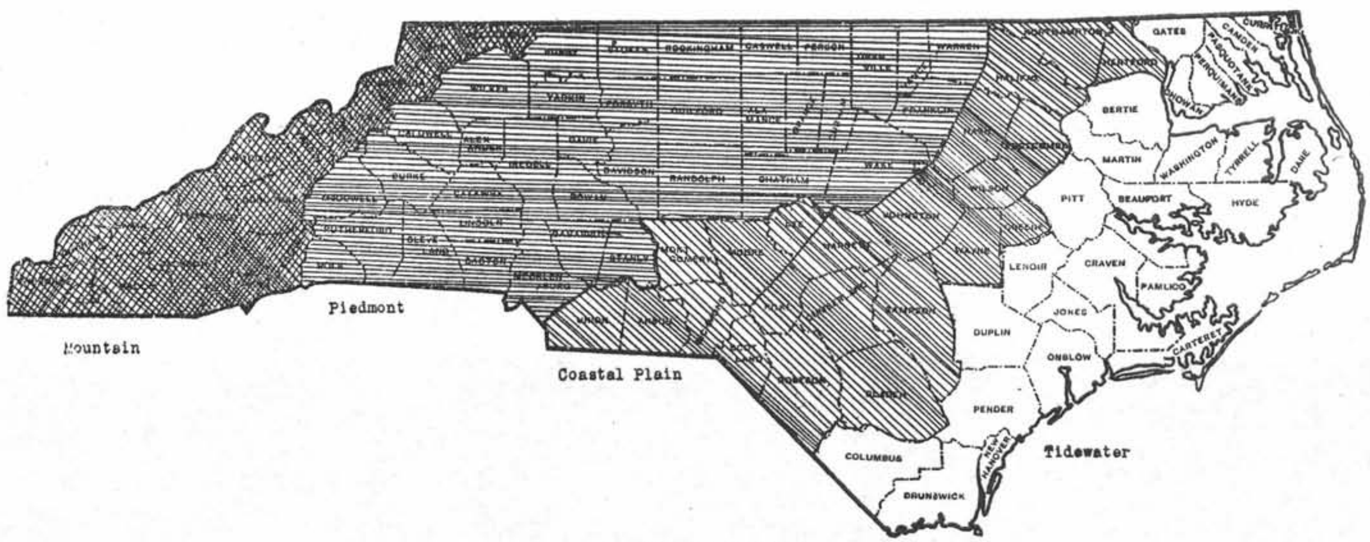

NORTH CAROLINA

REPORT OF THE TAX COMMISSION

PART I

FINDINGS AND RECOMMENDATIONS

The Tax Commission, which was appointed by the Governor, July 9, 1927, under the authority of Chapter 157 of the Public Laws of 1927, was charged with the following duties and responsibilities:

> To make a thorough study of the subject of taxation as it relates to taxation within and by the State of North Carolina, including all cities, counties, and subdivisions, their exercise and power of taxation.
>
> To make a study of taxation in other states and places, including the subjects of listing of property for taxation, the classification of property for taxation, exemptions, tax collections, and tax collecting.
>
> To make a comparative study of taxation in all its phases, including the relation between state and federal taxation.
>
> To assemble, classify, and digest for the practical use of the state all the available data and knowledge on the subject of taxation, with recommendations of the Commission for legislative consideration; to submit the same to the Governor and the General Assembly and make them available for all interested citizens, as well as for all officials whose duties relate to taxation in any phase whatsoever.
>
> To inquire as to whether any constitutional changes with respect to taxation are deemed necessary.

The purpose in the creation of the Commission was to establish the constructive policy of furnishing the Governor, the General Assembly, and the people all the essential information as to the character of our own tax system and those of other states to the end that the General Assembly might make such laws and the people might so amend or reconstruct the Constitution, if necessary, as to bring about for North Carolina the best possible system of taxation and thereby promote the best interests of the State and its citizens, both within its borders and in its relations with other states.

REVENUE NEEDS AND RECOMMENDATIONS

The existing tax laws of the state, with particular reference to state revenue, were completely reconstructed in 1919-1921, and along lines generally considered to be the most modern, progressive, and efficient. By the levy of a comprehensive state income tax, and a substantial increase in corporation franchise, inheritance, and special privilege taxes, provision was made for all state revenue without any tax upon any kind of property, and machinery was provided for the administration of state tax laws and the collection of all state revenue directly by agents of the state through the State Department of Revenue. This new and modern system of financing state expenses has operated with a minimum of friction and complaint, and in contrast with former revenue necessities of the state, has provided liberally for its needs. The total of revenue collections by the state for its general fund for the year 1920, the last year under the old system, was \$3,027,413[1], and for the fiscal year ending June 30, 1928, was \$13,912,302, leaving a substantial cash surplus of \$2,235,232 at the end of the fiscal biennium. Collections by the state for the state highway system are not included. Prior to the year 1920 the state had made little more than a gesture in the direction of developing a state system of public roads. Its collections for this purpose were nominal and intended mainly to meet the conditions of federal aid. In 1928 (fiscal year) the collections of revenue for the state highway fund were \$15,782,254. This large and annually increasing sum was for the year 1928 ample for adequate maintenance, bond interest, sinking fund, and amortization, with a balance of about eight million dollars (including federal apportionment) for new construction.

For the same period here under consideration, 1920-1928, the revenues of local units of government in the state—the counties, school districts and municipalities—have progressively increased and are raised by the method in general use by local governments throughout the country, that is, by a direct tax on property.

We are citing, preliminarily, these few outstanding facts, as the basis for our assumption that, in providing for the general survey we have undertaken, there was not in the legislative mind the thought that our revenue system was in need of another general and complete reconstruction; but that it was desired to make a searching inquiry into the operation of the system that we have, to test the reasonableness and equality of its bearing upon different groups and classes of taxpayers, and to recommend such changes as the results of investigation would seem to justify.

With this conception of our responsibility we caused to be organized a group of trained men and have used the limit of time and means at our disposal to make the survey as thorough as possible.

[1]Exclusive of a property tax of \$4,103,137 by the state for 3 months of the 6 months school term. This tax was levied as a state tax only in 1919 and 1920 to equalize one-half of the six months school term. It was a county tax before 1919 and has been a county tax since 1920.

There will be embodied in this report surveys covering the following subjects:

The Taxation of Agriculture;
The Taxation of City Real Estate;
The Taxation of Public Service Corporations;
The Taxation of Intangible Personal Property;
The Taxation of Banks;
Tax Administration and Tax Delinquency;
The Inheritance and Estates Tax;
The Income Tax;
The Taxation of Highway Advertising Signs;
Tax Levies and Indebtedness, 1928—State and Local;
Comparative Burdens of Taxation.

The information contained in these reports is commended to the careful consideration of members of the General Assembly and of the taxpayers of the state.

A careful analysis of these reports will be convincing that the tax burden bears heavily upon every class of property and industry in the state, and that the use of credit, which means higher taxes, should not be further employed by the state, or by local units of government, except in the case of grave public necessity.

STATE REVENUE

One may not rightly say that the state has reached the legal limit of its ability to impose taxes. It has not. But there are practical considerations almost as imperative as legal limitations. The state's general fund revenue depends mainly upon taxes upon organized industry—its income and franchise taxes. However heavily the general property tax for local purposes may bear upon the property of the average citizen—the farmer and the home-owner—it bears at the same rate of tax and in equal proportion upon the property of the business and industrial corporation; and the corporation franchise and income taxes levied by the state are in addition to the same proportion of property tax burden for local purposes borne by the average taxpayer. Our tax upon income includes "income from property that is taxed," which was made possible by amendment of the Constitution of 1920. The fact that it is in the nature of double taxation, superimposed for state revenue upon income from property already heavily taxed for local purposes, should be convincing that the rates of tax must be reasonable.

There is also the important practical consideration that the growth of industry may be retarded in any state that may become conspicuous by comparison with its neighbor states in the tax burden imposed upon its industries. The tax burden may, and often does, determine the location of an industry, or the success or failure of an industry, or the expansion or contraction of an industry; and looking to an expanding industrial future in this state, we must have regard to maintaining a balanced situation with relation to states that are our natural competitors in this respect. We commend a careful examination of the survey in this report as to the tax burdens in this and other states on industry. This survey seems to us convincing that we cannot with safety increase the tax burden upon business and industry by further taxes levied either by the state or by local units of government.

It seems pertinent to record two other facts about state revenue. When the present system of state revenue was completed in 1920 it contemplated the whole range of practice in other states; there was incorporated into our tax laws every form of tax levied by other states that was deemed to be a proper tax to impose in this state. In 1925 all these forms of tax—income, inheritance, franchise, and privilege taxes of all kinds—were increased an average of 45 per cent to meet the necessities of the treasury at that time, to equalize revenue with the previously increased basis of state expenses, and these increased rates of tax have continued.

There has been some confusion upon another phase of the development of the present tax situation. In surrendering to local governments the exclusive right to tax property, in 1921, the state did not absorb any of the tax privileges formerly used by local governments, except as to two or three privilege and license taxes levied under Schedule B of the Revenue Act, and as to which a tax was formerly levied by both state and local governments. The revenue from these taxes was inconsequential. Prior to 1921 the state collected the automobile tag tax and distributed 70 per cent of it to the counties. In 1921 this distribution was discontinued, and in lieu of it the state took over from the counties complete responsibility for the construction and maintenance of 6,000 miles of public roads, adopted as the state highway system and since extended to 7,500 miles. In surrendering the property tax the state adopted new forms of tax not theretofore employed by the state or local governments and increased taxes formerly levied exclusively by it, so that the effect of the surrender of the property tax by the state was to leave additional taxing power to the local governments.

State revenue would not at this time present any difficult problems but for the demands for greater participation by the state in local expenses for which there is held to be state responsibility. The state has a surplus in its general fund, and we may reasonably anticipate a natural increase in revenue from existing levies to take care of natural increases in expense of maintaining the state government and its institutions.

LOCAL REVENUE

The reason for the demand for a larger degree of state participation in the expenses of local governments will also be found in an examination of the studies contained in this report. It is reflected in the heavier burden of local taxation. The present thirty million dollar public school system presents a real problem in taxation in contrast with the five million dollar public school system of ten years ago. In this the state has set at least the minimum standards of service and cost, and in other kinds of public service the state has stimulated local governments to largely increased expenses. All of them are perhaps of a highly useful character, and the taxpayers of the state receive the benefits from these increased and improved agencies of service. But they present a real problem in taxation and in successful administration. It will be helpful in visualizing this problem—its magnitude and its growth—to show its present size in contrast with 1920:

	1920	*1928*
Total property taxes levied by counties	$18,147,937	$37,127,659
Total property taxes levied by districts	5,702,737	11,979,668
Total property taxes levied by cities and towns	4,480,987	14,173,489
Total local property taxes levied	$28,331,661[1]	$63,280,816[2]

Of the total property taxes levied by counties in 1928, $19,113,235 was for schools, $7,913,855 for debt service (interest and amortization), and $5,205,430 for public roads. Of the total district property tax in 1928, $10,404,704 was for schools and $1,574,964 for other purposes, mainly roads. The district school levy was divided as follows: Rural schools, $5,013,040; city schools, $5,391,664.

Of the total levy of $14,173,489 by cities and towns, $8,330,981 was for general purposes and $5,544,716 for debt service.

For the same period indebtedness was as follows:

Counties	$37,013,393	$161,646,767[3]
Districts	13,687,450[4]	45,189,360
Cities and towns	43,400,823	178,064,665
Total local indebtedness	$94,101,666[1]	$384,900,792[2]

[1]Consolidated Report of The State Educational Commission, Part IV, Table VIII, page 402.
[2]Complete figures for 1928 unavailable. Table includes a few 1927 figures.
[3]Includes $15,223,000 owed to the state. Loan from state special school building fund.
[4]Partly an estimate.

The burden of sustaining this volume of indebtedness and of furnishing the revenue for our counties, districts, cities and towns, is almost completely a burden upon general property. Counties and cities receive some revenue from license and privilege taxes (Schedule B), and both counties and cities levy poll taxes. Their entire tax revenue received from sources other than the general property tax, compared with their total revenue, is inconsequential.

Of the total revenue of all these units of government, 70 per cent is derived from taxes levied on real property. Of all forms of tax levied, that upon real property is least able to escape. Real property cannot move or be concealed. The tax each year constitutes a first lien, and the owner must either pay the tax or lose his property. But with all the elements of certainty in this form of tax it has inherent limitations that cannot be exceeded without endangering its successful and efficient administration, and this limitation concerns itself with the income of the property taxed. If all property earned annually a high rate of income, a tax might be successfully enforced that absorbed a large part of the income. But all property does not earn equally in one year or uniformly each year. Much property that is employed to produce income will fail to produce any income. As the tax applied to the value of property increases, an increasing amount of it will be defaulted, even though it carry the penalty of complete loss of ownership.

An analysis of the studies embraced in this report plainly indicates that the reasonable limit of property taxation has been reached. Personal property listed is slowly, but steadily, shrinking, and real property sold for taxes and surrendered by the owner is rapidly increasing. The facts presented on this subject must challenge attention. They have been compiled for a four-year period report on tax administration. Summarized to totals for the state as a whole, as nearly as can be ascertained from existing records, they show real property sold for taxes as follows:

1924	$ 742,782
1925	$ 947,630
1926	$1,186,540
1927	$2,326,704

There is a total of $4,433,243 of tax levied and uncollected for the years, 1924-27, for which owners permitted their property to be sold, and left unredeemed at the time of this investigation, September, 1928.

In one of the wealthiest counties of the state, real property advertised in May, 1928, for non-payment of 1927 taxes amounted to 21 per cent of the gross levy for 1927.

These indices direct consideration to at least two general phases of the problem of property taxation:

The measure of the burden of the property tax
The administration of the property tax

As to the measure of the burden of the property tax, other studies in this report throw light upon it.

They show that taxes absorb 28.7 per cent of the net income of owner-operated farm lands, 28.9 per cent of net income of rented farm lands, and 29.5 per cent of the net income of rented property in cities.

These figures cannot be accepted as an infallible index of actual conditions, because they are necessarily based upon inquiry as to a small fraction of the total (and as to these, approximations instead of exact facts are often necessary); and because the sampling method used covers only one year. But we can say that they represent an honest and diligent effort, directed by men of intelligence and skill, to ascertain the true situation.

All of these facts are persuasive, to our minds, that we have reached a level of property taxation that raises a danger signal, and that requires every reasonable effort to reduce tax levies on property in so far as it may be done without impairing the high character of public service furnished by the state and local governments throughout the state.

We are further persuaded that this problem is of such magnitude that a solution of it may not be found through any one avenue of approach. If a solution is to be found that will be appreciably felt by property owners throughout the state, there must be brought into the solution a comprehension of all its phases—governmental costs, revenue sources and distribution, and administrative efficiency and safeguards. The benefits of tinkering with one element of the problem may easily be absorbed by lost motion in others without any substantial beneficial results in service or tax payments.

PUBLIC SCHOOLS

The most important element of cost to property-owning taxpayers of the state is that of public education. From the standpoint of cost and of service rendered, it is our most important problem in government and taxation, and for this reason it has first place in our discussion of property taxation.

What portion of public school expenses should be borne by the state and by the counties, respectively?

State participation, up to the point of equalizing costs with relation to wealth and tax-paying ability as between the several counties, is a question of equalization. Beyond the point of equalization it is generally conceived of as a question of property taxation on the one hand, or of revenue raised by the state from sources other than a tax on property on the other and distributed as a supplemental school fund as distinguished from an equalizing school fund.

The obligation of the state to equalize the tax burden for operating expenses of the public schools of the state for the constitutional term of six months, among ninety of the one hundred counties, based upon an equalization of property values, seems generally recognized, as was shown by the increased appropriation for this purpose by the last General Assembly. There is little demand for the extension of the equalization principle to a degree of refinement that would include the other ten counties. Although tax-paying ability as among the ten counties of greatest wealth could not be precisely equal, it is perhaps as nearly equal as would be the degree of perfection in the operation of any rule that attempted to establish a theoretical equalization among them. To extend the equalization principle to the remaining ten counties upon any formula that has yet been approved would also result in the distribution of large sums to counties in this higher group with little resulting benefit to the counties having the lowest rating of tax-paying ability.

The heaviest burden of school taxation will be found to exist in those counties and districts of low taxable wealth that have provided schools beyond the constitutional requirement of six months, because the equalizing help from the state does not extend beyond the constitutional term, and all expense of operation beyond six months is dependent solely on their own special taxes in addition to the regular taxes for the six months term. This burden is especially heavy in special tax districts having low taxable values, and located in counties that do not provide any equalization in operating expenses of the schools within such counties.

If the principle of equalization, now generally accepted, is correct as between the state and the counties, it is equally correct as between the school districts within each county. Quite a number of counties have recognized the justice of this principle and operate all schools upon a uniform basis of tax rate, length of term, supervision, etc. The extension of this principle generally within the counties would operate to equalize the tax burden and to provide relief where the need for it is greatest.

There are a number of factors which make it impracticable for us to recommend or to assume a definite sum of increase in the appropriation by the state to the public schools. We assume that it will pursue a policy of increasing liberality, having regard for its own budget necessities and the reasonable limitations of its own taxing power.

Whatever additional sum the state can provide, without resort to a state tax on property will operate in the direction of relief to property taxpayers in the participating counties; and if an equitable means could be found of bringing special districts that operate beyond six months into participation in such increased appropriation, it would provide relief where there is great need for it, and where the property tax burden is bearing most heavily.

WHAT SHOULD THE PUBLIC SCHOOLS COST?

Every tax study must give consideration to public school costs, for that is the principal item of cost of government, and it is annually increasing. To plan satisfactorily a tax policy for the future there should be some conception of the amount of revenue that will be required.

North Carolina has been so thoroughly stimulated with enthusiasm for education that it has provided revenue for this purpose in rapidly increasing volume. Between 1919-20 and 1928 the total cost of maintaining and operating the public school system of the state was increased from $9,568,745 to $25,565,975. In the 1921-22 to 1927-28 period appropriations for maintenance for state institutions of higher learning increased from $1,250,000 per annum to $2,241,200 per annum.

We have no thought that North Carolina will do other than go forward with its educational program to the achievement of every reasonable objective; but with this educational machinery greatly broadened as a result of these rapidly expanded appropriations, it would be the most natural thing to turn now to a searching inquiry into its operations on this new basis—to set up the machinery for an investigation, friendly in character but thorough and comprehensive, and intended to promote the best interests of the state through the use of the most economical and efficient methods throughout our entire public school system.

Such an inquiry would disclose any number of interesting problems ready for consideration. What should be taught in the schools? Can the business management of the public school system be improved? Balancing considerations of both economy and efficiency, is the average pupil load per teacher as large as might be in our primary schools, high schools, colleges? Are all the subjects taught in primary and high schools practical subjects of public school instruction? Has the new system of transportation to our centralized schools been sufficiently standardized as to type of busses used, methods of operation, purchase of equipment and supplies? Are over-head costs and service on an economical basis? With centralized schools and good roads, should there be a separate supervisory organization for city and rural schools? How should supervision costs for the small counties be handled?

Is there a well-considered plan of coördination as between the several institutions of higher learning supported by the state? Is there duplication and over-lapping within and between these institutions? Should there be a department of engineering and a department of journalism at both the University and State College? With present transportation conditions do we need more or fewer teacher-training schools?

We are merely indicating that here is a broad field to which should be brought the informed judgment of able men, with a breadth of view that can comprehend the relationship of each to the whole, and apply to every phase of it a balanced judgment as to the cost and value of the service. The constantly increasing demands for these purposes, after we have reached the limit of reasonable taxation, seem to call for the sort of inquiry we have indicated.

We had to build our educational machinery almost from the ground up, but if we have reached the reasonable limit of taxation, we must find the means of adjusting increased expenditures to natural increase in wealth and population and ability to raise revenue.

PUBLIC ROADS

In our opinion a material reduction in the property tax in all counties in the state can be effected by a complete change in the system of maintaining public roads not a part of the state highway system, and by a transfer of a substantial part of the cost of county road maintenance from the property tax to the gasoline tax.

The county as a unit basis for maintaining public roads is in the very nature of the case an uneconomic unit. Efficient and economic maintenance of public roads has become largely a matter of skillful use of expensive power-operated machinery, with a continually developing knowledge of technique in operation. County areas are not large enough to employ the use of such machinery at maximum efficiency. Knowledge of the most suitable machinery and the technique of operation cannot be developed by one hundred county boards, frequently changing, with the degree of efficiency of a central agency. The State Highway Commission already has an organization that reaches into every county in its maintenance of the roads in the state highway system. Its big task in construction work is in the main complete, and in the natural order of things its big organization for construction work is in process of reduction.

Next in importance to public schools is the expense of maintaining county roads, and here again we are considering an expense that is a direct tax on all property. In 1926 the taxes levied for county highways were $10,730,358, as nearly as this item can be ascertained. Of this sum $5,120,900 was for interest and retirement of public road bonds issued by the counties, and presumably the balance of $5,609,458 was for maintenance of county roads.

The most successful and least unpopular tax that has been levied in North Carolina is the gasoline tax. There are two reasons:

1. The user who pays this tax when he buys his gasoline knows that every dollar of the tax goes to improve and maintain the highways over which he rides, and he knows that he is getting full value for his tax money as every gallon of his gasoline sprays through his carburetor.

2. He knows that the tax he pays on his gasoline measures, on the basis of use of the highways, his proper proportion of that tax in as nearly a perfect way as any tax could be measured. No better measure of the use of the highways could be found than gasoilne gallons, and the tax is measured by gasoline gallons.

It has been a very successful tax in that it has produced a rapidly increasing stream of revenue far beyond original expectations. It is an economical tax from the standpoint of administration. It is collected at the source, practically without expense, so that the full measure of the tax goes into road service. Together with the tag tax it yields a sum sufficient for interest on all state highway bonds, sinking and retirement funds sufficient to retire all state highway bonds in 25 years, adequate maintenance of state highways, and a large annual surplus available for new construction. For the year 1928 there was a surplus of about $8,000,000, and the revenue is rapidly increasing. It is also a tax that our neighbor states levy at a higher rate than we do. Virginia on the north and South Carolina on the south each levies five cents per gallon, whereas our tax is four cents.

If the principle of the gasoline tax—distributing the highway cost on a measured basis of actual use—is a correct principle as to 7,500 miles of public highways taken over into a state system, may not the same principle be applied to all highways that are in fact necessary public highways in the sense of actual use by the general public?

We have already stated that the investigation reports previously discussed have been convincing to us that the tax burden is bearing heavily upon every class of industry in the state; and having reached this conclusion, we could not advocate an increase in any general tax that would not be reflected in a reduction of tax burden where the burden bears heaviest.

We are convinced that it would be sound public policy to lift so much of the tax on property in every county as is levied to maintain the type of county highways described; to place the maintenance of all such public highways under the State Highway Commission, with its efficient organization, its modern equipment, and its thorough knowledge of how to maintain them most efficiently; and to make such addition to our gasoline tax as, together with the existing rate of accumulation of surplus in that fund, will be sufficient to maintain the larger system, and leave a substantial sum for new construction. We are convinced that it is poor economy to have both a state organization and a county organization engaged in the same undertaking of public road maintenance in each county.

To divert any part of the revenue from these funds to any other purpose than construction and maintenance of public highways would be a serious mistake, and would raise a serious question of good faith with the holders of our highway bonds as well as with those who pay the tax. To dissipate a part of them by distribution to the counties would be to perpetuate a dual system that is essentially and incurably uneconomic.

If the problem is looked at purely from a statistical standpoint it looks hopeless. There are said to be 65,000 miles of road in the state designated as public roads, while there are in the state system only 7,500 miles. But 85 per cent of the miles traveled on public roads in the state is said to be traveled on the 7,500 miles of state highway. Maintenance costs will bear an important relation to the use of the roads.

If the plan we are presenting should be favorably considered it would, of course, be necessary to lodge some discretion in the State Highway Commission as to the times, terms, and conditions under which roads would be taken over, the additional mileage that can be assimilated each year, and to provide appropriate classification for different types of road, with relation to the degree of their public use, and the consequent condition of maintenance that might be expected with relation to each class of road.

It is not our thought that the state should at any time take over 65,000 miles of road. A large part of this mileage is made up of roads that are not necessarily public roads in the sense of general use by the general public. Many of them serve just a few people, and are more nearly private than public roads. Roads of this type do not require machine maintenance and generally could be maintained on a contract basis with interested users more economically than any other way. Roads of this type should remain with the counties. The state should not take over unwise and unnecessary duplication of roads. We are presenting the inquiry if there is not a practical dividing line that may be set up that, with increased revenue, may be reached by the State Highway Commission, and beyond which the counties could be relieved of the larger part of their road maintenance taxes, leaving a balance of little-used road mileage to be maintained on a county maintenance contract basis.

It is estimated that the yield of existing tax levies for the state highway fund now leaves a substantial sum that may be applied to the maintenance of additional mileage that may be taken over annually into the state system, and that the natural increase in yield of existing levies will provide for absorbing a substantial additional amount of road mileage each year. To increase the gasoline tax from four to five cents per gallon, equal to the Virginia and South Carolina rate, will provide about two and a half million dollars per year in addition to the sum already available for maintenance of additional road mileage. It seems commonly accepted that no additional state highway bonds will be issued.

We commend this subject to the careful consideration of the General Assembly, with confidence that the objective herein indicated is not impossible of achievement, and with the confident belief that it offers the most important avenue of relief from high rates of tax on property.

Again we would emphasize the consideration that a saving for property taxpayers will not reach them if saving at one point is absorbed by increased expenditures at another point. Where a substantial saving to the counties is effected by the state taking over important county roads, the saving ought not to be spent by the counties in laying out more miles of new roads, not needed by the general public, but should be reflected in a reduction of county taxes for road purposes. In the opinion of experts we already have many miles of public roads not justified by any public need. We repeat that a substantial reduction in taxes on property can only be achieved by a coördination of effort and purpose by all the agencies of government directed to that end.

PROTECTION OF ROADS FROM OVERLOADING

In the opinion of the State Highway Commission adequate provision has not been made to protect highways from overloading. The maximum load limit is liberal, and no provision has been made for enforcing this liberal limitation. The limitation is, therefore, not observed, and is regularly violated by some distributors. The state and counties have too much invested in these roads to permit their abuse by overloading. That is the only known factor that can seriously injure them, and unregulated overloading can destroy them. Adequate measures to protect them from this hazard should be promptly provided. Another two years of delay would, no doubt, result in serious damage.

ADMINISTRATION OF THE PROPERTY TAX

When the state abandoned the property tax for state revenue in 1920, the pendulum was permitted to swing too far in the direction of indifference to local governmental problems. It was the natural thought that the state no longer held an interest in the administration of the property tax and that, in deference to local self-government, each county and municipality would be permitted to go its way. The natural relations between the state and local units of government are such that neither can be indifferent to the other, and it involves no violation of the sacred principle of local self-government for the representatives from these local units, who compose the General Assembly, to provide such general laws, to be observed by the local governments, as will maintain the soundness of their financial structure. provide the means to prevent oppressive or unequal taxation, unwise and unreasonable indebtedness, and generally to secure to their citizenship the highest benefits of government. It is only through such well-ordered government that the sacred principle of local self-government can find its best expression and the rights of persons and property their best protection.

The Constitution of the state, in its chapter dealing with county and municipal governments, sets out in fourteen short paragraphs the merest skeleton of general regulations and provides that, with the exception of three of these paragraphs, "the General Assembly shall have full power by statute to modify, change, or abrogate any and all of the provisions of this article," thereby leaving the largest measure of unfettered responsibility upon the General Assembly, at all times, to make adequate provision for maintaining efficient administrative machinery serving local units of government. The three excepted provisions referred to above cover prohibition of contracting debt without a vote of the people, except for "necessary expenses", the uniform property tax rule and prohibition of the payment of any debt contracted "in aid or support of rebellion."

With these three exceptions, the responsibility for local governments, and for such general laws and regulations as will promote their highest interests, stands at the door of the General Assembly.

In making these general observations we are not presenting a subject that is new or novel. From the beginning of the state the General Assembly has made regulations for the government of counties and municipalities, and during the present administration, approving recommendations of the Governor, the last General Assembly enacted County Government Acts (Chapters 91, 146, 81, 213, 221, Public Laws 1927) which deal in a most effective way with some of the more important problems of county government. These important statutes have been well received by the governing boards of the counties, specifically approved by the State Association of County Commissioners, and are having a most wholesome effect in developing a sound financial condition in county management.

The survey, embodied in this report, of conditions in the several counties discloses the imperative need for this legislation, the need for a sustaining sentiment upon the part of taxpayers to coöperate in its general observance, and also the need for additional legislation to remedy more completely existing conditions.

We recommend a careful reading of the full text of the report on this survey, and for our immediate purposes record just a few of the more startling disclosures.

There is outstanding at the present time more than five million dollars of revenue due the counties of the state on taxes for 1927 and previous years (nearly five million for the years 1924-1927) represented by real estate sold for taxes and unredeemed. Real estate representing this amount of taxes has been forfeited by land sales to the counties, and these forfeitures are increasing at an alarming rate. Relatively the same situation exists as to municipalities.

Last May in one of the larger and wealthier counties real estate was advertised for sale for 21 per cent of the gross levy of 1927 taxes. Actually the unpaid taxes for which a lien could be secured against real property amounted to 21 per cent of the total levy as late as seven months after they were due.

In only seven counties in the state was there a settlement with the county July 2, 1928, the date fixed by law for final settlement, and in only 61 counties had final settlement been made four months beyond this date, when our investigation closed.

In one county the total bonded debt of county, districts, and municipalities in the county, is equal to 33 per cent of the assessed value of all real and personal property in the county, and the total indebtedness, bonded and non-bonded, is 38 per cent of the assessed valuation.

Tax books are rarely completed by the time taxes are due and payable, and in some cases are not completed until within the following year, and the taxpayers who desire to pay taxes promptly in many cases cannot do so for this reason. In one county the 1927 tax books were not completed until March, 1928.

In many counties there has been no real assessment of property of the kind that made inquiry into the actual value of each tract of real property since 1920, either the 1920 value, or some uniform percentage of it, being brought forward each year, although economic conditions have within that time brought substantial changes in the valuation status of particular pieces and classes of property in particular localities and sections.

These are conditions that demand remedy, and adequate remedy can only be provided by a combination of wise legislation and a wholesome sustaining public sentiment that will support and demand observance of the law.

The conditions described are due to many causes. In part they are due to high taxes, and in substantial part taxes are high because of lax administration and enforcement. If only 80 per cent of taxes are collected, the tax levy on those who do pay has to be 25 per cent higher than is needed if all pay.

We are convinced that one of the most important means of relief that can come to taxpayers is through an administration of the tax laws that is thorough and efficient, and unless this remedy can be achieved all other expedients will fail.

Time for Listing and Assessing Too Short.—The feature of our present tax system that is responsible for a large part of its inefficient operation is the wholly inadequate limit of time in which taxes must be listed, property valued and equalized, and tax books made up.

Economic conditions make it almost essential that tax books be in the hands of the tax collector by October first. That is the period favored by long established custom, and when it is most convenient for farmers to pay, and for the same reason more convenient for a great many others who are dependent in part upon farmer settlements. Unless completed by this time there is substantial loss and delay in tax collections.

This important objective is, perhaps, more often missed than achieved; but with this objective in view, the listing of taxes begins in May, and has to be completed in May and June, with the list compiled in township scrolls, with valuations totaled as the basis for the tax levy in July, calculated to meet the requirements of the county and school budget. Such gesture as is made in the direction of equalization and hearing of complaints takes place within this time. In years when real estate is revalued that, too, is crowded into this limited period. The law permits delay of the tax levy to the third Monday in August, but if this is done, delay in completion of the tax books is inevitable.

We are using the same schedule and machinery for listing and valuing three billion dollars of taxable property, and collecting sixty million dollars of revenue, that was used 30 years ago for listing three hundred million dollars of taxable property and collecting five million dollars of revenue.

The necessary result of this procedure is an indifferent job, with totally inadequate time for investigating property values, checking for complete listing, checking for changes in ownership, hearings for complaints and equalization; and it is practically impossible for the boards of county commissioners to have before them a complete and accurate total of property values as a basis for tax levies to balance their budgets, if levies are made at the time prescribed by law. Unless the tax lists are complete and the tax levies made by this time, there is delay in completion of tax books and resulting delay and confusion in collections.

The problem of listing and valuing property must be faced as the three-billion-dollar job it is today, rather than the three-hundred-million-dollar job it was 30 years ago; and adequate time and machinery must be provided to do the three-billion-dollar job, if it is to be done with a fair degree of accuracy and efficiency.

The difficulties of this problem were recognized by the General Assembly 10 years ago, and the tax listing date was changed from May 1st to January 1st. This gave ample time for the whole process from the initial listing to the completed tax books. January is a more convenient time for listing by all classes of people than the month of May. It is a time of inventory and balanced records and facilitates accurate listing of personal property. The change was not permitted to stand because it was thought to be prejudicial to farmers, who would on that date have more supplies on hand than on May first, and in many cases unsold portions of the previous crop.

The owner of real estate, rural and urban, is the taxpayer who has the greater interest in sustaining a tax system that operates efficiently. Real estate is the one type of property that never finally escapes. When other property escapes, it has to bear the added burden. The surveys in this report indicate that the present assessed value of farm lands averages a higher percentage of market value than urban property. This is not because there has been intentional discrimination against farm property, but results mainly from the fact that there has been no real reassessment of property in many counties since 1919, except by straight percentage changes, and in that time farm lands have decreased in market value and city property has increased in market value. If time had been provided for an actual revaluing of real property in 1923, and again in 1927, these economic changes would undoubtedly have been more definitely reflected in tax values.

We would not suggest renewed consideration of a plan that was formerly adopted and abandoned, if we were not convinced that experience since that time has demonstrated the wisdom of it, and if not convinced also that the principal objection to the plan can be adequately met.

If there is no other serious objection to the January 1st listing date except that of farmer interest, we believe that can be met by a provision that supplies on hand produced by the owner may be included within the three hundred dollar exemption group, and that the net worth of unsold crops in hands of producer may be listed, deducting indebtedness against them.

If the General Assembly shall be of opinion that the objections to the January 1st listing date are valid we offer the alternative suggestion that the date for listing personal property be moved up from May 1st to March 1st, and that in revaluation years there shall be a separate listing of real and personal property, real property to be listed January 1st in such years and personal property to be listed March 1st.

This will in each year give two additional months for completion of the tax schedule, and in revaluation years four additional months for reassessment of real estate.

We are endeavoring to emphasize the importance of this matter because we can see little hope of an efficient system of listing and valuing property and completing the process of adjustment and tax book compilation unless more time can be found for it, and this additional time cannot be provided at expense of delay in tax books without serious inconvenience of taxpayers and loss and delay in collections. The system now in use is becoming progressively more unsatisfactory, and in our opinion this is the beginning point of improvement.

COUNTY BOARDS OF EQUALIZATION

Under the schedule that has existed for many years the county board of equalization meets the second Monday in July in each year. On account of the time limitation already discussed, the township tax lists are rarely, if ever, made up in completed form, with balanced totals, for consideration at this meeting, and the performance of duty here is often merely perfunctory. They should have before them at this meeting a complete comparative analysis of all classes of listed property, comparing one township with another, and as to each class of property listed comparison with like listed values for the previous year. In reassessment years, particularly, there should be careful inquiry into real estate values. On each such county board there is represented enough actual knowledge of property values to check into the valuation of particular properties and determine if the work has been well and fairly done, as to the property in each township, and as between townships, and as between rural and urban property. This is an important and responsible obligation imposed upon them.

The time limit of ten days in which an appeal may be taken from their final valuation on any particular property to the State Board is inadequate. If the listing date is moved up sixty days to March 1st, the meeting of the county board of equalization could be moved up thirty days to the second Monday in June, and twenty days allowed in which taxpayers could learn of their tax valuations and exercise their right of appeal. With real estate valuations beginning January 1st, in valuation years, this schedule would seem to provide reasonable time for an orderly performance of all necessary functions from listing to completed tax books.

REAL PROPERTY SHOULD BE ACTUALLY VALUED EVERY FOUR YEARS

The disparity disclosed in the tax value of real property, and as between different classes of real property, emphasizes the necessity for a genuine revaluation of real property every four years, and no discretion should be left with county boards to omit this important obligation. From time immemorial this has been held to be obligatory, and as our development becomes more complex, and economic changes more rapid, and with tax rates that absorb 28.7 per cent of income of farm lands and 29.5 per cent of income of rented city property, it becomes an inexcusable abandonment of responsibility to neglect or omit to perform this essential part of a just tax system, and great injustice must necessarily flow from it. In some states, all property is valued every year, in others every two years. We do not recall that any state goes beyond a four year period.

STATE SUPERVISION OF TAX VALUATIONS

The system of listing and valuing property that has come into use, since the state levies no tax on property, is that each of the one hundred counties fixes its own standards of value in valuing real and personal property for all purposes of tax levy, while the state maintains its own State Board of Equalization, charged with responsibility of making its own investigations and reaching its own independent conclusions as to the actual value of the property in each of the counties of the state, to be used as the measure of tax-paying ability of each county, and as the basis for distribution of the appropriation made by the state to equalize the burden of support of the public schools as among the several counties for the constitutional term of six months.

This system of double valuations seems to be operating with a minimum of friction, each of the counties having its separate way, and the state having its own, and as long as it operates with a fair degree of satisfaction will probably be continued.

However, the system is neither logical nor economic. On the one hand, the benefit of whatever sums are spent by the state to ascertain the true value of property in the counties should be utilized by the counties in perfecting the values used on their tax books as the basis for collecting their own revenues. On the other hand, the valuation set up by the state, as its measuring rod to determine the basis of distribution of its equalizing fund, is subject to the infirmity that it is purely a theoretical basis of values, lacking the tests to which it would be subjected by taxpayers if placed on the tax books used as the basis for tax levies, and required to stand the tests which property owners would apply to it.

The only interest the state has in this whole matter is to be of service to the counties, and to serve its own obligation to be just in its distribution to the counties of its fund intended to equalize the public school burden. As soon as the present system has served its use as an expedient it should give way to a single basis of equalized tax values in all counties for all purposes, and, of course, an equal basis of valuation in all counties can be approximated only by an assessment carefully made under state supervision.

LISTING TAXES BY MAIL

The old method of personal appearance before the list taker for the township for listing taxes is becoming more difficult and unsatisfactory as population and property values increase. The method will, of course, have to be continued for the large number of taxpayers who will prefer that method, but we are persuaded that there is a large number of taxpayers who would prefer to make out their property abstract in their own offices, verify them before a notary public, and deliver by mail, as they do their income tax returns, and that listing in this manner would tend to secure a more complete and accurate list. An increasing number of people are keeping accurate tax records. When one visits the list taker in the listing period he usually finds a long waiting line, going through the slow process of inventorying their taxable possessions, age for poll tax, race, etc., and when he finally reaches the list taker, if he has much property to list, he usually finds that he has to return to his office to get details not carried in his memory, or not anticipated if he have a memorandum.

It would serve the convenience of all parties if listing by mail were authorized and encouraged. Of course, the list taker would not be required to accept the list sent in by mail unless satisfied it was a full and complete disclosure. He could reject the list and require the sender to appear in person to answer under oath any question respecting his holdings. The success of the plan would require the county officer supervising tax listing, generally the county auditor, to mail listing blanks to all names on the tax books with a suitable letter of advice that it could either be executed before a notary and mailed, or that the taxpayer could appear in person before the list taker. The postage would cost about $200 for an average county, and would be worth its cost as specific notice by mail to each taxpayer of the listing time. We believe this would be a helpful innovation in the tedious process of tax listing. It is in satisfactory use in some jurisdictions.

COLLECTING TAXES

Facts collected in our field studies demonstrate that the collection of taxes is rapidly becoming more unsatisfactory.

We have already discussed some of the reasons contributing to this delay—increasing tax rates and delay in completing tax books.

Another reason, which we presume will be promptly remedied by the General Assembly, was the inadvertent omission in the Machinery Act of the last General Assembly of the schedule of discounts and penalties. The system of discounts and penalties has been found to be very helpful in tax collections and is entirely just. Those who pay promptly, before payment can be enforced, are entitled to some consideration, and their prompt payment saves actual money that would otherwise be paid out for borrowed money. Those who take the full benefit of time before foreclosure should not object to a slight penalty, because interest is being paid out on money borrowed against their unpaid taxes. The general effect of the discount and penalty provision is to stimulate prompt payment. Another contributing cause to delay and delinquency in tax payments has been the unfavorable economic conditions in some sections.

A probable contributing cause has been the change from the fee basis to the salary basis in a large proportion of the counties. Experience does not follow any uniform rule. Some counties on a salary basis show an almost perfect record in tax collections. But on the whole we are convinced that in the collecting of taxes a fee basis of compensation operates to the mutual advantage of the counties and of the collecting officers. Fees need not necessarily follow a straight uniform percentage in all cases. They can be adjusted to a basis of fair compensation for diligent effort, and with relation to the size and characteristics of the tax book. But whether collection is by fee or salary basis we are convinced that generally there is not the same kind of effort that formerly was made to collect and enforce payment of taxes. The custom of seizure and sale of personal property, and the custom of garnishees for taxes, formerly practiced and still required by law, are usually ignored, and collecting officers too often become merely receiving officers for those who voluntarily come forward to pay.

We commend a careful consideration of two tables in this report bearing on tax collections. One of these tables shows the four-year experience in land sales in all counties in the state. The other table analyzes the tax sales with relation to amount of taxes involved. This shows that 31 per cent of the sales are for taxes of less than ten dollars, and 54 per cent for taxes less than twenty dollars.

After all allowances have been made, a study of these two tables suggests that neighborhood custom is, after all, the most important factor. In some counties and communities the diligence of tax collecting officers has established a taxpaying psychology that is of more importance than all the laws that can be passed to enforce payment. Whereas in others it has been treated with relative indifference, with the secure knowledge that all that is necessary to complete a settlement for the tax books is to go through the process of perfunctory advertisement and sale, bidding in for the county, and taking full credit for such sale as a collection of the tax, plus a fee for the advertisement and sale. The test of a good tax collector should be his ability actually to collect the taxes. It is his business to build up a taxpaying psychology, and to advise taxpayers that delay and failure to pay means additional costs and penalties, and eventually certain loss of their property.

Local tax associations can be very helpful in the administration of all the fiscal laws of their communities if they are organized for the broad purpose of being helpful and not for the mere joy of making trouble. They can be helpful by informing themselves of the difficulties to be met by those in office and in furnishing a coöperative support to their county boards in carrying out economical policies in expenditures, in carefully formulating their budgets and sticking to them, and in coöperation with administrative officers in impartial and efficient discharge of their duties. Generally they will find their local officers anxious to improve conditions and ready to coöperate in this kind of program, if assured of an organized sustaining sentiment. If they do not find this kind of coöperating attitude, they can then indulge in the joy of making trouble. More surely than all schemes of management that may be devised, and laws that may be passed, can an informed and articulate sentiment of the people who pay the taxes bring about more efficient management of local affairs, restrain increasing indebtedness, get more value for tax money, and hold tax rates in line with the value of public service rendered.

The new County Government Law enacted two years ago will have a far-reaching effect upon payment of taxes, if it is not impaired and if it is faithfully enforced. Prior to this law property sold for taxes was perfunctorily bought in in the name of the county and held indefinitely for redemption. In some cases the records were lost. The property owner was encouraged to go along from year to year paying no taxes, but accumulating a tax burden becoming annually more impossible to meet, and the county having to increase its tax levies. The new law imposes no additional burden. It continues the old penalty of 20 per cent per annum, but it does make mandatory upon the purchaser at tax sales, whether the county or an individual, to proceed within 18 months after the tax sale with foreclosure, so that tax forfeiture of the same piece of property will not continue indefinitely. Inasmuch as the operation of the law is now made certain, and within a specified limit of time, the 20 per cent penalty might very well be modified to 10 per cent after the first year.

SETTLEMENTS FOR TAXES COLLECTED

We have shown that in only a small group of counties is settlement made for taxes collected on the date prescribed by law. In a large number of counties this important matter is carried over to the period for turning over the new tax books, the two functions being performed on the same day; and in some counties delivery of tax books is delayed so that settlement for the previous year can be completed and the new books delivered without violation of the letter of the law. The law is very strict that new books can not be delivered until settlement for the previous year is made, and members of the boards of county commissioners are made personally liable for the obligation if this provision of law is violated. This stringent provision was directed at a former practice that was often responsible for getting sheriffs into financial difficulties—a practice which permitted them to realize in part from tax collections from a new book before final settlement for the previous year. For the same sound reason that caused the enactment requiring final settlement for one year before beginning another, these functions of final settlement and receipt of new books should not be contemporaneous. Receipt of new tax books on the same day of settlement for the previous year's taxes offers opportunity of a continuous mixing of tax funds from year to year.

A tax schedule should be adopted that gives the tax books to the collecting officer promptly on October 1st, giving the collector ample time to collect during the best period and make settlement on the date fixed by law—July 1st. If any extension whatever beyond this date is allowed it should be of short duration, and final settlement should be required not later than September 1st, thirty days before new taxes are due, under penalty of ineligibility to receive the books for another year if final settlement has not been made by September 1st.

AUDITING COSTS—COUNTY RECORDS

The high cost of auditing has become an important item of expense in county and municipal government. In large part the high cost of auditing results from failure to keep adequate and accurate records of tax books, changes and rebates, tax sales and tax settlements. In many cases original records of these important transactions are not available, and auditors are compelled to hunt at greater cost and uncertainty of conclusions other sources of information. There can be no valid excuse for the failure of county officers charged with these responsibilities to keep adequate and accurate original records of all these important transactions in convenient form for checking and auditing, and suitable civil penalty should be provided for neglect to do so. So far as practicable such records should conform to the standards recommended

INTEREST ON TAX ANTICIPATION LOANS LARGE IN SOME COUNTIES

In another section of this report it is shown that some $29,170,000 or 31 per cent of the annual tax revenue levied and collected in 1928, was to meet the debt service obligations of the state, counties, districts, and municipalities. In addition to this charge for interest on funded debt, the counties found it necessary to borrow in anticipation of tax collections in order to meet their operating expenses. According to a careful checking of the cost of this item by our field workers, it appears that money borrowed by counties in the fiscal year 1927-1928 in anticipation of the collection of taxes amounted to $10,900,000 and that the interest paid on these short-term loans amounted to $307,000—a little more than two-thirds of 1 per cent of their gross tax levies. This is a considerable item viewed only as an average figure; in some counties its size indicates a need for a radical change in policy of tax collecting or of county administration. In one county it is 2.79 per cent of the gross levy, in another 3.17 per cent, in another 5.17 per cent, and in another 6.55 per cent. The practice of borrowing against uncollected taxes is not condemned in principle; but the fact that interest charges on these short-term loans amounted to $307,000 emphasizes the necessity for prompt, thorough, and efficient collection of taxes so as to hold this item within reasonable limits. Attention is also called to the fact that, unless a sufficient sum to meet this interest charge is included in the budget for which the taxes are levied, there will be a corresponding deficiency in revenue.

COUNTY GOVERNMENT ADVISORY COMMISSION

The creation of the County Government Advisory Commission forms an important link between the state and local governments. The coöperative and advisory services of this organization have been of great value in standardizing accounting methods, making up budgets, and in all administrative features of county government. Its responsibilities are advisory only. If it were given responsibility to require or enforce observance of general laws enacted for the government of counties it would probably endanger in many counties, the coöperative spirit it has developed with county organizations. However, the non-observance by public officers in many counties of general laws which the General Assembly has enacted, and believed to be essential to maintain sound government, and to provide protection to taxpayers, is one of the serious problems disclosed in the reports of that Commission and in reports of representatives of this Commission. This subject is worthy of the careful consideration of the General Assembly.

It may as well be said in plain language that the inevitable drift of several of counties is in the direction of insolvency, and unless the General Assembly can find the means to require observance of the fundamental rules for sound management—budgeted expenses, holding expenditures within tax levies, and collection of taxes levied —the inevitable consequences will be serious. Taxpayers in all counties are entitled to have the protection these laws are intended to give them, and we should not wait for disastrous consequences before requiring observance of the necessary remedial measures.

BUREAU OF STATISTICS

The collection, analysis, interpretation, and publication of statistics of local governmental units are matters of importance, increasing in proportion as the activities and expenditures of these units of government expand. Statistics of this character are at the present time collected by the several state departments, and in some cases there is duplication in publication of such information. Furthermore, local officers are sometimes annoyed by having to report the same information in practically the same form to more than one department. We are convinced it would be actual economy if the expenditures now made by all departments in handling such information should be canceled, and so much as necessary of such sums appropriated to maintain a central Bureau of Statistics, with the sole responsibility for collecting, analyzing, interpreting, and publishing all information which county, city, and district officers are now required by law to furnish to any state department. Information necessary for any department could be collected through such a single bureau. The assembling of all such information in one place would increase its value, in that anyone desiring such data would know exactly where to get it. If collected by a bureau having no other responsibility it should be more intelligently done and more carefully analyzed and interpreted than when handled by departments having other and more important responsibilities.

STATE, COUNTY, AND MUNICIPAL BONDS

The total indebtedness of the state as of June 30, 1928, was $170,042,600; of counties and districts combined $206,836,127; and of cities and towns $178,064,665. The composite total public debt in the state is $554,943,392, of which $384,900,792 is local and $170,042,600 is state debt. In the state debt there is $15,685,000 borrowed and loaned to counties for school buildings, $15,223,000 of which appears again in indebtedness of counties. The correct gross public indebtedness of the state and its subdivisions, as of June 30, 1928, was, therefore, $539,720,392—in round numbers 540 million dollars.

By any fair standard of measurement or comparison the total indebtedness of all three of these groups has reached the maximum of reasonableness.

The indebtedness of the state exceeds that of any other state except New York, and on a comparative basis of wealth exceeds New York many times. Related to population it exceeds all states except South Dakota and Oregon, and is four and a half times that of the average for all other states. Excluding the North Carolina highway bonds our state debt is $20 per capita, against an average for all states and for all purposes of $12 per capita.

In the latter comparison we have excluded from the figure for North Carolina the highway bonds, which represents three-fifths of our total state debt, and this three-fifths is in the nature of a contingent liability that is thoroughly protected by the special taxes segregated for that purpose and does not bear upon the general fund of the state. But if we exclude this, and also the seventeen and a half million loaned to the school districts, we still have a per capita state debt larger than the average for all states.

There is, of course, a wide variance in the indebtedness of local units of government. Some of them have clearly exceeded the bounds of discretion—the total composite indebtedness of all units in one county is equal to 38 per cent of assessed value of all its property. Where conditions approximating this obtain there can be no escape from high taxes until they have run the course of retiring a large part of this indebtedness. The average composite indebtedness of all local governments of the state—county, district, municipal—is 13 per cent of their total assessed valuation.

Tax revenue to meet the debt service obligations of the state, covering interest and amortization, amounts to $10,073,612 per annum. Of this total $3,233,991 (1928) is for the general fund obligations, an $6,839,671 for highway fund obligations.

In 1928 the counties levied for debt service, including debt service for schools, roads, and all other purposes, some $11,330,000; districts and townships some $2,230,000; cities and towns some $5,540,000. The combined levy by all local governments amounted to some $19,100,000.

This gives a combined state and local levy of some $29,170,000 to meet the obligations of indebtedness.

It is, of course, understood that this indebtedness is in the main represented by capital investments of a partially permanent character—roads, institutional buildings, school houses, courthouses, paved streets and sidewalks, water and sewer systems, and other like improvements of a necessary character; and that for our tax money we are having the use of, and gradually paying the capital investment for, these improvements. But our enjoyment of capital improvements, however desirable, must bear a sensible relation to our reasonable ability to maintain and pay for them.

We suggest that the General Assembly guard, with something more than casual courtesy, proposed authorizations for additional bond issues by local governments without a vote of the people. And in view of the extreme limits of indebtedness already reached, we recommend amendment of the county government laws and the municipal finance act by prohibiting bond issues for any purpose without submission to a vote of the people. We believe that this policy ought now to be given a trial, until public debt and tax rates are restored to a more reasonable basis. The time has come when we need not fear a legislative act of this sweeping character. Pressing needs could still be submitted to those who have to pay for them, and the General Assembly will be in session every two years to provide for any real emergency needs, or to modify the general prohibition if experience should develop sufficient cause to do so.

Present conditions warn us that the time has come for some real restrictive action upon the almost unlimited bond issuing privileges of these units of government without consulting taxpayers whose property is encumbered to pay them. The necessity for legislative restriction of local bond issues arises from the almost complete failure of restrictions imposed by the constitution, which in the process of evolution of judicial interpretation have come to be of no effect. Section 7 of Article VII provides that no county, city or town shall contract any debt or levy any tax, except for the necessary expense thereof, unless by a vote of the majority of the qualified voters therein. For many years after its adoption this restriction was held to be a real limitation. It was held by the county to forbid a bond issue for water works or lighting systems for municipalities, without a vote of the people, and twenty years after its adoption was held to prevent an adequate tax levy for a four months' school, although the same constitution imposed the obligation to maintain a four months' school. Then there came a change in the trend of decisions until the constitutional prohibition is now of no effect with respect to all the major purposes for which bonds are issued and taxes levied by local governments. Roads and streets can be laid out at the will of local boards and all construction and paving costs covered in bond issues with corresponding tax levies. Courthouses may be torn down and new ones built, without limit of cost, at the will of local boards, this authority having been used to the extent of two million dollars for a courthouse in one county which in 1928 advertised delinquent real estate taxes amounting to 21 per cent of the gross county levy.

Other purposes for which bonds may be issued at will by local boards without limitation in amount and supporting taxes levied and without authority from taxpayers, are bridges, county homes, light, water and sewerage systems, equipment for fire department, electric fire alarm systems, incinerators, municipal buildings, market houses, jail or guard houses, and jetties for protection of a village bordering on water.

In this recital of facts it is no part of our purpose to criticise the evolution of judicial decisions that has led to the present situation, and has left it wide open for the contraction of debts and the levying of taxes at the will of local boards, without limitation, for all of the ordinary functions of government. Since the constitution was adopted we have passed from one distinct stage to another, and developing conditions seemed to demand a liberalization of the constitutional limitation. Our sole purpose is to bring clearly to the attention of the General Assembly the fact that the constitutional provision, originally held by the courts to constitute a real restriction and limitation, has come to be of no effect whatever with respect to all the major purposes for which bonds are issued and taxes levied, and that if any protection from the unrestricted will of local boards is to prevail it must be provided by the General Assembly. We are suggesting that, after having operated under these decisions without restriction until public debt and tax rates have become burdensome, the General Assembly should provide adequate limitation and restriction for at least a trial period until tax burdens become more reasonable. It is perhaps well enough that the constitutional provision has become inoperative, as restrictive power can be more appropriately exercised by the General Assembly, and adjusted to meet changing conditions as they appear.

The county and municipal government laws enacted in 1927 sought to impose additional restrictions upon local bond issues, by providing that they should be advertised and submitted to a vote of the people if fifteen per cent of the taxpayers petitioned for it, but this imposes a burden greater than the interest of any one taxpayer, and seems not to be operative.

There should be an exception in favor of bonds issued for street paving, which is a direct charge against abutting property, where the full cost of the paving is taken care of in this way, as a prerequisite to paving is a petition representing 51 per cent of the property. Bonds of this character do not constitute a tax against the general taxpayer, and should not be submitted to a general election.

BOND AND SINKING FUND COMMISSION

The large volume of state and local indebtedness suggests consideration of improved facilities for handling the sale of bonds and preservation and investment of sinking funds. The cost of marketing bonds separately by each of the counties, districts, cities, and towns in the state is great; the average interest rate for which bonds are sold is high, considering the desirable character of the bonds from a state and federal tax exemption standpoint, and also in comparison with marketable rate of like bonds in some other states. Local boards are not well equipped or advised for handling these transactions, and the methods of sale are necessarily expensive. Sinking funds are in many cases poorly handled, and sometimes dissipated.

At least one state, West Virginia, has inaugurated a progressive experiment that seems to be operating with complete success and saving large sums of money to the local governments. The machinery provided for is a State Bond and Sinking Fund Commission. The method of procedure is as follows: Any local unit of government that desires to sell an issue of bonds for a local improvement submits its proposal. It is investigated from every angle as to legality, as well as to adequacy, inadequacy, or excessive amount for the purpose. If found to be legal and regular, the Commission takes the issue of bonds and advances from its revolving fund such sums as are needed to carry on the project. When completed and definite amount of expenditure ascertained, an amount of bonds to yield that sum, including interest on money advanced, is sold and the account squared. The result is a substantial saving in interest charges, as against the former sale of the whole issue before the project was undertaken, a saving in that the correct amount of bonds is sold, and a substantial saving in annual interest charges by a more advantageous sale of the bonds through an experienced central agency. A slight difference in interest rates runs into a substantial sum in the life of an issue of long-term bonds.

The over-head responsibility for such an agency could be imposed, ex-officio, upon public officials having the most direct responsibility in handling the important financial transactions of the state—the Governor, Treasurer, and Attorney General are suggested—and its active duties performed by an Executive Director, of suitable experience for its duties and under proper bond.

Such a board, if created, would find sufficient capital for its revolving fund in sinking funds already available, and the cost of its operation could be provided by a nominal commission representing a small fraction of its saving on each issue handled.

The investigations we have caused to be made have not extended to the management of sinking funds, but enough information is available to know that they are in need of better management. Taxes for sinking funds are levied for school and road districts, as well as for counties and municipalities. The proper care and handling of these funds is of great importance. A few cases might be found where they are managed in the right way—used to buy up in advance part of the issue they are intended eventually to retire. This is the procedure in handling the state's sinking funds. But this method is not in general use by local governments. If not improperly spent for some other purposes than that for which the tax was levied, these funds are generally loaned out on real estate security. Even when this type of loan is made by competent bankers it is difficult to escape losses, and almost impossible to secure a return of the capital when needed; and when this type of investment of funds is employed by political boards, lacking the continuing close attention that would be given such matters by bankers, losses are almost certain to result.

Another provision that would improve the marketable status of county and city bonds, and thereby save money to the counties and cities issuing them, would be an affirmative provision of exemption of such bonds from ad valorem taxation in the state. We do not understand that they are actually taxed at the present time, in the sense that the holders of such bonds list them for taxation. They are quite generally understood to be exempt on the general conception that governmental bonds are exempt, which is not true in all cases. Nearly all special acts authorizing local bonds issues carry some exemption provision, in some cases broader than others, the minimum provision being exemption within the county of issue. An affirmative general provision of exemption of county and municipal bonds would not affect tax revenue but would improve the marketable status of the bonds. With our enlarged volume of indebtedness the cost of borrowed money is one of the largest elements of cost of government and of property taxation, and anything that can be done to lower this cost would contribute to a reduction of property taxes. The exemption we have indicated should, of course, apply only to bonds hereafter issued, as there would be no compensating advantage in granting a broader exemption to bonds already outstanding.

STATE AND NATIONAL BANKS

The chapter of this report covering the taxable status of state and national banks shows a surprisingly greater percentage of net earnings of state banks than of national banks absorbed in taxes, the percentage for state banks being 23.6 and for national banks 12.5. There is one unavoidable discrimination against state banks, in that they are required to pay the state tax upon income; and under restrictions of the national banking laws national banks cannot be required to pay this tax without surrender of the more important ad valorem tax on value of their shares. The state income tax paid by state banks in 1927 was equal to only 4.5 per cent of their net earnings, leaving an unexplained disparity in favor of national banks equal to the net difference between 19.1 per cent and 12.5 per cent. Inasmuch as other taxes are paid by these banks under the same statutory rules, the only explanation of this difference occurring to us is that national banks average larger units and perhaps take advantage to a greater extent of exemption of so much of surplus as is invested in state, federal, and joint stock land bank bonds. We see no satisfactory reason why this exemption privilege should be accorded to other bonds than those of the state, and as to these we believe it would be consistent to require that they be continuously held and safeguarded by serial number registration with the Department of Revenue to guard against temporary or intermittent holding for tax purposes. There can be no denial of the exemption privilege as to state bonds, because the several acts under which state bonds have been issued carry the contractual privilege that they shall not be taxed when held as a part of the surplus of any bank. It seems to us reasonable to require, however, that they be continuously held to claim the privilege, and also to require that all banks desiring to hold bonds for exemption purposes prefer the state bonds.

PUBLIC SERVICE CORPORATIONS

The study in this report covering a survey of railroad and public service corporations indicates generally that these properties are bearing a fair share of the tax load, and that, as to companies having extensive interstate lines, their tax payments in this state are as high as could be justified with relation to like payments in other states in which they operate. Electric light and power companies are apparent exceptions to this general rule, as the following table indicates, the figures given representing the percentage of net earnings absorbed in state and local taxes:

	Per Cent
Steam railroads	25.2
Electric light and power companies	16.3
Telephone companies	24.4

A convenient means of approximating equality of tax burden as between different groups of corporations is through the franchise tax. A variation in rate of this tax is already employed. The rate of franchise tax for domestic corporations not engaged in public service is related to capital stock or property values and is one-tenth of one per cent; for railroads, one-fifth of one per cent; while for electric light and power companies the franchise tax is 1 per cent of gross revenue and for telephone companies the franchise tax is 3.5 per cent of gross receipts.

The tax payment of express companies bears a small relation to their volume of business for the reason that they own little property and generally employ the property of others in their business. The total taxes paid by express companies seems small compared with their volume of business. In view of the figures quoted above, it would seem to us not unreasonable to put electric light and power companies and express companies in the same schedule for franchise taxation as telephone companies.

It should be said, however, that this suggestion is made without notice or hearing of parties in interest and is made solely upon figures set up in the report on this section.

TAXATION OF INHERITANCES AND ESTATES

This report presents an exhaustive study of the whole range of inheritance and estates taxation by the several states and the federal government. It also suggests some important revision of our present laws. Just prior to the last session of the General Assembly, Congress amended the federal estates tax by provision that a credit would be allowed for all inheritance or estate taxes paid to the states up to eighty per cent of the federal tax. After this enactment it became a question of whether a given state would levy a sufficient tax to absorb eighty per cent of the federal tax or whether it would be content to levy a smaller tax, or none at all, and permit a larger proportion or all of the federal tax to go to the federal government. In this situation the General Assembly of 1927 retained the inheritance tax and enacted an estates tax equal to 80 per cent of the federal tax as an additional tax. The question was perhaps not given the mature consideration that would have been done had more time been available. At any rate, this doubling up of both inheritance and estates taxes leaves us in the situation of imposing rates of tax upon estates of decedents resident in this state higher than any other state in the Union when estates of four million dollars of value are reached, and progressively higher as the value increases. The exceptionally high rates produced by the combination of the two forms of tax has not resulted in any great increase in revenue, but has resulted in some nation-wide publicity of a quite unfavorable character.

The Commission approves the recommendation in the report that the tax be modified by retaining the regular schedule of inheritance tax rates as the minimum tax, with such increase in rates applicable to estates liable for the federal tax as will, together with the regular schedule, absorb the full 80 per cent of credit.

The Commission also approves the suggestion that the inheritance tax conform to the federal practice in treating insurance payable to specific beneficiaries exceeding $40,000 as an inheritance and subject to tax; and that, in the transfer of property from direct heirs to direct heirs, in all cases where a second death occurs within five years, a deduction be made of the amount paid in the next preceding transfer.

THE INCOME TAX

About 60 per cent of the total income of the general fund of the state is derived from its income tax. The form and the administration of this law, therefore, hold first place in the fiscal machinery of the state. When our income tax law was drawn in 1920, we had the benefit of the labors of a committee of the National Tax Association in the construction of a model state income tax law, and it has not been found necessary to make any material changes in this law since its adoption, except such changes as have been made in its rates. The administration of the law has been very successful in collecting a steadily increasing revenue. But appreciating its importance in our fiscal system, we secured the services of a recognized authority on this subject to make a comprehensive investigation of the law and its administration. We invite consideration of the report on this subject and approve the recommendations contained therein that a much larger staff be provided for the Department of Revenue to secure a more thorough administration of the law. This is one point at which we cannot afford to be less than thorough. The cost of administration at the present time is less than one per cent of the revenue collected. This shows economical management; but when the cost and methods of administration are compared with those of other states that have made a success of the income tax, a strong indication is presented that revenue could be substantially increased by providing an adequate staff to administer our present income tax.

We also approve the recommendation that an analysis of the statistics of income tax returns be compiled and published annually, without of course divulging contents of particular returns, and that departmental rulings be made available to the public through publication in the press and in annual reports.

SCHEDULE B TAXES

We have not attempted a general survey of Schedule B taxes. That field has been rather exhaustively covered by previous investigation of tax authorities and by inquiry of finance committees at each session of the General Assembly.

One form of Schedule B tax that has been several times considered is a tax on billboard advertising on some basis related to the square feet of surface used. Some of our investigators collected some data on this subject, incidental to other investigations, and compiled their information into a report, printed in this volume, which gives some idea of the revenue possibilities from this source.

Another suggested subject of Schedule B taxation that has formerly been considered and abandoned was a transfer stock tax intended to secure revenue from the large volume of transactions through brokers in this state on the New York and other stock exchanges. It was found that this form of tax could not be effective, because it could not be applied to interstate transactions by wire or mail through brokers in New York or other states, and the effect of such tax would be to drive the business to the untaxed interstate channel, and deprive the home broker of the business. On account of the increasing volume of this business there has been a renewed suggestion of increased revenue from it in some way. At the present time a tax of $200 per annum is levied on all brokers and dealers in stocks and bonds without reference to character or volume of business. There is quite a number of brokers dealing in stocks and bonds who have no wire connections, and the present tax, related to their volume of business, is high. There ought to be a graduation in the tax, and brokers using private wire connections should pay a larger tax than those whose business is transacted without the use of private leased wires.

PERSONAL PROPERTY

The fact that there has been a continuing decline in both tangible and intangible personal property listed for the last eight years, when there has undoubtedly been a constantly increasing amount of each liable for taxation, is one of the significant disclosures of this inquiry that is more easily explained than corrected. The trend runs true to form as a universal experience with the property tax—the higher the tax rate the more difficult to get personal property on the books. Real estate is of record and unmovable, and the value of it fixed by the assessing officer. Personal property is generally unknown to the assessor, and to a large extent the custom permits the taxpayer to value it when disclosed. As the incentive increases with increasing tax rates, concealment and undervaluation become more common.

The listing and valuing of personal property depends largely upon the diligence of listing officers. If their duties are perfunctorily executed they will get a thin listing of personalty. They are not required to accept the list as disclosed or the values of personalty if they have knowledge that does not concur with it. Here again the crowded time in which this work has to be performed operates against a thorough and painstaking performance of the duty, and efficiency in listing could be improved by an extension of the listing period.

INTANGIBLE PERSONAL PROPERTY

Intangible personal property liable for taxation and listed with local assessors is now confined in the main to solvent credits. Taxable bonds would also be included, but they are rarely owned in this state for tax reasons.

North Carolina still adheres to the principle of taxing credits and bonds at the full rates for tangible property, in obedience to the uniform rule of the constitution. An amendment proposed by the last General Assembly to amend that provision of the constitution and permit "classification" of solvent credits was defeated in the recent election, though in the heat of a presidential campaign little attention was paid to it. We suggest consideration of an amendment broader in scope than that, which would vest in the sound discretion of the General Assembly the authority to adopt at any time such reasonable classification of any particular class of property as it may find to be just and in the interest of a complete and orderly enforcement and administration of the tax laws. The need for such discretion becomes greater as increasing tax rates become more and more unenforceable against particular classes of property which do not participate in the benefits from special governmental services that produce the high rates.

The argument most frequently used to sustain a classification of solvent credits is one of expediency—that lower tax rates will induce a proportionately greater listing. Experience, not entirely uniform, favors this view, but it should be considered on firmer ground than this. If a differentiation cannot be sustained in sound principle it should not be adopted. We submit consideration of two principles that seem to us to justify a differentiation:

First, the law denies to credits, at all times and under all circumstances, the right to earn more than 6 per cent per annum. It will not permit by special contract a greater return. They may earn less or may sustain a loss.

Investment in physical properties or in business—commercial, banking, farming—may earn at a less rate, but there would be little incentive for such investment if the law should say that in your most prosperous year you should make no more than a gross income of 6 per cent, with full county, city and special district tax rates to be paid out of that—taxes that in the most prosperous year would in large part consume the limited income.

Second, taxes now levied go far beyond the point of revenue to sustain the ordinary functions of government. They are to support governmental services that in return contribute to the value of and earning capacity of physical properties. You build roads and streets and modern schools, you furnish water and lights and police protection, and you add sales value and rental value to property served by them. Taxes are levied to pay for these services, and a large part of the taxes now levied on credits are to pay for services which give value to physical property but add nothing to their own value or their fixed and legally limited income. The legal limit of earnings of common carriers enjoying privileges of a monopolistic character permits 5¾ per cent after payment of all taxes, with a participation in earnings above that.

Existing laws requiring the listing of credits are about as stringent as could be recommended. They go the length of subjecting the lender to hazards in the legal enforcement of his claim if not listed. But at best the avenues of escape are numerous. Debts are deductible. Actual indebtedness may be created for the purpose of an offset. In some cases, non-resident corporations have been set up to hold title. If other remedies fail, the investment can always be shifted to yield a higher net return. High grade government bonds yield a higher net return, with marketable quality that permits instant conversion into cash if desired. Loans may be made to building and loan associations, in exchange for paid-up certificates, redeemable on demand, with no tax liability.

The amount of solvent credits listed reached a peak in the revaluation drive of 1920, when tax rates were temporarily low, and the resulting burden on credits listed not so great. With the continually increasing tax rates since that time, averaging around 3 per cent in cities and frequently above 4 per cent in the larger towns, with the numerous avenues of escape, and with the more attractive avenues of investment always available, it seems to us hopeless to anticipate that any measures of enforcement can be devised which will substantially increase revenue from this source, or that government could achieve much satisfaction therefrom if it could be done.

The conception that in taxing credits we are taxing wealth is almost a complete delusion. Wealth is usually well enough advised to avoid the payment of this tax, and to find a legal means of doing so. If classification were adopted, with reasonable rates, wealth might be tempted to shift some of its investments into this taxable class. Governments should be concerned not only with the enactment of laws that are sound in principle, but that, in their operation and effect, can be applied with uniformity and equality. The difficulty with taxes levied upon intangible personal property arises from the fact that in the very nature of things they cannot be enforced with equality and uniformity. We have enough difficulty in applying uniform treatment to tangible property that stands out in full view of the assessor. But when we deal with property that is intangible, and dependent upon the owner for the disclosures of its existence, we know the result will be that one will pay and another escape. The difficulties increase as tax rates increase. The inequality as between those who pay and those who evade becomes greater as the rates increase; and when the rate reaches two-thirds of the maximum income, we have reached a degree of inequality that no government ought willingly to permit.

The best tax is one that can be forced with equality. It is upon this principle that many of the most eminent tax authorities oppose the levy of any tax upon intangible personal property, and such opposition has caused a number of states, the progressive state of Wisconsin in the number, to abandon completely the tax on intangible personal property except through a tax on its income.

The counties and cities and towns cannot afford to surrender the revenue they now receive from this tax, and we would not make a recommendation that could reasonably be expected to surrender this revenue or to reduce it; but we do believe that if the General Assembly were permitted, by a modification of the constitution, to deal with this question in a reasonable and business-like way, revenue from this source, now constantly diminishing, could be preserved, and by a modified rate of tax that would go far to bring about equality in the application of this tax. It would also permit a change in the trend of investments from non-taxable to the reasonably taxed investment that in the long run would be more productive of revenue than is the present prohibitive practice. The right to classify property in some form obtains in thirty-three of the forty-eight states.

We invite attention to the survey in this report on taxation of intangibles, and particularly to the sampling of tax returns, which indicates as large a proportion of rural as of urban taxpayers listing net solvent credits.

TAXATION OF TIMBER LANDS

Contemporaneous with a revival of interest in forestry and reforestation of denuded timber lands, there has arisen a real problem with respect to the best methods of taxing wood lands, and this, in turn, presents another problem as to constitutional limitations.

Two-thirds of the area of the state is in woods, and we have no other economic problem that exceeds in importance that of promoting an intelligently conceived policy intended to encourage reforestation, to protect our wood lands from fire, and to adjust our taxation of wood lands to the characteristics of their production of income.

The conditions for profitable timber culture are as good in North Carolina as in any other part of the United States, and much better than in most other sections. Our climatic conditions give us the long growing season, in a mild climate, with abundance of rainfall necessary to the growth of timber. When produced, the timber is in close proximity to the best markets in the United States. Our cut-over lands, when protected from fire and stock range, naturally restock themselves without expense of artificial reforestation. More frequently the problem is one of thinning rather than of re-setting. Even the long-leaf pine is coming back in profusion, since the enactment of the state-wide stock law, and since increased efforts toward fire prevention have followed a more general realization of the great losses caused by forest fires.

The old familiar business of "tar, pitch and turpentine," in years gone the chief industrial enterprise in the state, is coming back. Paper mills are going to utilize the waste products of our forests. The continuing success of the important furniture industry, and of the various other wood-working industries, is in part dependent upon a continued reproduction of timber.

The markets for timber products are still supplied in part from original growth timber from the Pacific Coast, and the market value of timber products is not yet adjusted to the price level that supply from second growth forests will eventually attain; the price level tendency of forest products will, therefore, inevitably be higher.

Notwithstanding all of these factors favoring the profitable growth of timber over a period of years, our system of taxation on timber lands, and particularly on cut-over lands, is operating with great dissatisfaction; there is an increasing tendency to surrender lands of this class to the counties through default in tax payments.

In part this is due to arbitrary tax valuation of such lands without proper relation to or investigation of their market value. In some counties an assumed minimum value per acre is used without intelligent discrimination as to different types of land. There is a wide variation in the timber reproductivity of different types of land, ranging from lands almost worthless to lands of substantial value, depending upon location, fertility, drainage, and setting of timber for reproduction. There is need for a more careful investigation of these factors by assessing officers.

In part the tendency to surrender cut-over wood lands is due to the higher tax rates. They are subject to all the special, as well as regular, taxes levied for all purposes in the districts where located. Here again we have the factor of taxes levied for purposes that reflect no service value in return for this particular class of property.

Added to these difficulties is the more important factor that taxes have to be paid annually on a property that will yield no return whatever for years, with the prospect that the tax burden will become progresisvely greater as tax rates follow the persistent upward trend, and that assessed valuations will increase, on account of timber growth, at each recurring quadrennial assessment period until the timber is mature.

If the uniformity section of the constitution permitted such treatment it would be possible, and perhaps desirable, to work out a reasonable formula by which all cut-over lands, having no marketable timber, might be retained on the tax books on a conservative naked-land value basis, preserving in part existing tax values, with provision that growth of timber would make its tax contribution by severance tax, based on a percentage of the sales value of timber when cut.

We have not given thought to the details of such plan, because it could not be adopted without constitutional amendment. If the uniform rule of the constitution were revised to provide that "taxes shall be uniform upon each class of property within the jurisdiction levying the tax," the whole matter would be left in the sound discretion of the General Assembly. We are convinced that is the wise policy.

A GENERAL SEVERANCE TAX

So far as the mineral wealth of this state has been discovered and utilized, it has not been of very great importance. We have, however, a wide variety of minerals; and in recent years there has been a noticeable awakening to the extent of our mineral resources and an increasing activity in mineral development. What the possibilities of the future may be is purely problematical. Where mineral deposits of commercial value are found, not previously known to exist, there is a discovery of a taxable value previously existing and untaxed because unknown. Looking to the future, it might be of importance if there were enacted a general severance tax, applicable to minerals taken from lands for which no mineral value should be declared at the next revaluation of lands for ad valorem taxation in 1931. There might be enacted general provision by which a mineral value could be declared, recorded, and added to the ordinary land value, such declaration to serve as exemption from the severance tax upon minerals afterward extracted, the exemption to cover a mineral value extraction equal to the value declared and taxed on the ad valoreum basis, and with a reasonable severance tax as recompense for the untaxed mineral value, when no value had been declared, or for the inadequately taxed mineral when its value had been inadequately declared. Such tax, if levied, would be in the nature of a substitute for an escaped property tax; and as property taxes are exclusively for local purposes, would logically go to the county in which the property is located.

A MORE HOPEFUL VIEW

In the investigations we have caused to be made we have had but one aim: to present as nearly as possible an accurate picture of tax conditions as they are in the state. In the comments we have attempted to present a fair interpretation of these conditions.

There is one other phase of our tax situation that should be presented. We have endeavored to show the tax burden and its bearing upon different classes. Taxes are high, but generally they are adequate to meet all demands of current expenses, bond interest, and retirement if collected. This is true as to the state, and as to counties and municipalities that observe the law. In this respect our fiscal condition is sound, and if wise judgment prevails in state, county, and municipal management, our tax rates are at their peak and should begin to decline. We have used credit in a lavish way for capital improvements, but we are beginning to pay, and as outstanding bonds are retired from tax levies, subsequent levies for debt service may be reduced.

This more hopeful condition is in accord with the general fiscal policy which the present state administration has so firmly adhered to from the beginning, and concurring legislative enactments impose this policy upon every tax levying and revenue spending agency in the state.

Beginning with the state in 1925, tax levies were increased to meet in full the demands of the budget, and through the Executive Budget Law ample provision was made to guarantee the adequacy of revenue to meet expenses by reposing in the Director of the Budget authority to curtail expenditures to fit revenue receipts and estimates as they should from time to time appear. This responsibility was duly exercised, with the fortunate result that all operating expenses of the state during the present administration have been met from revenue receipts, including carrying charges, and adequate provision for orderly retirement, of all state indebtedness; and a revenue surplus is in prospect for the end of this fiscal period.

These enactments are of imperative necessity if a sound financial condition is to be at all times maintained. The General Assembly is in session only a short period biennially and must be governed by revenue estimates of uncertain accuracy, which change their reflective character with changing industrial conditions. The Governor, more than anyone else, bears responsibility for maintaining a sound fiscal policy. The provisions of the executive budget law represent an expression of the legislative will, intended to protect the condition of the state treasury at all times, and imposing a responsibility which we may fairly anticipate will never be abused. If it should at any time be abused, such abuse would be of short duration before legislative expression would be available to correct it.

The new County Government Laws enacted in 1927, if observed, leave no avenue for any unit of government in the state to conduct its fiscal affairs on any other than a sound basis. They require that budgeted expenses shall conform to tax levies, and deny the use of credit to meet current expenses except limited borrowings against taxes levied and uncollected. There can be no further sugarcoating of luxuries in government with borrowed money without knowing the cost of it. Taxpayers know the kind and the cost of government they are getting.

This County Government Law permitted the funding of outstanding indebtedness at the beginning of the fiscal year, July 1, 1927. In some cases this permission was not used, and any floating indebtedness which was not so funded became a part of the budget of expenses for the next fiscal year. As a result some counties had abnormal tax rates, which in some part explains high tax rates for 1927-28. This is another factor that should contribute to lowering tax rates in the future. But the important point is that from the standpoint of balancing expenditures and tax levies we are following a sound public policy in state, counties, districts, cities and towns, in so far as this can be imposed by general laws. The continuance and faithful observance of these laws is of prime importance.

The state and its sub-divisions have made wonderful strides. We are paying the cost. All agencies of government should combine in the coöperative purpose to hold this cost within the reasonable ability of the people to pay.

A. J. MAXWELL, *Chairman*
L. A. BETHUNE, *Vice-Chairman*
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PART II

STUDIES AND INVESTIGATIONS

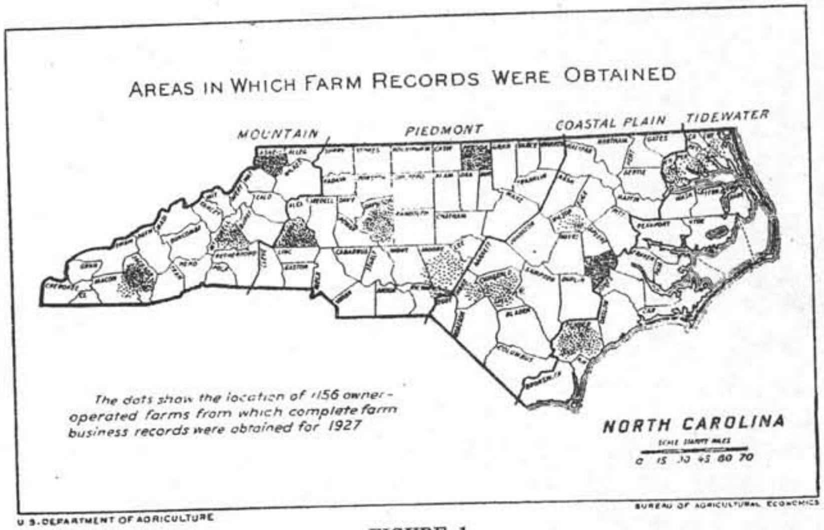

AREAS IN WHICH FARM RECORDS WERE OBTAINED
MOUNTAIN
PIEDMONT
COASTAL PLAIN
TIDEWATER
The dots show the location of 1156 owner-operated farms from which complete farm business records were obtained for 1927
NORTH CAROLINA
0 15 30 45 60 70
U.S. DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 1

THE TAXATION OF AGRICULTURE

SUMMARY

In this study the Tax Commission undertakes to present information on the taxation of Agriculture in North Carolina. Obviously, the farm tax problem is only a part, although an important part, of the whole problem of taxation. For this reason the Commission has made extensive inquiries in the general field of taxation for the purpose of obtaining a body of information which will form the basis of a comprehensive readjustment of the tax system to the end that sufficient funds may be raised equitably to meet our increasing public expenditures.

In so far as this study is concerned, the Commission has been particularly interested in obtaining information along three lines: (1) The income of owner-operated farms and the percentage of the income taken in taxes: (2) the income derived from farm property as measured by net returns and the tax burden on this income; (3) the assessment and equilization of farm property for taxation. Each of these three subjects is treated in considerable detail in this report, and aside from throwing light on the complex problem of farm taxation, the data presented, it is believed, will be useful in other fields. The study is the most comprehensive that has been undertaken in this state, and is perhaps as comprehensive as any undertaken in any state. Even so, much remains to be done in this field. Other studies, the Commission believes, should be made before the farm tax problem can be solved satisfactorily. Although this report is only a beginning, it does furnish sufficient information for constructive action by the State Legislature.

Areas Selected for Study. As there are approximately 283,000 farms in the state, it was clearly impossible for the Commission to make a complete census of all of these. In lieu of a complete census the Commission selected, after careful study and advice, 25 counties which were grouped into eleven typical areas. In each area from 64 to 135 farms were selected by random sampling. The Commission studied in all a total of 1,572 farms, of which 1,156 were owner-operated farms and 416 rented farms.

Method of Collecting the Data. The various schedules used in collecting the information incident to this study are discussed and set forth in detail in Chapter II. All of these schedules have been employed successfully by competent agents throughout the United States. The data relating to farm income were collected by competent enumerators, who had been selected on the basis of their training and experience. In addition, these enumerators were given special training prior to the field study. All data, obtained directly from the farmers, were carefully checked by the enumerator and rechecked at the end of each day by the leader of the field crew for any errors or omissions. Information on rented farms was in part obtained by personal interviews, and partly by mail questionnaires.

Estimates of the value of the farms were obtained from the farmer and also from independent estimators. Such estimates were necessary in connection with objective three of this report; i. e., equalization and assessment. The independent estimates were obtained under the personal supervision of the director of the Tax Survey. Each estimator was a competent individual (business man, farmer, etc.) who was familiar with land prices and economic conditions and personally acquainted with the farm upon which he was asked to pass judgment. Additional statistical data on prices of agricultural products and cost goods, such as labor, feed, fertilizer, etc., were obtained largely from the report of the United States Department of Agriculture and the State Department of Agriculture (See Chapter IV.)

RETURNS FROM FARMING

A summary of the returns obtained from 1,156 owner-operated farms in 1927 is presented in Table 1. Before considering these results it will be necessary to define certain terms which have been used and to indicate how the various incomes have been calculated. The terms used in this summary are *farm earnings, operator's income, net income, per cent return on capital,* and *profit.*

Farm earnings may be defined as the difference between the gross income obtained from the farm and the gross expenditures. The gross expenditures in this case, however, do not include the estimated value of the operator's labor nor the value of the unpaid family labor. Farm earnings, therefore, represent the joint reward of all the factors involved in production; that is, labor, land, capital, and entrepreneurship or business executive ability.

The operator's income is calculated by deducting from the gross income the farm expenses, excluding the estimated value of the farmer's own labor. Obviously the operator's income is the farm earnings less the estimated value of the unpaid family labor.

Net income is the difference between the gross receipts and gross expenditures when the latter includes the estimated value of the farmer's own labor and the value of the unpaid family labor. The net income represents the joint reward for land, capital, and entrepreneurship or business ability.

Profits have been calculated by deducting from the net income a sum equal to 5 per cent on the investment. The profits are essentially a reward to the farmer as a business executive or an entrepreneur[1].

Per cent return to investment[2] has been calculated by expressing the net income as ratio of the total investment. The column headed "5 per cent interest from capital" in Table 1 is self-explanatory. It represents a sum equal to 5 per cent interest on the average investment.

The various income and investment averages for the State, appearing in this study of owner-operated farms include, unless otherwise stated, the income figures from 41 commercial peach farms in the Moore County area of the Coastal Plain region. These farm units are much larger than the other farms studied, both in size and in investment; and in cases where the Commission could secure data, both the price of peaches and the profits in 1927 were much higher than in any of the three preceding years. The result is to throw the averages somewhat out of line. For a correct picture of farming returns and of the tax burden on agriculture, the state averages with the Moore peach area excluded, are fairer.

For an idea of the difference which the inclusion or the exclusion of this area makes in the totals for the state, see the summaries presented in Table 1 and in Tables 21 and 22. Table 1 shows the summaries of farm earnings, operator's income, net income, and profits of all owner-operated farms, with the Moore peach area included and also with this area excluded.

[1]For criticism of these terms and methods of calculation, see Chapter IV.
[2]Investment included land, buildings, equipment, livestock, etc.

Table 1 shows that in 1927 the average farm earnings were $1,333. These earnings were made on an average investment of $8,090. The highest earnings reported were $6,290, obtained by peach growers in the Moore area.[1] The lowest farm earnings reported were obtained by farmers in the Mountain area and the highest in the Coastal Plain. For the Mountain region the average earnings for 281 farms were $554 per farm, as compared with $2,157 as the average earnings from 335 farms in the Coastal Plain. Farm earnings in the Piedmont region for 311 farms average $1,215, and the average earnings for 229 farms in the Tidewater were $1,241.[2]

The average operator's income was $1,213. The highest operator's income was obtained by peach growers in the Moore area, and the lowest by farmers in the Jackson area. The average operator's income in the case of peach growers was $6,217, and for the farmers in the Jackson area the average was $456. The various regions ranked the same with respect to operator's income as they did in the case of farm earnings. In the Mountain region the operator's income of $487 is the lowest and $2,010 for the Coastal Plain is the highest. Tidewater ranks third with $1,127 and the Piedmont fourth with $1,072.

The average net income for the State was $405. It will be noted that this is equal to 5 per cent return on the average capital of $8,090, and hence, as pointed out later, there were no profits. Net incomes in all of the Mountain areas and two of the three areas in the Piedmont were negative or minus. The lowest negative income, it will be noted, was $245 in the Ashe area and the highest positive income of $4,841 was obtained by Moore county peach growers. All in all, the average net incomes in the Mountain region were negative to the extent of $192 per farm. The highest regional net income was $859 per farm for the Coastal Plain. In the Piedmont the average was $178, and in the Tidewater $775.

According to this investigation the 1,156 farmers, on the average, did not receive profits.[3] The average return to capital of $405 was just equal to 5 per cent return on the investment. In most areas returns to capital were less than a sum equal to 5 per cent on the capital invested and hence the profits were negative. This is true in the case of Jackson, McDowell, Ashe, Catawba, Davidson, Cumberland, and Pender areas. The only areas showing real profits were Person ($408); Moore (peach growers) ($3,530); Moore (non-peach growers) ($29); Lenoir ($411); and Chowan ($159).

The rate of return on capital invested for the state as a whole is exactly 5 per cent. For five of the eleven areas the rate of return was negative. The rates varied from -3.8 per cent in Jackson to 18.6 per cent in the Moore area (peach growers). Person county farmers made a return of 10.4 per cent, which together with Moore county (peach growers) were the only two groups with returns in excess of ten per cent.

In so far as returns are concerned, it is evident that farming in the Mountain region was on the whole unprofitable.[4] The farm earnings, operator's

[1]See Chapter IV for description of these areas and Chapter II for the counties and number of farms included in each area.

[2]Variations among the individual farms were, of course, more marked than regional variations or variations by areas. An idea of the magnitude of the individual variations may be gained by a study of the tables in the appendix.

[3]In this connection it should be pointed out that these farmers received in addition to $405 on their investment, an average of $808 each as pay for their own labor, and $120 for the labor of their family.

[4]It should be borne in mind that the results are only for one year. The extent to which 1927 was normal is discussed in Chapter IV.

income, net income, percentage of return on capital, and profits were all negative. Conditions in the Piedmont region appeared to be somewhat more favorable. Farm earnings and operator's income were fair, but net income and per cent return on capital were low, and profits were negative. In the Tidewater region conditions, as measured by the farm earnings and operator's income were similar to those in the Piedmont. Returns on investment were fair, but profits were negative. Conditions in the Coastal Plain were more satisfactory by far than in any other region in the state. Farm earnings and operator's income were each approximately 65 per cent higher than the average of all farms. The net income was reasonably high, per cent return on capital adequate, and profits while not high, were at least not negative.

Conditions in the various areas, as reflected by financial returns, are quite variable. Conditions were most satisfactory in Moore county (peach growers) and Lenoir, and the least satisfactory in the Jackson area. The income of the Moore county (peach growers) was probably somewhat higher than normal, as conditions in the peach industry were quite favorable in 1927. Lenoir area ranked next to Moore county (peach growers) with respect to farm earnings, operator's income, net income, and profits. With respect to per cent return on capital, Lenoir was outranked by Person county. On the other extreme was the Jackson area, where the operator's income, farm earnings, net income, per cent return on investment, and profits were all negative. Measured by financial returns, conditions in McDowell, Ashe, and Davidson were similar to those found in Jackson. In the Cumberland and Pender areas, while the conditions were not satisfactory, farm earnings and farm income were approximately the average for the state as a whole; per cent return on investment was low but positive, while profits were negative. Pender county agriculture was not profitable if the financial returns are taken as indices. In this area the farm earnings, net income, operator's income, per cent return on investment, and profits were all below the average The showing made by the Moore county (non-peach growers) farmers was very similar to that of Cumberland, with the exception of the per cent return to capital. Profits, while positive in character, were very low. In the Chowan area conditions apparently were very similar to those in Person. This is especially true with respect to farm earnings, operator's income, and net income. Per cent return on capital was approximately 4 per cent lower, and profits approximately $241 less than in Person.

INCOME FROM RENTED FARMS

The income from rented farms has been measured by the net rent or that part of the income which may be attributed to the use of the land only. The net rent has been calculated by deducting from the gross rent the current farm expenses for operation, insurance, depreciation on buildings, equipment, and livestock, and in addition a sum equal to 5 per cent on the investment in equipment and livestock. A summary of the results obtained from 416 rented farms is presented in Table 2. The average net rent (before taxes) was $695 per farm, or an average of $3.04 per acre. Returns to the landlord on the capital invested, including the rent, buildings, equipment, etc., was $494 (after taxes), or approximately 4 per cent on the investment. Table 2 gives also the rents received by the landlord in each of the four regions of the state. It is not necessary to enter here into a detailed discussion of the variation in rents in each region. It will be sufficient to point out that net rents varied from 20 cents per acre in the Mountain region to $3.48 in the Coastal Plain. Returns on investment for each of the major regions were as follows: Mountain, 0.8 per cent; Piedmont, 2.5 per cent; Coastal Plain, 4.3 per cent; and Tidewater, 1.8 per cent. The weighted average for the State of 4 per cent would be substantially lower except for the fact that two-thirds of the farms surveyed were in the Coastal Plain. Since this is the region where large scale landlord farming is most prevalent the weighted average is probably nearer correct than a straight average.

TAXES PAID BY FARMERS

One of the major objects of this study was to determine, if possible, the tax burden on farming. For this purpose, as already pointed out, a study was made of 1,156 owner-operated farms and 416 rented farms. For each of these farms the taxes paid were obtained. A study of these data shows that on the average the owner-operated farmers paid $103 in taxes. (See Table 3). There was, of course, considerable variation among the several regions with respect to the size of the tax bill. The amount of taxes paid per farm was lowest in the Piedmont and highest in the Coastal Plain. The average taxes per farm for each of the major regions were as follows: Piedmont, $70; Mountain, $82; Tidewater, $108; and Coastal Plain, $147.[1]

Taxes per farm may depend solely upon the size of the farm. That is, taxes in the Piedmont region may be lower than in the Coastal Plain simply because farms in the former region are smaller than in the latter. For this reason taxes have been expressed on an acre basis. But even when so expressed the Piedmont region still ranks lowest and the Coastal Plain highest. The taxes per acre for the several regions are as follows: Piedmont, 64 cents; Mountain, 67 cents; Tidewater, 72 cents; and Coastal Plain, 92 cents. The average for the state was 76 cents.

Probably a better way to compare tax burden is to express taxes as a ratio of average farm investment. When taxes are expressed in this manner the Piedmont continues to rank lowest, but the Tidewater and Mountain regions rank higher than the Coastal Plain. Taxes per $100 of capital were: Piedmont, $1.03; Coastal Plain, $1.30; Tidewater, $1.44; Mountain, $1.45; and for the state, $1.30.

A still better way of measuring and comparing tax burden is to express taxes as a ratio of income. This has been done and the results presented in Table 3[2]. These results indicate that the tax burden is heaviest in the Mountain region. In this region the net incomes were negative and hence taxes could not be paid out of net income. The data show, however, that 14.4 per cent of the operator's income, or 49 per cent of the cash income, was required to pay the taxes. The Piedmont ranks next to the Mountain as being most heavily taxed. Here we find 28.2 per cent of the net income, or 6.1 per cent of the operator's income, or 11.2 per cent of the cash income required to pay the tax bill. Next is the Tidewater. In this region 23.5 per cent of the net income, or 8.7 per cent of the operator's income, or 14.1 per cent of the cash income was required to pay the 1927 tax bill. Finally, the Coastal Plain was taxed least of all. However, even in this region it required 11.3 per

[1]For variation in the size of the tax bill, see Chapter VI.
[2]It will be noted that there are no figures for several areas in the net income column. The reason for this is that the incomes were negative in character.

cent of the net income, or 6.8 per cent of the operator's income, or 9.1 per cent of the cash income to take care of the taxes. The averages for the state as a whole show that taxes absorbed 20.3 per cent of the income, or 7.8 per cent of the operator's income, or 12.4 per cent of the cash income.

In the foregoing discussion relationship between income and taxes has been expressed in terms of general averages. If, however, the incomes be grouped in some regular way and the average income for each group related to the corresponding average taxes, an important relationship is revealed, namely, that as incomes increase the ratio of taxes to income decreases. This relationship may be illustrated by using net incomes.[1] (See Table 4.) For the state as a whole taxes approximate 83 per cent of the net incomes ranging from zero to $200, but the ratio of taxes to net income decreases fairly uniformly to 4 per cent for incomes in excess of $4,000. The same relationship holds in each of the several regions of the State. (See Table 4.) In the Mountain region taxes approximated 84 per cent of the incomes ranging from zero to $200, and only 7 per cent of incomes in excess of $2,000. For the Piedmont the taxes were 88 per cent of the net incomes ranging from zero to $200, but decreased to 3.4 per cent in the case of farms with net incomes of $2,000 or more. In the Coastal Plain taxes were equal to 89 per cent of incomes ranging from zero to $200, but only 4 per cent of incomes in excess of $4,000. Finally in the Tidewater area taxes represented 72 per cent of incomes ranging from zero to $200, and 6.1 per cent of incomes over $4,000.

The fact that taxes tend to decrease relatively as incomes increase reveals the defective nature of our present method of levying taxes. The theory, if there be one, underlying our present method is that land values tend to equal the sum of discounted future rents, or that land values tend to be reflected by the magnitude of that part of the incomes which may be attributed to the land. This theory may be correct when considered from a long time point of view, but for a short period the income derived from farming may not bear a very close relationship to the value of the land. In other words, land values may remain constant for short periods while incomes may fluctuate markedly. Under our present method of assessing land there is little or no attempt to adjust land values to the income producing power of the land. As a result, farmers who obtain in any one year or for a few years net income out of line with the assessed value of their farm property are likely to find taxes exceedingly burdensome. In fact, the tax burden may be so great as to compel such farmers to go heavily in debt, exhaust capital supplies, reduce their standard of living or be forced to abandon farming altogether.

The results which have been obtained in this study are by no means consistant[1]. That is, on one basis the tax burden in one area may appear relatively heavy, while on another basis the taxes in other areas may be relatively light. And, while it is difficult to determine with any degree of accuracy the relative burdensomness of taxes in the several areas covered by this investigation, some notion of the relative tax burden may be obtained by comparing the areas when ranked on the several bases presented in this discussion. Omitting taxes per farm, which is not an altogether satisfactory basis for comparison, Moore county peach growers are taxed less than farm-

[1]In this discussion the income refers to income before taxes have been deducted as expenses.

ers in any other section of the state. It should be pointed out, however, that the peach growers were in a somewhat favorable position in 1927, which may account for their ranking low, especially when the rank is based on income. A study of the ranking shows that farmers in Ashe and Jackson counties are taxed relatively heavy. Jackson does not rank less than six on any basis used, while Ashe does not rank less than nine. It is clear, therefore, that these two areas are carrying a heavy tax burden. Farmers in Moore county (peach growers), for the year 1927 at least, were carrying a relatively light tax burden. Using the sum of the ranks as a guide, the areas which appear to be taxed relatively light include Moore, Person, Davidson; those which are apparently taxed very heavy are Jackson, Ashe, Pender; while those occupying an intermediate position are Lenoir, Chowan, Cumberland, Catawba, and McDowell.

Net Rent and Taxes. In the foregoing discussion attention has been centered upon the relation of taxes to income. Income, however, is a product of all factors of production: i. e., land, labor, capital, and management. Inasmuch as taxes are levied on property and not on income (for local purposes) it is important that the burden of taxation on property should be discussed. For the purpose of determining the burden of taxation on farm property 416 rented farms have been studied. The net rents for these farms have been calculated and the percentage of the net rents absorbed by taxes, determined. In addition to the net rents for 416 rented farms, the returns to property have been calculated for the 1,156 owner-operated farms[1]. A summary of the results is presented in Table 5.

For the rented farms, taxes absorbed on the average 28.9 per cent of the net rents, or approximately the same as for the owner-operated farms. Taxes were apparently more burdensome on the cash than on the share-rented farms. In the case of the former, 39.2 per cent of the net rents was absorbed by taxes, while in the latter it was 26.5 per cent.

Regional differences exist. In the Mountain region records were obtained for 18 rented farms. For these farms the net rents were not sufficient to pay the taxes. For example, the taxes in the case of share-rented farms represented 209 per cent and for cash-rented farms 506 per cent of the net rents. The results for the Mountain region are not, however, typical for the state. In all the remaining regions taxes were considerably less burdensome. For the Piedmont, Coastal Plain, and Tidewater taxes represented 20.1 per cent, 26.5 per cent, and 37.6 per cent of the net returns of share-rented farms.

ASSESSMENT AND EQUALIZATION

The third object of this investigation was to obtain the true or market value of farm property. Information on this subject was essential in order to discuss assessment and equalization of farm property for taxation purposes. There were two things of major importance on which the Commission wished to have information: (1) To what extent are farm properties being assessed according to their market value as provided for by statute; and (2) to what extent, if at all, are assessments discriminatory?

To determine to what extent assessment is based on market value as required by statute it was necessary first to obtain data regarding the market value of the farms included in this study. It was impossible to obtain actual

[1]See Table 44 for method of calculation.

market prices, as these farms had not been sold recently. For this reason independent estimates were used. These estimates were made by competent persons in each community, who were familiar with the prevailing land prices and also were familiar with the individual farms upon which they were requested to pass judgment. An average of three independent estimates was obtained on 1,057 farms. To these independent estimates were added the farmer's own estimate of the market value of his farm, and from these an average was computed which was designated the *estimated market value.*

The assessed values of each farm, obtained from the county auditor's office, were then expressed as the percentage of this estimated market value. When these percentages were subjected to analysis, it was found that for the 1,057 farms the assessed value was equal to only 75 per cent of the estimated value. Not only was this true, but there was wide variation in the percentage figures. To illustrate, there were 46 farms, or 4.5 per cent of all farms, for which the assessed value was 30 per cent or less than the market value; and 35 farms, or 3.4 per cent of all farms, assessed at over 150 per cent of their market value. There were only 170 farms, or 16.7 per cent of all farms, which had been assessed within 10 per cent of their estimated market value.

In most of the areas the farms were assessed considerably below their estimated market value. This was particularly true in the case of Davidson, Jackson, Ashe, Cumberland and Pender areas, where the assessed value was less than 60 per cent of the estimated market value. There were only two areas (Chowan and Lenoir) in which the assessed value was greater than 80 per cent of the market value. For Chowan the assessed value was 87.0 per cent and for Lenoir 92 per cent of the estimated market value.

Obviously, where the percentage of assessed value to market value is low, relatively few farms will be estimated at their true or market value. (See Table 6.) The tabulation shows for each area the percentage of farms assessed within 10 per cent of their estimated market value. The variation is from 27 per cent in Lenoir to 3 per cent in Davidson. The tabulation shows also the percentage of all farms assessed below their estimated market value.

Such wide variation in assessment is likely to be discriminatory in character. When some farms are assessed at less than their market value and others at more than their market value, discrimination arises. Those which are assessed at less than their market value pay less taxes than they should, and those which are assessed higher than their market value pay more taxes than they should. This fact is substantiated by the data presented in Table 7. There were according to this table, 192 farms, or 18.8 per cent of all farms, which were assessed at less than 50 per cent of their estimated market value. The average taxes on these farms were $6.13 per $1,000 of the estimated value, which is $6.77 less than the average for all farms. There were 172 farms or 16.9 per cent which were assessed at 100 to 150 per cent of their estimated market value. These farms were assessed $16.90 per $1,000 more than they would have been if the assessed value had been equal to the estimated market value. Those farms which were assessed at 50 per cent or less of their estimated market value were taxed on the average $45 less, and those assessed at 100 to 150 per cent of their estimated market value were taxed $41 more, than would have been the case if their assessment had been equal to their estimated market value.

According to the analysis of the data used in this investigation there is a tendency to tax small farms and large farms heavier than those of intermediate size. Although it should be pointed out that in many cases the additional tax burden on the small farms, when calculated on the average market value of such farms, is insignificant. (See Table 8.) For example, for the state as a whole, the small farms or those less than $4,000 in value, were taxed only 14 cents per thousand of the estimated market value above the average of all farms. When the tax is computed on the average value of these farms, it amounts to only 34 cents per farm above that which would normally prevail if assessment had been properly equalized. However, for large farms the difference in taxes appears to be significant. For example, for farms ranging in values from $12,000 to $16,000 the tax rate, due to unequal assessment, was $13.59 less than would have been the case if assessment had been made properly; and the large farms or those ranging from $16,000 to $20,000 paid excess taxes of $17.94 per farm. What is true of the state as a whole is equally true of the several areas. In brief, the present methods of assessing farm property certainly appear to be discriminatory.

CONCLUSIONS:—The Commission has experienced difficulty in obtaining a basis for measuring the burden of taxation. It seems evident, however, from the analysis of the data that the tax burden on agriculture is indeed heavy. Taxes are especially burdensome in those agricultural areas which are characterized by a self-sufficing or non-commercial type of farming. They are burdensome also in certain areas of the state in which the farmers have been forced, because of boll weevil infestation, to change radically their type of farming. In these sections, taxes often exceed the farmer's ability to pay. If this condition continues there is no doubt that farmers will be forced to deplete their capital resources, thereby reducing still further their productive power; or to be compelled to pay taxes out of wages, thereby reducing their standard of living.

It should be pointed out, however, that where incomes have been adequate, taxes have not been exceptionally burdensome. This is especially true in those areas in which the boll weevil has been comparatively inactive and where tobacco of good quality has been produced.

This report has emphasized the fact that in many cases taxes are burdensome because of the defective method now employed in assessing and appraising farm land. There is ample evidence of discrimination in assessment, with a result that in some areas the majority of the farmers pay less taxes than they should, while in other areas the majority of the farmers pay more taxes than they should. This condition can and should be remedied. The law requires that all property be assessed at its true or market value, but the law is seldom, if ever, complied with. The Commission does not argue that it is necessary to assess land at its true or market value in order to avoid discrimination. The important thing is uniformity of assessment. Uniformity, however, cannot be attained unless some method is developed for ascertaining the "true" or market value of property. This, of course, is a difficult undertaking, as relatively few farms are sold or transferred in any given community. Furthermore, when farms are sold or transferred, the consideration is stated in such vague terms as to be almost useless. It has been effectively demonstrated, however, that the values of transferred properties can be obtained and used effectively in assessing farm property.

The Commission realizes that sales of farm property alone will not solve the problem of assessment. The farms sold may or may not represent the large bulk of farms in any given community. There is evidently a need, therefore, for a method of appraising farm land. Heretofore, the appraising of farm land has been a matter of the judgment of individuals who were familiar with local conditions, but this method of arriving at the value of farm property is defective because it does not provide any means of definitely determining the influence of the several factors which affect farm values. There is need for an objective method by which the influence on land values of such factors as the productivity of the farm, distance from market, type of road, conditions of buildings, etc., can be measured. Several studies along this line have been made which appear promising, and the Commission is of the opinion that additional investigation is required on this subject for the purpose of demonstrating to what extent better methods of appraisal can be developed and applied to North Carolina conditions.

The lack of uniform methods of appraising and assessing land values is evident when a comparison is made between taxes and income. In many cases the Commission has found that assessed values have not been adjusted to conform to the earning-power of the land; and as taxes must ultimately be paid out of income, there is need for a closer adjustment of assessed values to anticipated farm earnings. Unless land values are adjusted from time to time to conform to the income-producing power of the land, the tax burden will fall largely on those farmers whose net incomes are low relative to the assessed value. Under our present method of appraising and assessing farm land there is no way by which this adjustment can be made. In fact, there is a strong inclination to keep land values at approximately the same level throughout a period of years, irrespective of any change which may take place in the income-producing power of the farm. But that this practice often reacts to the detriment of individual farmers is beyond question.

While there is much that can be done, as suggested above, in the way of improving our taxation methods, there is another point which should not be neglected, and that is the improvement in agricultural conditions. Taxes must be ultimately paid out of income, as the Commission has so often emphasized in this report. There is need in this state for improvement along two lines: (1) in the organization and management of the farm, and (2) in the marketing of agricultural products. In many cases farmers are feeling the burden of taxation more because of inefficient methods employed in the production and marketing of their products than because of any other one factor. In the past this state, in common with other states in the Union, has been emphasizing technical production. However, at present we could well begin to stress improvement in the organization and management of the farm and in the marketing of agricultural products to the end that the net incomes of farmers may be increased.

The Commission's conclusions with respect to the agricultural report are: (1) that taxes on agriculture are indeed heavy generally and especially in those areas in which, for various reasons, incomes have been relatively low; (2) that our present methods of assessing and appraising farm property for taxation purposes are defective and should be remedied; and (3) that the tax burden is often heavy because of poor farm management and organization, and inadequate methods of marketing agricultural products. The Commission is of the opinion that there is need for improvement in each of these phases of the problem in order to relieve the tax burden on a large number of farmers in this State.

TABLE 1—FARM BUSINESS SUMMARY OF 1156 OWNER OPERATED FARMS

Areas	No. Farms	Farm Earnings	Operator's Income	Net Income	Per cent return to Capital	5% interest on Capital	Profits
Jackson	120	$ 524	$ 456	$ −157	−3.8	$ 203	$ −360
McDowell	64	585	518	−181	−3.4	267	−448
Ashe	97	568	504	−245	−3.2	387	−632
Mountain Region	**281**	**554**	**487**	**−192**	**−3.4**	**281**	**−473**
Catawba	99	957	832	−48	−0.7	349	−397
Davidson	121	894	777	−93	−1.5	306	−399
Person	91	1,922	1,725	786	10.4	378	408
Piedmont Region	**311**	**1,215**	**1,072**	**−178**	**2.6**	**341**	**−163**
Moore Peach	41	6,290	6,217	4,841	18.6	1,303	3,538
Moore	51	1,142	1,042	337	5.5	308	29
Cumberland	108	1,252	1,112	300	3.5	428	128
Lenoir	135	2,034	1,841	1,016	8.4	605	411
Coastal Plain Region	**335**	**2,157**	**2,010**	**1,147**	**9.7**	**588**	**559**
Pender	134	856	771	107	2.0	274	167
Chowan	95	1,762	1,607	676	6.5	517	159
Tidewater Region	**229**	**1,241**	**1,127**	**352**	**4.7**	**374**	**22**
State Average	**1,156**	**1,333**	**1,213**	**405**	**5.0**	**405**	**0**
State Average 1115 Farms (Moore Peach Excluded)	**1,115**	**1,153**	**1,031**	**241**	**3.2**	**372**	**−131**

TABLE 2—SUMMARY OF ALL RENTED FARMS
(416 Farms, North Carolina, 1927)

Region	Number of farms	Size of farms acres	Investment	Gross rent	Expense not including taxes	Taxes	Net rent before taxes	Gross rent per acre	Net rent per acre
Mountain Region	18	158	$ 6,273	$ 141	$ 109	$ 86	$ 32	$ .89	$ .20
Piedmont Region	89	154	6,729	376	100	90	276	2.44	1.79
Coastal Plain	276	266	15,730	2,052	1,126	252	926	7.71	3.48
Tidewater Region	33	158	7,019	416	151	137	265	2.63	1.68
State Average	**416**	**229**	**12,704**	**1,480**	**785**	**201**	**695**	**6.46**	**3.04**

TABLE 3—TAXES PAID BY FARMERS IN SPECIFIED AREAS OF NORTH CAROLINA IN 1927
(1156 owner-operated Farms)

Areas	Taxes per Farm		Taxes per Farm Acre		Taxes per $100 of Capital		Taxes per $100 of Net Income*		Taxes per $100 of Operator's Income*		Taxes per $100 of Cash Income*	
	Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank
Jackson	$ 67	3	$ .66	6	$1.70	12	$ —†	10	$12.80	11	$38.50	10
McDowell	64	2	.45	1	1.20	5	—†	11	11.00	10	43.50	11
Ashe	112	8	.81	9	1.45	10	—†	12	18.20	12	65.50	12
Mountain Region	**82**		**.67**		**1.45**		**†**		**14.40**		**48.80**	
Catawba	75	4	.73	7	1.08	3	278.00	8	8.30	7	16.50	6
Davidson	57	1	.62	4	.93	1	—†	9	6.80	3	18.60	9
Person	83-	5	.60	3	1.10	4	9.60	2	4.60	2	6.70	2
Piedmont Region	**70**		**.64**		**1.03**		**28.20**		**6.10**		**11.20**	
Moore Peach	258	12	.77	8	.99	2	5.10	1	4.00	1	4.50	1
Moore	83	6	.64	5	1.35	7	19.80	5	7.30	4	13.00	5
Cumberland	115	9	.82	10	1.36	8	27.90	6	9.40	8	16.90	7
Lenoir	163	11	1.21	12	1.35-	6	13.80	3	8.10	6	10.80	3
Coastal Plain	**147**		**.92**		**1.30**		**11.30**		**6.80**		**9.00**	
Pender	84	7	.51	2	1.54	11	.43	7	9.80	5	18.30	8
Chowan	141	10	1.11	11	1.57	9	17.30	4	8.00	5	12.00	4
Tidewater	**108**		**.72**		**1.44**		**23.50**		**8.70**		**14.10**	
State Average	**103**		**.76**		**1.30**		**20.30**		**7.80**		**12.40**	

TABLE 4—PER CENT TAXES ARE OF NET FARM INCOME (BEFORE TAXES)
(1,156 Owner-Operated Farms)

	State	Mountain	Piedmont	Coastal Plain	Tidewater
Number Farms	1156	281	311	335	229
Number Minus Incomes	476	181	135	83	77
INCOME CLASSES:					
0 to 199	83.1	83.9	87.8	88.9	71.7
200 to 399	30.4	23.6	27.3	35.6	31.3
400 to 599	21.0	31.3	14.6	21.9	24.2
600 to 799	14.3	14.4	8.8	18.4	17.0
800 to 999	12.8	27.3	8.6	15.1	10.2
1000 to 1199	11.6	—	9.7	12.8	13.6
1200 to 1399	11.2	28.2	5.6	12.8	11.3
1400 to 1599	11.8	55.2	8.2	7.5	15.5
1600 to 1799	10.3	—	9.8	10.2	12.6
1800 to 1999	7.7	—	3.8	7.0	10.6
2000 to 2199	10.5	—	3.7	13.9	11.8
2200 to 2399	19.5	—	—	17.2	24.3
2400 to 2599	7.9	—	1.1	5.9	15.9
2600 to 2799	7.9	5.5	7.6	11.0	7.7
2800 to 2999	8.5	—	4.9	9.7	—
3000 to 3199	8.7	8.1	—	9.8	5.9
3200 to 3399	10.1	—	3.0	25.0	6.5
3400 to 3599	9.3	—	—	9.3	—
3600 to 3799	4.4	—	—	3.1	5.8
3800 to 3999	6.4	—	—	8.5	3.4
4000 above	4.1	—	1.5	4.0	6.1
Average	20.3	—*	28.2	11.4	23.5

—*Minus income for region.

TABLE 5—RELATION OF PROPERTY TAXES TO NET RENT FROM LAND
(Comparison of Owner-Operated Farms and Landlord Farms)*

Region	Number of Farms			Net Rent Per Farm Acre			Property Taxes per Farm Acre			Per Cent Taxes are of Net Rent (before taxes)			
	Owner Operated Farms	Share Rented Farms	Cash Rented Farms	Owner Operated Farms	Share Rented Farms	Cash Rented Farms	Owner Operated Farms	Share Rented Farms	Cash Rented Farms	Owner Operated Farms	Share Rented Farms	Cash Rented Farms	All Rented Farms
Mountain	281	11	7	$1.14	$ .36†	$ .07†	$ .67	$ .76	$ .36†	-------	209.	506.0	268.7
Piedmont	311	29	60	1.95	2.88	1.06	.64	.58	.59	32.8	20.1	55.6	32.7
Coastal Plain	335	197	79	7.80	3.92	2.16	.92	1.04	.68	11.8	26.5	31.4	27.2
Tidewater	229	6	27	2.76	2.69	1.41	.72	1.01	.85	26.1	37.6	60.2	51.7
State	**1,156**	**243**	**173**	**3.45**	**3.73**	**1.69**	**.76**	**.99**	**.666**	**22.0**	**26.5**	**39.**	**28.9**

*1156 owner operated farms, 243 share-rented farms, and 173 cash-rented farms.

†Five per cent interest on livestock, machinery and feed was deducted from the net income or return to capital on the owner-operated farms to find the net rent or return to land and improvements.

TABLE 6—RELATION BETWEEN ASSESSED VALUE AND MARKET VALUE OF FARM REAL ESTATE

Area	Percentage assessed value is of market value	Percentage of farms Assesed within 10 per cent of estimated market value	Percentage of farms assessed at less than market value
Mountain Region:			
Jackson	60	17	81
McDowell	80	19	77
Ashe	61	14	89
Piedmont Region:			
Catawba	73	17	89
Davidson	50	3	99
Person	77	19	73
Coastal Plain:			
Moore	71	15	78
Cumberland	59	19	79
Lenoir	92	27	60
Tidewater Region:			
Pender	61	12	96
Chowan	87	17	57
State Average	75	17	80

TABLE 7—EFFECT OF ASSESSING LAND ABOVE OR BELOW THE ESTIMATED MARKET VALUE ON TAXES PAID (1020 FARMS)

Percentage the assessed value of the estimated market value	Number Farms	Percentage of totals	Assessed valuation per $1000 of estimated market value	Tax Levy on $1000 at $.0168 per dollar of assessed value	Tax Levy above or below the average per $1000 of estimated market value	Estimated Market Value of the of the average farm	Amount of taxes above or below the average on account of differences in rate of assessment for the average farm
Below 50%	192	18.8	$364.73	$6.12	−$6.76	$6,692	−$45.29
50 – 99.9	621	60.9	742.61	12,47	−0.42	6,422	2.70
100 – 149.9	172	16.9	1,153.31	19.37	6.47	6,328	40.99
150 and above	35	3.4	1,773.79	29.80	16.90	5,620	16.90
Average	1,020	100.0	767.66	12.89	----------------	6,431	----------------

TABLE 8—ASSESSED VALUATION AND APPROXIMATE TAX LEVY PER $1000 OF ESTIMATED MARKET VALUE OF FARM REAL ESTATE; AND EXCESS TAX LEVY ON $1000 ESTIMATED MARKET VALUE, AND ON THE AVERAGE FARM BECAUSE OF DIFFERENCES IN THE RATE OF ASSESSMENT

Group Number	SIZE	Number of Farms	Assessed Valuation per $1000 Estimated Market Value	Tax Levy on $1000 at $.0168 Per Dollar of Assessed Value*	Tax Levy Above or Below Average Per $1000 of Estimated Market Value	Estimated Market Value of the Average Farm	Excess Tax on Account of Differences in Rate of Assessment on the Average Farm
	Weighted Average: All Groups	1,020	$767.57	$12.89	----------------	$6,431	----------------
I	Below $4,000	434	776.14	13.03	.144	2,387	$.34
II	$4,000 to $7,999	371	765.88	12.86	−.028	5,612	−.16
III	$8,000 to $11,999	109	754.17	12.67	−.225	9,727	−2.19
IV	$12,000 to $15,999	43	709.93	11.92	−.968	14,040	−13.59
V	$16,000 to $19,999	26	828.45	13.91	1.023	17,538	17.94
VI	$20,000 and above	37	779.59	13.09	.202	35,679	7.21

*The tax levy per dollar of assessed valuation (.0168) is the average rate in 1927 on all property outside of cities in the 11 areas from which records were obtained. The average rate for the state outside cities in 1927 was .0163 or $1.63 per 100.

CHAPTER I

SCOPE AND METHOD OF AGRICULTURAL INQUIRY

SCOPE OF INQUIRY

This report on the tax burden on agriculture is a part of the comprehensive inquiry of taxation undertaken by the Tax Commission under authority of Chapter 157, Public Laws 1927. In projecting the study the Commission desired to obtain from original sources reliable information which would reveal the nature of the tax burden on farming. More specifically, it had in mind the following: (1) to determine the percentage of the net income received by farmers which was being absorbed or taken in taxes; (2) to determine the burden of taxation on farm property as indicated by the percentage of the net rent attributable to property which was being absorbed or taken in taxes; and (3) to determine the relation of assessed value of farm property to its "true" or market value.

METHODS USED IN MAKING INQUIRY

Organization of the Work. The Executive Secretary of the Commission, Dr. Fred Morrison, was designated to have general charge of the investigation. In order to set up an organization to conduct the comprehensive inquiry projected, the Commission held conferences with the Bureau of Agricultural Economics, United States Department of Agriculture, the State College of Agriculture and Engineering, the State University, and the State Department of Agriculture, and as a result Dr. G. W. Forster, head of the Department of Agricultural Economics, State College, was appointed director of the farm tax survey. The Federal Bureau of Agricultural Economics gave generously of the time of Mr. H. W. Hawthorne and Mr. G. S. Klemmedson. These men were invaluable in conducting the field survey and contributing also to the preparation of the report. Dr. Whitney Coombs, tax economist of the Federal Bureau of Agricultural Economics, materially assisted in formulating the details of the investigation, and especially that portion dealing with the income from rented farm land. Mr. H. H. Wooten, graduate student in Agricultural Economics at State College, who was formerly employed by the United States Tariff Commission to investigate the cost of producing farm products, was appointed chief clerk in charge of the office personnel and of all statistical tabulation and analysis.

The Commission was assisted in obtaining the field data by a force of approximately ten enumerators. These enumerators were men with farm experience, and had been graduated either from State College or the University. Two were graduate students majoring in Agricultural economics. The full list is as follows: W. T. Carpenter, G. P. Crisp, G. B. Dedmon, G. E. Jones, C. J. Lippard, C. V. Kiser, P. D. May, M. R. Matheson, C. C. Rowland, W. H. Shearin, H. G. Shelton.

The Commission believed it advisable at the outset to provide for an advisory committee. The following committee was appointed and assisted materially in conducting the study: E. C. Branson, D. D. Carroll, and Clarence Heer, of the University of North Carolina; G. W. Forster of the State College; A. S. Keister, North Carolina College for Women; W. A. Graham, North Carolina Department of Agriculture; Nils A. Olsen, and Whitney Coombs, United States Department of Agriculture.

AREAS SELECTED FOR INVESTIGATION

At the outset the Commission realized that it could not undertake a complete census of all of the farm owners in the state. It was therefore necessary to select representative agricultural areas. After careful study of the crop and livestock production and information relative to the manufacturing and social life of the state, the following areas were selected:

JACKSON, 120 farms—including 93 farms in Jackson county and 27 in Macon county.

McDOWELL, 64 farms—all in McDowell county.

ASHE, 97 farms—all in Ashe county.

CATAWBA, 99 farms—all in Catawba county.

DAVIDSON, 121 farms—all in Davidson county.

PERSON, 91 farms—all in Person county.

MOORE, 92 farms—including 70 farms in Moore county, 14 in Richmond county, 7 in Montgomery county, and 1 in Lee county. The farms in this area include 41 peach farms of which 26 are in Moore county, 8 in Richmond county, and 7 in Montgomery county. The peach farms were tabulated separately from the others and are not included in averages unless so stated.

CUMBERLAND, 108 farms—including 82 farms in Cumberland county, 24 in Hoke county, 1 in Scotland county, and 1 in Bladen county.

LENOIR, 135 farms—including 98 farms in Lenoir county, 34 in Wilson county, and 3 in Greene county.

PENDER, 134 farms—including 132 farms in Pender county, 1 in New Hanover, and 1 in Duplin county.

CHOWAN, 95 farms—including 33 farms in Chowan county, 26 in Perquimans county, 14 in Pasquotank county, 9 in Camden county, and 13 in Currituck county.

THE METHOD OF OBTAINING FIELD DATA

Owner-operated Farms. Early in February, 1928, the enumerators were called for a conference in Raleigh and were given special directions with respect to the field schedules and training in the field before undertaking the investigation. The schedule employed is shown in Appendix II at the end of this study, pp. 189-199. The field schedule is the regular farm management schedule, prepared by the Bureau of Agricultural Economics of the United States Department of Agriculture for use in Southern states. It provides space for obtaining information on acreage, yields, production, and sale of each crop; the tenant's or cropper's share of each crop; the number and value of each kind of livestock at the beginning and at the end of the year; and the number and price of each kind of livestock and livestock products bought and sold during the year. It also provides space for detailed enumeration of the expenses of operating the farm for the year, the value of the farm, the value of the farm products used as food for the family, and the value of the fuel and shelter furnished the family from the farm. In brief, the schedule provides for the collecting of all essential data for the calculation of the income for each farm surveyed[1].

Rented Farms. The survey of rented farms was obtained partly by personal interviews and partly by mail questionnaires. The field schedule used with rented farms, designated landlord schedule, is also shown in Appendix II, pp. 200-202. It provides space for obtaining detailed information as to farm property income and expenses for the years 1925, 1926 and 1927. In case the landlord did not remember the details of his farm business for 1925 and 1926 he was asked to calculate the net rent for these two years as the percentage above or below that of 1927. Sufficient information was obtained to calculate the net rent for 416 rented farms in 1927, 182 in 1926, and 160 in 1925.

Independent Estimates on Property. For both owner-operated farms and rented farms, the owner's estimate of the value of property was obtained. In order, however, to get a figure which would more nearly represent the market value of the property, independent estimates were obtained. This schedule, designated *Land Value Schedule*, is also shown in Appendix II, page 203. It provides for estimating the value of the buildings and land separately or combined, whichever was most convenient to the estimator. Care was taken to permit no person to estimate the value of the farm unless he was familiar with the property in question. The type of value which each estimator was requested to place on the property was that which he believed the farm would sell for under normal economic conditions. On the average, three independent estimates were obtained per farm. All estimates were obtained under the supervision of the director of the survey, who personally visited each area and interviewed those who were requested to make the estimates.

Method of Selecting the Farms. A map was obtained for each of the counties selected for study. On this map the county was set off into definite areas and a group of two or three enumerators was assigned a definite area and was directed to canvass that area as completely as road conditions and time allowed for study would permit. (See Figure 1.) Farms were visited as enumerators came to them. If the farmer was not at home, or was busy, or refused to coöperate, the enumerator then visited the next farmer.

Fairness of the Sample. The number of farms included in this study are less than 1 per cent of all the owner-operator farms of the State, and slightly more than 5 per cent of all those within the areas actually covered by the survey. The areas selected, however, include all of the principal types of farming within the state. In addition to the fact that the records were from farms "just as they came", some of the other reasons for believing that farms surveyed constitute a fair sample are: (1) There is a close relationship between the 1925 census average valuation of land and buildings per acre and the average per acre valuation of the farms from which records were obtained in the corresponding counties: (See Table 9). (2) the average crop sales per farm of the farms included in the survey correspond closely with the average crop sales per farm for all of the farms of the State as calculated from the 1927 annual issue of the Farm Forecaster; (3) the aver-

[1]The method of investigation used in this study is more fully described in the United States Department of Agriculture Farmer's Bulletin No. 1139 entitled "Methods of Analyzing the Farm Business."

age sales per farm of each of the principal crops also correspond reasonably close when the sales from the farms included in the survey are compared with those from all farms of the state as calculated from the annual issue of the Farm Forecaster.

Accuracy of the Data. According to the method used in this survey, some of the figures are taken from records which have been kept by the farmers, but the data are largely from the farmer's memory or from his estimates. The experience which has been gained by the use of this method, together with numerous tests which have been made, indicate that most of the farmers know the details of their business with a fair degree of accuracy. Discrepancies in their knowledge are relatively unimportant in the case of the larger and more significant items. One reason for this is the fact that on many farms there are relatively few business transactions, most of them being fairly large items. The principal product of the farm is, in many cases, disposed of in a single sale, and the farmer remembers the details of this sale quite accurately until the corresponding figures for a new year replace them in his mind. In many other cases a product, such as eggs, or milk, is sold in fairly regular quantities from week to week, or from month to month, and the farmer remembers with a fair degree of accuracy the usual weekly or monthly receipts from such sales, as well as the variations in these receipts. Hence, when the details of a farmer's business are recorded item by item after the close of a year, they are reasonably accurate.

Though the farmer does know fairly well the details of his business, it requires skill on the part of the enumerator to talk to the farmer in the terms in which the farmer carries the information in his mind. Unless skill is exercised, the data often will be of little value. Thus if a farmer is asked how much he made from his farm last year, he will usually say he didn't make anything, he didn't make much, he did pretty well, or he does not know; but if the income is analyzed into its elements it is usually found that he has a definite knowledge of these elements. He knows how much cotton, corn, or tobacco he made, how much he sold, and the price received. He knows how much labor he hired, how much fertilizer he bought, how much he paid for ginning, how much feed he bought, and so on through all the elements entering into the farm receipts and the farm expenses. Many farmers do not know how to arrange these facts into a definite statement of income or profit. If the enumerator is competent, he supplies this deficiency in the farmer's knowledge, and together the two are able to arrive at an approximately correct statement.

Checking the Records for Errors. In addition to the care exercised by the farmer and the representative of the Tax Commission in making the record of the farm business, each record was checked by an experienced person for any omissions, for any unreasonable figures, and for anything which should not have been included. Where important uncertainties occurred, the farmer was revisited, or the record omitted from the tabulations. After the records were brought into the office they were again checked, and in some instances a letter was written to the farmer concerning missing data.

Some of the important things for which the records were checked are as follows:

(1) The acreage reported for each crop was compared with the total acreage reported for all crops.

(2) If the yield of any crop seemed unreasonable, an explanation of this was asked for so that the representative was satisfied that the answer was correct.

(3) In the case of cash crops, as tobacco and cotton, the amounts sold and held for sale were compared with the total production of the given crops, and in the case of feed crops, the amount produced less the amount sold and held for feed the following year were compared with the amount of livestock kept.

(4) Comparisons were made of the number of each kind of livestock at the beginning of the year and the number born and bought with the number at the end of the year and the number sold, died, and slaughtered.

(5) The amounts of fertilizer used per acre on the several crops were compared with the total fertilizer expense; the amounts of labor, with the probable labor requirements; and the expense for ginning, threshing, etc., with the production of the corresponding crop.

AN APPRAISAL OF THE METHOD

In the judgment of the commission, the data obtained in this survey are accurate. Several tests have been made of the accuracy of data obtained by the survey method. In a dairy community in southern New Hampshire 135 farmers were found who sold all their milk to local creameries. These farmers were asked to give an estimate of the amount received for milk during the preceeding year. Later the precise amounts were copied from the books at the creameries. The estimated value of milk sold on all the farms was $106,183 and the actual value of milk sold was $105,837, a difference of $346, or less than $4 per farm. The percentage of error in the total of all estimates was about three-tenths of 1 per cent. In the same community 79 of the farmers were asked to estimate the quantity of milk sold. The estimated quantity sold from all farms was 3,518.816 pounds, and the actual quantity sold was 3,487,330 pounds, a difference of 31,496 pounds, or less than 400 pounds per farm. The percentage of error in the total of all estimates was about nine-tenths of 1 per cent.

In a farm business survey in south-western Georgia a representative of the United States Department of Agriculture obtained the record of a certain farm from the overseer at the farm, while another representative obtained the record for the same farm from the manager at his office in town. In either case the record was made from memory. The record from the manager gave a labor income of $3,688, and that from the overseer $3,656, a difference of $32, which is less than 1 per cent of the amount involved.

Within the past few years about 20 farmers each in Cumberland and Macon counties, North Carolina, have kept book records of their farm business in coöperation with State College and the United States Department of Agriculture. Allowing for the yearly variations in yields and prices and for the differences in farms, these book records indicate that the 1927 survey records are fairly accurate. Similar book records for the year 1925 from 20 farms in Craven county—much of which is like Lenoir county—indicate accuracy in the Lenoir survey records.

In this survey each farmer was asked for the amount of his 1927 farm taxes. Later the amount of taxes assessed on the properties in question was copied from the county auditor's book The figures given by the farmers amounted to $123,733 for the 1,156 farms, and those from the county auditor's books to $118,795, a difference of $4,938, or about $4 per farm. There is evidence that many of the farmers included their poll tax and dog tax in the figures they gave. These were not included in the figures from the county auditor's books. If corrections could be made for these discrepancies, the average difference between the amount of taxes as reported by the farmers and that from the county auditor's books would probably be less than $2 per farm.

TABLE 9—COMPARISON OF SURVEY MATERIAL WITH THE CENSUS DATA 1925*

	Jackson		McDowell		Ashe		Catawba		Davidson		Person	
	Census Data	Survey Data	Census Data	Survey Data	Census Data	Survey Data	Census Data	Survey Data	Census Data	Survey Data	Census Data	Survey Data
Number of farms operated by full owners	3,025	120	1,096	64	2,866	97	1,925	99	2,749	121	1,010	91
Average acreage per farm	77	101	86	141	75	138	80	103	75	92	105	139
Average crop acres per farm	12	16	15	28	15	27	25	36	18	28	30	33
Average investment per farm (in dollars)	2,528	4,050	2,800	5,347	4,251	7,730	5,263	6,973	4,712	6,114	5,082	7,559
Average investment per acre (in dollars)	33	40	33	38	57	56	66	68	63	66	48	54
Per cent farms mortgaged	9.1	6.7	8.8	15.6	16.5	20.6	17.2	34.3	18.2	17.4	20.8	22.0
Percentage ratio debt to value	30.6	41.7	31.7	19.3	30.8	31.4	30.6	27.6	27.0	17.8	40.6	31.4

*Calculated from U. S. Census of Agriculture.

TABLE 9—COMPARISON OF SURVEY MATERIAL WITH THE CENSUS DATA 1925*—*Continued*

	Moore		Cumberland		Lenoir		Pender		Chowan	
	Census Data	Survey Data	Census Data	Survey Data	Census Data	Survey Data	Census Data	Survey Data	Census Data	Survey Data
Number of farms operated by full owners	1,178	51	1,922	108	1,749	135	1,032	134	2,073	95
Average acreage per farm	118	129	101	141	85	135	116	166	89	127
Average crop acres per farm	38	34	49	56	41	56	22	29	50	58
Average investment per farm (in dollars)	4,534	6,156	5,516	8,569	7,420	12,103	2,830	5,473	5,560	10,332
Average investment per acre (in dollars)	38	48	55	61	87	90	25	33	62	81
Per cent farms mortgaged	16.6	31.4	19%	35%	26%	24%	17.5	23.1	22%	28.4
Percentage ratio debt to value	42.4	25.7	29%	34%	39%	41%	45.7	25.1	40.0	49.2

*Calculated from U. S. Census of Agriculture.

CHAPTER II

DESCRIPTION OF THE REGIONS AND AREAS SELECTED FOR STUDY

North Carolina is rather distinctly divided into four regions. The first is a high mountain plateau; the second is a hill country known as the Piedmont; the third is a large plain called the Coastal Plain; the fourth, extending from the head of the tides downward to the coast, is known as the Tidewater region. The state is one vast slope from the Smoky mountains to the sea. From the mountains to the Piedmont there is a sharp descent through a few miles of nearly 1,500 feet; from the Piedmont to the Coastal Plain a descent of about 200 feet; through the Coastal Plain and Tidewater there is a constant downward grade. (See Figure 1.)

THE MOUNTAIN REGION

The Mountain region is a high plateau, bounded on the west by the long chain known under the various names of the Iron, Unaka, and Smoky mountains, and forming the dividing line between North Carolina and Tennesse. On the east it is separated from the Piedmont region by the irregular chain known as the Blue Ridge together with its outlying spurs, the Brushy and South mountains. It extends across the state in a general direction from northeast to southwest, until reaching the southeastern border of Henderson county it turns to the west and forms for a long distance a part of the southern boundary of the state, thus enclosing with marked definiteness the whole of western North Carolina.

Markets and Transportation Facilities. The last few years have been remarkable for the success which has attended the road building program in the mountains of North Carolina. Paved highways now connect all the counties of the region and furnish outlets to markets in other sections. Asheville, Waynesville, Hendersonville, Canton, Marion, Morganton, and North Wilkesboro are the principal market towns of the Mountain region. Since the advent of improved highways, Winston-Salem and Charlotte may be classed as potential markets for mountain products.

One railroad line passes entirely through this section, with a branch at Asheville leading to the extreme southwestern part of the state. Another railroad crosses the region from north to south by way of Marion. The Southern, Seaboard, Carolina, Clinchfield and Ohio, Norfolk and Western, and several branch railroad lines all furnish railroad service to parts of the region. However, there are several counties lacking in direct rail outlets; to these highway transportation is now the most feasible method.

Topography and Soils. The area of this division approximates 8,000 square miles. The Mountain region contains the highest summits of the Appalachian system. In all, there are 43 peaks of 6,000 feet and upwards and 82 mountains which exceed in height 5,000 feet. The Mountain region is divided

by a number of cross ridges, and, consequently, into a number of smaller plateaus or basins, each bounded by high mountains and having its own system of rivers and drainage. It is this alternation or high mountain ranges with corresponding valleys and swift streams which gives western North Carolina its great scenic beauty.

The general contour of these mountains is gentle, the summits presenting smooth rounded outlines, occasionally rising into sharp-pointed peaks, and except on the smoother border, presenting but few precipitous and rocky slopes. Otherwise the mountains are covered with deep, rich soil, and clothed with massive forests to their tops. The soils of the mountain valleys ana coves are noted for their fertility; the capacity for the production of cereals and hay is equal to that of any section in the state. As might be inferred from the heavy forest growth, the mountain sides are susceptible of cultivation, but the steep slopes often prohibit the use of machinery and require much hand labor. The entire mountain country is well adapted to stock raising. Grasses flourish everywhere. A large percentage of the land is in pasture and forests. Hardy fruits and vegetables are produced in abundance.

Climate. The cool, bracing air, together with its varied scenery, its mineral waters, and opportunity for outdoor living make the Mountain region one of the favorite resorts of the people of the South in the summer. Since it has been penetrated by paved highways, the population of health and pleasure seekers has increased a hundred-fold, and in the future will add very largely to its resources. The extremes in temperature between summer and winter are considerable. The average mean temperature for the year is 55 degrees F. The average precipitation varies widely for different parts of the region. At Asheville the annual rainfall is 49 inches, while at Hendersonville it is 62 inches. In some sections there is a considerable snowfall in winter. The growing season averages six months, and there is pasturage much longer. Throughout the mountains in certain localities and at certain elevations there are horizontal sections, known as thermal belts, where frost is seldom known. Such localities are found not only west of the Blue Ridge, but in the South mountains and the Brushy mountains. These belts are especially well adapted to fruit growing. The entire mountain section is well suited to the production of hardy fruits and vegetables, pasture, hay, and grain crops.

Population. The population is very unevenly distributed in the mountains. The population tends to be concentrated in the broader valleys between the ranges. These valleys are the natural routes or communication lanes between sections. In 20 of the 23 strictly mountain counties the population is more rural than urban. With the development of waterpower, mines, and factories the population is gradually changing from the more isolated rural sections to the new centers of work, with their opportunities for greater cash incomes. The population is growing by the addition of people from other states attracted by the rich resources of the region.

The agriculture is largely self-sufficing. It is a section of home owners, of few tenants, and little borrowed capital. The cash income is derived principally from the sale of livestock and livestock products, fruits, and vegteables. The region is marked by an absence of staple money crops.

Diversified farming is a necessity in the mountains. In some sections outside sources of income, such as sales of timber, work at sawmills, or road building are imperative.

THE PIEDMONT REGION

The Piedmont region is intermediate between the Mountain region and the Coastal Plain. It comprises nearly one-half the territory of the state. In extent, it stretches from the foothills of the Blue Ridge to the range of hills marking the fall line on the Neuse and Cape Fear rivers a few miles east of Raleigh. (See Figure 1.)

Markets and Transportation Facilities. Almost the entire region is dotted over with thriving towns and cities. Charlotte, Winston-Salem, and Greensboro and a host of smaller cities provide markets for the products of the section. The transportation facilities are excellent. The main line of the Southern railway from Washington to Atlanta traverses the center of the region. Feeder lines extend out on both sides. The Norfolk-Western, the Seaboard, the Norfolk-Southern, and the Piedmont and Northern cross parts of the section and furnish outlets to other parts of the state and country. A network of hard-surface highways radiate from the principal cities and furnish connection with all counties of the region. Over these roads ply fast express trucks and passenger coaches between the principal towns.

Topography and Soils. The Piedmont region presents a gentle rolling appearance, with here and there isolated ranges of hills in the vicinity of the larger streams. It is intersected by numerous small streams which flow through valleys of level bottom lands. Along the Catawba and Yadkin rivers are extensive tracts of lowlands which were formerly considered the most productive lands, but in recent years these lands have been damaged by deposits of sand and clay washed down from the hills. Throughout the region the problem of soil erosion on the hill farms is a very serious one. Upon its proper control, by crop rotation in which grass and pasture lands are given a prominent place, by terracing, and by reforestation, the future farm rejuvenation of this area largely depends.

The soils of the region are usually deep, and the rock is seen only in the road cuts and stream beds. Many different types of soil are recognized in the Piedmont. Clay and sandy loam soils predominate. Cecil clay and sandy loam are the best adapted to general farming. Some of the lighter soils are more adapted to tobacco and truck crops. The heavy clay soils hold their fertility well and are susceptible of improvement. Grain, cotton, and hay crops produce fair yields on these soils. In some places fruit and truck are grown for local markets. Probably diversified dairying is the most profitable type of farming for the region. The present plight of many of the unproductive farms of the Piedmont is due to careless and inefficient methods of management, among which may be enumerated the absence of a proper system of rotation of crops and pastures, and the lack of a profitable number of livestock. Much of the area in these farms could be made fruitful by adding to the rotation legumes and pasture grasses, by terracing and the sowing of winter cover crops to prevent soil washing, and by gradually increasing the number of livestock carried on the farms.

Climate. Because of the moderate elevation and rolling surface with good drainage, the Piedmont has a remarably healthful climate. The average annual temperature is 60 degrees F. The extremes in temperature in both summer and winter are greater perhaps than in other sections of the state, yet they are not great enough to cause serious discomfort. The annual rainfall is around 48 inches. Rain is distributed throughout the year, somewhat heavier in the spring and summer and lighter in the fall. Considerable snow falls in the winter. The average growing season extends from April 10 to October 20, which is sufficient for all staple crops of the region.

Population. The rapid growth of industrial centers in the Piedmont has caused a noticeable shift in the population from the outlying farm communities to the towns and paved roads. Around the larger towns many of the farms are used as places to live by town workers rather than as the sole means of livelihood. In the Piedmont, out of the 32 counties, 18 have a greater urban than rural population. The prosperous appearance of the farms is often deceptive. Grain fields, meadow lands, and neat homes present a pleasant picture; however, in many cases the farm home is kept up by one or more members of the family who earn incomes from work off the farm. Money-crop farming does not pay large returns in many areas of the region because of natural handicaps of soil and climate. Grain farms cannot compete with the west. In a former century before the opening of the west by modern transportation, grain-farming paid and it still persists as a type of farming in the upper Piedmont. Yet today it is noted from a study of actual farm records that as the acreage in small grain increases the farm income decreases. As a rule, farm incomes are far below the state average. In the future there is likelihood that the farms of the Piedmont will be used in increasing numbers as homes for town workers in order to maintain a standard income.

THE COASTAL PLAIN REGION

The whole of eastern North Carolina consists of a vast plain stretching from the seacoast into the interior of the country, a distance of one hundred to one hundred and fifty miles. The upper part of this section may be roughly bounded by a line extending from the western part of Warren through Franklin, Wake, Chatham, Moore, Montgomery, and Anson counties. On the east the Upper Coastal Plain gradually merges into the Tidewater region at points marked by the extent of the tides up the streams. (See Figure 1.)

Markets and Transportation Facilities. Four great main line railroads traverse eastern North Carolina and together with numerous branch lines adequately serve nearly all parts of the region. The Seaboard Air Line from New York to Florida crosses the state by Henderson and Raleigh, with a branch at Henderson to Norfolk, Virginia, and with other branches at Hamlet east to Wilmington and west to Charlotte. The Atlantic Coast Line from New York to Jacksonville, Florida, traverses the area from Weldon to Rocky Mount, Wilson, and Fayetteville, and also from Wilson to Wilmington; the Southern Railway runs west from Goldsboro to Raleigh; the Norfolk-Southern operates between Raleigh and the North Carolina coast cities, and to Norfolk, Virginia. From all four roads radiate many branch lines which provide outlets for the interior towns to the trunk line railroads and to the seaports. Fruits and vegetables are handled on fast schedules to the

Northern markets. Excellent freight and passenger service is provided north and south between the larger towns.

Throughout the region there extends a unified system of paved state and county highways. From the local market towns of Weldon, Rocky Mount, Wilson, Goldsboro, Kinston, Greenville, Fayetteville, Dunn, Aberdeen, Sanford, Rockingham, Laurinburg, Lumberton, and Clinton, there go out a network of highways to the surrounding territory and to the cities of other sections. The railroad service is supplemented by fast express truck lines. Passenger bus connection has been established between all the principal towns of the region and the state.

Topography and Soils. Traversing the Coastal Plain are tracts of country which vary little from a perfect level. From east to west the surface rises at an average rate of about one foot per mile. The rise is scarcely perceptible to the traveler. Though level in places, it is relieved by slight undulations and low rolling hills along the western border. The average elevation ranges from 30 to 80 feet in the east to the hills of Moore County, which in places attain a height of 500 feet above sea level. Over this whole section the rock foundation is covered with a deep layer of earth. In the western part of the Coastal Plain there is a belt of unequal width, generally about thirty miles across, where granite, slate, and other rocks are found, mainly near the streams. From this belt eastward to the coast there are few stones of any kind. Beds of shell limestone underlie some portions of the region, cropping out at intervals.

The soils of this section are made up of mixtures of clay and sand. It varies in character as one or the other predominates. The upland soil is for the most part a sandy loam easily accessible to the sun, easily worked, and very productive. There are, however, extensive areas where sand predominates to such an extent that the surface is a bed of white sand. This type of soil has been found very valuable for fruit growing. There are other extensive areas where clay forms so large a part of the soil as to be classed as clay loam. These soils produce fine yields of tobacco, cotton, corn, and all other staple crops of the area. The Coastal Plain contains a varied group of soils; however, the principal upland types belong to the Norfolk, Portsmouth, Orangeburg, and Ruston series.

The Coastal Plain is the richest potential agricultural area in North Carolina and one of the best in the United States. Fertile soils abound. Broad level fields invite the use of modern machinery and approved methods of farming. Cotton, tobacco, and peanuts are the principal sources of cash income. Money-crop farming is considered very profitable in years of good prices, but in seasons of low prices the lack of sufficient food and feed crops causes a serious deficit in the income on many farms. With the correction of this deficiency in the cropping system by provision for pastures and feed crops sufficient to supply the farm needs, the entire Coastal Plain region of the state will become very rich from the sale of its great surplus of cash crops, cotton, tobacco, peanuts, fruit, and truck crops.

Climate. The climate of the Coastal Plain is mild, with a long growing season and ample rainfall well distributed to meet the requirements of various crops. The long summers with relatively high uniform temperatures are very favorable to the production of cotton and tobacco. The average temperature in summer is around 80 degrees F., while that of winter is 42 degrees F. The growing season ranges from 200 to 210 days. Slight freezes occur in winter, but these are usually of short duration. The average annual rainfall for the region is 52 inches, but it varies some according to locality. With the mild winters, cover crops and hardy vegetables can be grown in winter successfully. Outdoor work can be performed throughout the year. Winters are pleasant and healthful.

Population. Outside of a few counties the population of the Coastal Plain is very largely rural. It is a region where agriculture is predominately the chief industry. The business of the town is based on the trade of the surrounding territory to a greater extent than any other section of the state. In comparison with the Piedmont there are few mills and factories. There is a large colored population both in the towns and on the farms. The farming of the region is characterized by the cropper and tenant systems of land tenure. Many large farms are scattered throughout the region. When skillfully managed, these large farms are fairly profitable for land-owners and tenants; yet without careful oversight by the owner these farms prove profitless and soon present a rundown appearance. Notwithstanding the alarm with which an increase in tenancy is viewed, tenant farming is not altogether bad. It has many advantages to both parties. Very often it enables men of small capital to obtain possession of land where they may make savings and in a few years purchase a farm of their own. To the land-owner who is willing to coöperate with his tenants, the system offers a fair return for the investment, and this may be increased by wise direction.

The large farm is the exception rather than the rule. The average farm in the Coastal Plain contains less than two hundred acres and is usually cultivated by the owner, together with one or two croppers. The medium-sized farm of two to three hundred acres, perhaps, offers the greater returns for effort and capital expended. With a good crop combination, fair cash incomes are assured the careful farmer and his tenants nearly every year. This medium-sized farm permits crop rotation, pastures, and the use of labor saving machinery.

THE TIDEWATER REGION

From a point marked by the extent of the tides up the streams to the sea coast, there is a region characterized by considerable differences in soils, topography, and climate from the Upper Coastal Plain. This tier of counties bordering the sounds and the sea is known as the Tidewater. It is from fifty to ninety miles in width and extends entirely along the North Carolina coast. (See Figure 1.)

Markets and Transportation Facilities. Transportation facilities are inadequate in many areas of the region. Swamps, sounds, and broad rivers serve to separate the region into groups of counties and often isolate outlying towns and villages almost completely from the mainland. The Atlantic Coast Line connects Washington, N. C., Plymouth, New Bern, and Wilmington with the main line north and south. The Norfolk-Southern crosses the region from north to south and serves to connect New Bern, Morehead, Beaufort, Plymouth, Washington, N. C., Edenton, and Elizabeth City with the Upper Coastal Plain cities, also with Norfolk, Virginia. Within the past few years state highways have been built which link up this section with other parts of the state as never before. New Bern, Washington, Elizabeth City, and Wilmington are the natural centers of trade for the region. The large northern cities are markets for the early vegetables and fruits produced here. In addition to railroads and highways, regular boat lines furnish coastwise transportation by means of rivers, sounds, and the inland waterway to many towns of the region. Wilmington and other towns are ports for foreign trade. River boat lines, railroads, and highways serve to concentrate the heavy products of the eastern part of the state for shipment abroad at these towns.

Topography and Soils. The Tidewater region is almost level. The average elevation is only a few feet above sea level, while the highest points are only thirty to fifty feet above the surrounding country. The coast line is marked by many deep indentations forming the outlets of broad and shallow rivers and sounds. There are many large swamps and great stretches of salt marshes along the coast. The shore line is marked by a series of narrow islands and sand dunes. The alluvial lands of this section are very productive and of unusual extent and importance.

The soils of the Tidewater have a very wide range in texture and structure, and are adapted to a varied list of crops. The swamp areas once considered worthless for agriculture have come into favor as a corn and truck crop region. Corn, soy beans, and truck crops do especially well in this region where proper drainage has been provided. The sandy loam uplands constitute the best all-around agricultural soils of the section. Many of the soils are sedimentary in origin and are exceedingly fertile. Most of the upland soils are light textured and consist of sandy loams and silt loams; however, there are large areas of black lands, swamps, and muck soils. The black lands are very rich and produce bountiful yields. Drainage is one of the chief problems confronting the Tidewater farmer. According to competent engineers, extension of the present reclamation projects is perfectly feasible and practicable. In fact, the soundness of the practice has already been proved by the success attained in Pender, Hyde, and Beaufort counties.

There is a large area of unoccupied land in this section. The relative low prices at which this can be obtained, together with the water transportation facilities, good roads, and other natural advantages, offer many opportunities for development.

Climate. Because of the favorable situation, the climate of the Tidewater region is mild and equable throughout the year. The presence of large bodies of water temper the air in winter and early spring, and lessen the danger from late and early frosts. The growing season is longer than for other portions of the state. The records of the weather bureau show that there is an average of nearly seven months of the year in which no killing frost occurs. The winters are mild and characterized by sunshine, which permits the cultivation of many vegetables in winter and early spring. The sea breezes temper the heat of the summer months. The effect of the proximity of the ocean and the bays and sounds which indent the coast is evident in the increase in precipitation. The average annual rainfall is around 50 to 56 inches for the region and is fairly uniform throughout the year, being greatest in the spring when growing crops require the most moisture and least in the harvest months.

Population. The Tidewater region contains the first localities settled in North Carolina. Before 1660 emigrants from England and Virginia began to establish plantations in the Albemarle country. In this section may be seen some of the oldest farms and farm houses in the United States. By 1700, settlers were pushing south of the sounds, and occupying the New Bern section. Notwithstanding its early settlement, the population has increased slowly in many counties and in some there have been decreases since 1910. From 1910 to 1925 seven counties showed decreases in the number of inhabitants. Of the 17 counties wholly within the region, only four have a population exceeding 30,000. There are five with a population of 15,000, and eight with less than 10,000, two of which are 5,000 or below. From the census figures it seems that the cities in the four populous counties of Pasquotank, Beaufort, Craven, and New Hanover are gaining the population lost by the other counties. Nine counties have a greater rural population than urban, in four of which the rural population is nearly 90 per cent of the total. In some sections there is a fairly large colored population.

There are many good farm homes in the Tidewater region. The trucking sections reflect in the painted farm buildings and the neat farmsteads, the prosperity of diversified agriculture. Hogs and other livestock are important supplements to the farm receipts from the sale of truck, cotton, and tobacco. The farm income is above the state average. With the building of paved roads and the opening of inland waterways, many rich farming areas which were formerly almost completely isolated are being brought into connection with markets. Improved transportation facilities will do much to bring prosperity to the farm population of the region.

CHAPTER III

COMPARISON OF CONDITIONS IN 1927 WITH OTHER YEARS

This survey deals almost solely with the agricultural situation in 1927. It is essential, therefore, to determine to what extent the agricultural situation in 1927 may be considered normal. That is, were conditions in 1927 favorable to high, low, or long-time normal incomes? In this connection it should be pointed out that conditions affecting incomes might be normal for the state as a whole, yet for any specific area might be quite abnormal. Hence, in attempting to determine the normalcy of 1927, this discussion will recognize regional differences and point out how these differences affect income in the various areas. The discussion will be focused on three elements which materially affect income, namely, (1) production, (2) prices of important products, and (3) prices of cost goods.

NATURE AND MAGNITUDE OF NORTH CAROLINA AGRICULTURE

The total value of the 1927 production has been estimated at $441,168,000. Of this amount $361,605,000 or 82 per cent represents crop production and $79,563,000 or 18 per cent livestock and livestock products. Approximately two-thirds of the crop production—to the value of $242,172,375—was sold, and one-third was used for feed for farm livestock or set aside as food for farm families. One-half of the total livestock production was sold and the other half was used for food on the farm. Available information indicates that about 64 per cent of the 1927 production was sold on the market, 24 per cent was used on the farm as feed for livestock and for seed, and 12 per cent was retained on the farm as food for the farm family. (See Figure 2.)

FARM PRODUCTION AND DISTRIBUTION

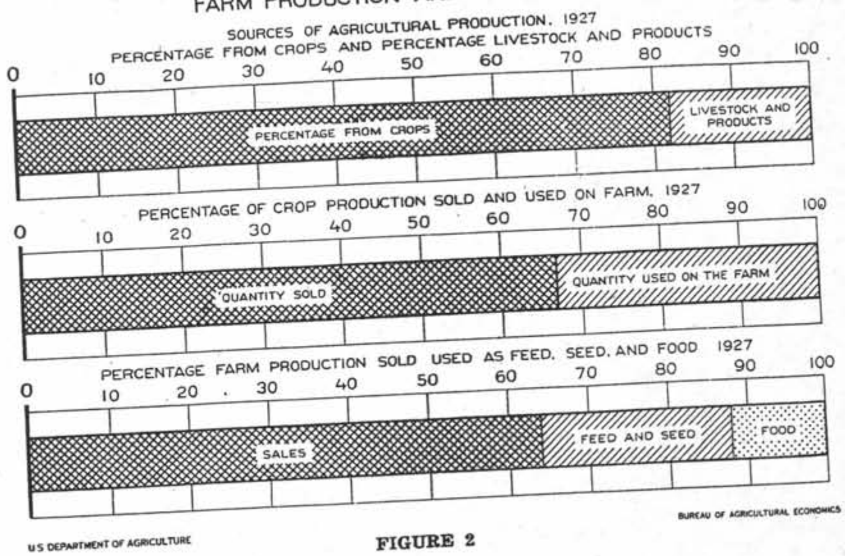


FIGURE 2

In 1927 North Carolina ranked twelfth among the states of the Union in the value of her agricultural production. The production in 1927 represents about 3 per cent of the production in the United States, and almost 4 per cent of the crop production, but less than 1.5 per cent of the livestock production. In short, the state of North Carolina is predominantely a crop producing area.

From early times the state has been noted for its production of cotton, tobacco, and corn. Cotton and tobacco have been grown largely as sources of money income, while corn has been fed largely to livestock or used for human consumption. Cotton and tobacco combined represent about 56.8 per cent of the total crop production in the state and about 84.8 per cent of the

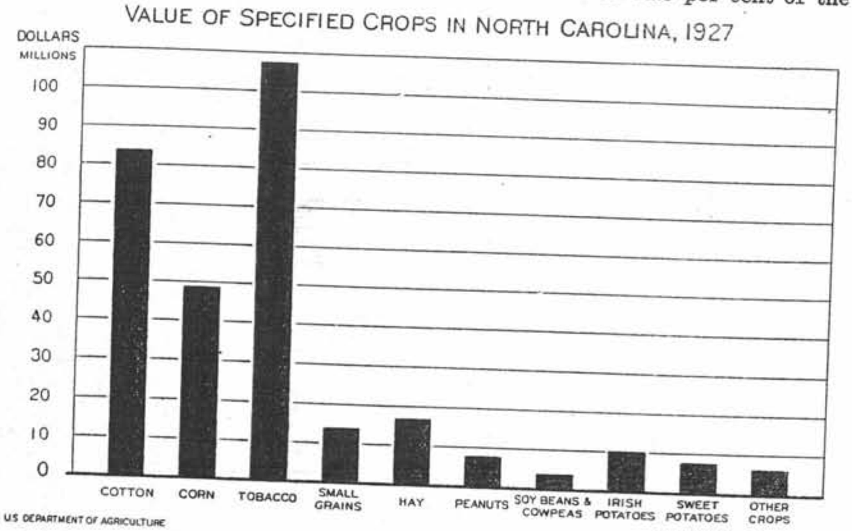


FIGURE 3

crop sales in 1927. In 1926 and 1927 (See Figure 3) the value of the tobacco crop exceeded that of cotton, while from 1922 to 1925 inclusive cotton stood first in value. The yearly variation in these two crops materially affects the income derived from farming. For example, the value of the North Carolina cotton crop in 1923 was almost twice as much as it was in 1926, and almost twice as much as it was in 1927. The value of the tobacco crop in 1926 and 1927 was from 25 to 40 per cent more than it was in 1922, 1923, and 1924. The value of the cotton crop in 1923 was just about twice that of the tobacco crop, while in 1926 the value of the tobacco crop was almost one-half more than that of the cotton crop. (See Table 10.)

In addition to cotton and tobacco, there is produced in North Carolina a great variety of crops. Many of these crops are produced for food for livestock or for home consumption on the farm. Some have also been grown as minor commercial crops such as wheat, sweet potatoes, and peanuts. But there are many crops which have reached significant commercial importance within recent years, for example, Irish potatoes, string beans, cabbage, cantaloupes, watermelons, lettuce, cucumbers, green peas, peppers, strawberries, dewberries, peaches, and soy beans. In many parts of the state these crops either singly or in combination contribute greatly to the farm income. In some localities livestock and livestock products, such as butter, milk, cream, and eggs, make up the greater part of the farm sales.

These facts emphasize the necessity of examining the situation surrounding each of the important agricultural products in 1927 and comparing this situation with those in previous years, in order to determine to what extent the agricultural situation in 1927 was normal.

PRINCIPAL CROPS

Cotton. In 1927 there were harvested 1,727,000 acres of cotton. The yield was 237 pounds of lint cotton per acre and the average price was 19.5c. The acreage harvested was less than in 1924, 1925, and 1926, but greater than that of 1922 and 1923. (See Table 10.) The yield per acre in 1927 was the lowest with the exception of 1924. Production in 1927 was about the same as that in 1922 and 1924, but less than the production of 1923, 1925, and 1926. The price of the 1927 crop was lower than the price in 1922, 1923, and 1924, about the same as 1925, and considerably higher than 1926. The value of the crop in 1927, $83,558,000, was exceeded in every year from 1922 with the exception of 1926. In so far as the state is concerned, these data show that the income from cotton was materially less for 1927 than any other year since 1922, with the exception of 1926.

In passing judgment on these figures, however, it should be noted that conditions in 1923 were considerably above normal. In view of the trend (see Figure 4A) it is probably true that the cotton situation in 1927 was, after all, close to normal.

Cotton is an important source of income in five of the areas studied, namely, Catawba, Moore, Cumberland, Lenoir, and Chowan. The percentage of the gross receipts derived from the sale of cotton in these areas in 1927 is as follows: Catawba, 30 per cent; Moore, excluding peach growers, 21.7 per cent; Cumberland, 36.8 per cent; Lenoir, 17.7 per cent; and Chowan, 19.8 per cent. Any radical change in the cotton situation would, therefore, materially affect the farm income in these areas. The trend in the value of the cotton crop from 1924 to 1927 inclusive is indicated in Table 10. In all areas, with the exception of Chowan, values were higher in 1927 than in 1926, but much lower with the exception of Lenoir in 1924, than in 1925 and 1924.

Tobacco. Tobacco ranks with cotton as the most important source of money income in the state. (See Figure 3.) In 1922 the crop was valued at $80,143,000 and in 1927 it reached a value of $120,744,000. For the years 1922, 1923, 1924, and 1925 the crop was valued between $80,000,000 and $87,000,000. The increase in value has come about as a result of increase in production and acreage. The price has been constant from 1922 to 1927 inclusive. (See Figure 4A.)

Tobacco is an important source of income in the Davidson, Person, Moore, Cumberland, Lenoir, Pender, and Chowan areas. Percentage of gross receipts from tobacco (1927)[1]: Davidson, 10.5 per cent; Person, 67.4 per cent; Moore, 33.8 per cent; Cumberland, 27.9 per cent; Lenoir, 59.2 per cent; Pender, 11.9 per cent; Chowan, 5.8 per cent. Evidently, any material change in the tobacco situation in these areas would seriously affect the farm income.

Table 10 shows the value of crops since 1924. On the whole, the situation was somewhat above normal, but not greatly in excess of the general line of trend.

Corn. This crop is not an important source of cash income. It is, nevertheless, important as a source of feed for livestock. In 1927 there were harvested 2,252,000 acres of corn. The production was 53,626,000 bushels valued at $48,799,660. Both production and price in 1927 were slightly above normal. (See Figure 4A.) The value of the crop was approximately equal to that of 1925, exceeded that of the crop of 1922 and 1926, but was exceeded by the crop of 1924 and 1925. (See Table 10.) These data indicate that as a whole the corn situation in 1927 was close to normal.

Wheat. Practically all the wheat produced in the state is for home or farm consumption. In 1927 there were 483,000 acres of wheat harvested. This acreage was considerably less than that harvested in 1922 and 1923, but greater than the acreage for 1924 to 1926 inclusive. The production for 1927 of 5,168,000 bushels was in line with normal, as indicated by the records from 1922 to 1927. (See Table 10.) (See Figure 4A.)

An examination of the available information shows that in those areas in which wheat is an important crop, the production and price situation in 1927 were normal, with the exception of yields in Jackson and McDowall counties. In these two counties yields were approximately one-half of the normal yields. In Davidson county the acreage was above normal, but the yields were below normal.

Rye. This crop is seldom important in North Carolina as a source of cash income. It is used largely for feed and extensively also for winter pasture. In 1927 the acreage planted was 94,000, which was somewhat below the trend, but greater than the acreage in any year since 1922, with the exception of 1926. Production in 1927 was less than 1926, but greater than any other year from 1922 to 1925 inclusive. Total value of the crop in 1927 was $1,523,000. This was also lower than the value of 1926, but higher than that for any other year between 1922 and 1925. (See Figure 4B.)

Oats. This crop is used largely for feed. In 1927, 273,000 acres were harvested. This was the largest acreage since 1922, with the exception of the acreage in 1926, in which year 310,000 acres were harvested. Production has followed the same general trend as acreage. The estimated value of the 1927 crop was $4,128,000, which was higher, with the exception of 1926, than the crop of any other year since 1922.

The situation is somewhat confusing in those areas in which oats is an important crop. In 1927 conditions were below normal in practically all of the areas. In Jackson county the acreage and the yields were both low in 1927 as compared with previous years. This situation existed also in McDowall, Ashe, Catawba, and Person counties, but not to the same extent as in Jackson.

Barley and Buckwheat. These two crops are relatively unimportant as sources of income. The barley situation in 1927 was somewhat above normal. The total value of the crop in 1927 was $528,000. Furthermore, the value in 1927 was greater than in any other year since 1923. The total value of the buckwheat crop in 1927 was $200,000. This was $20,000 less than the crop in 1926, $14,000 less than the crop in 1924, but approximately the same as that for 1923. In 1922 and 1925 the total value was less than $200,000.

TREND OF PRODUCTION AND PRICES OF FARM CROPS
North Carolina, 1922-1927

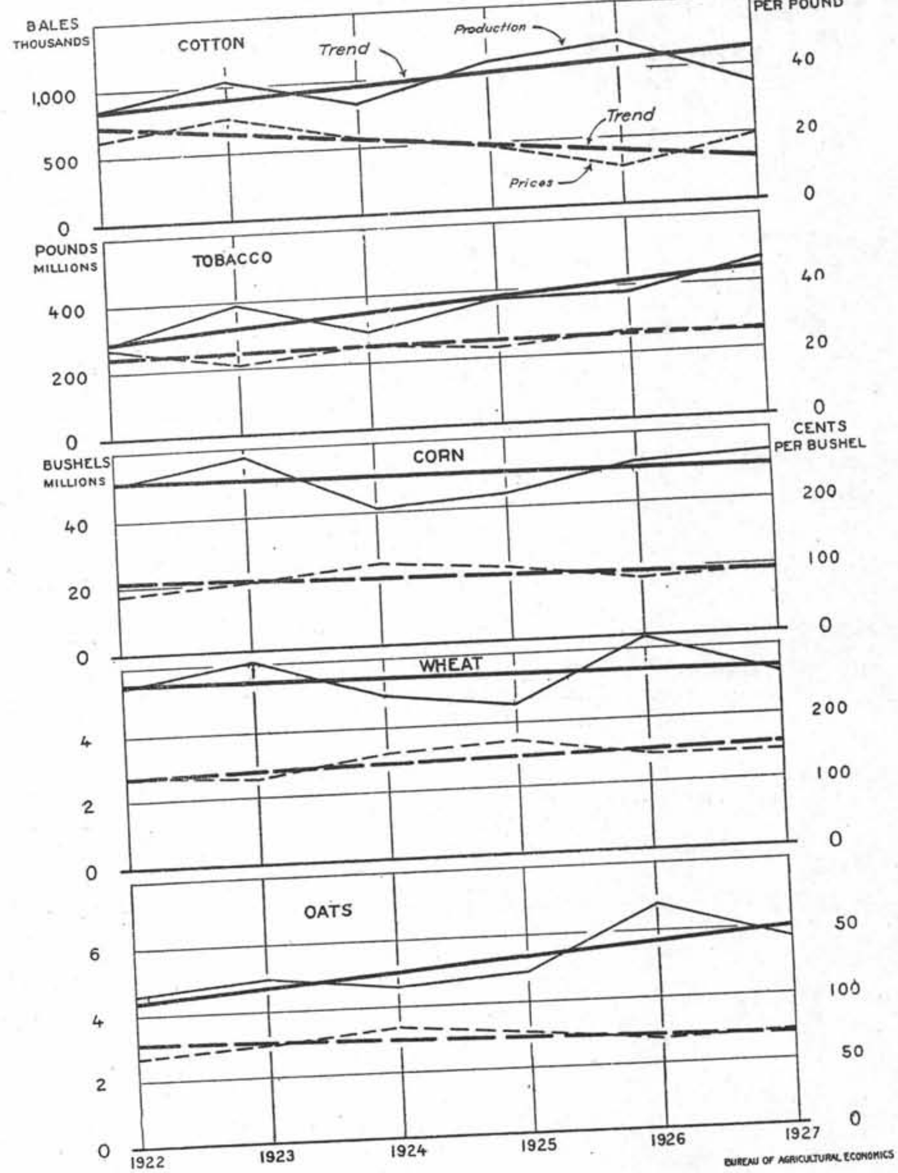
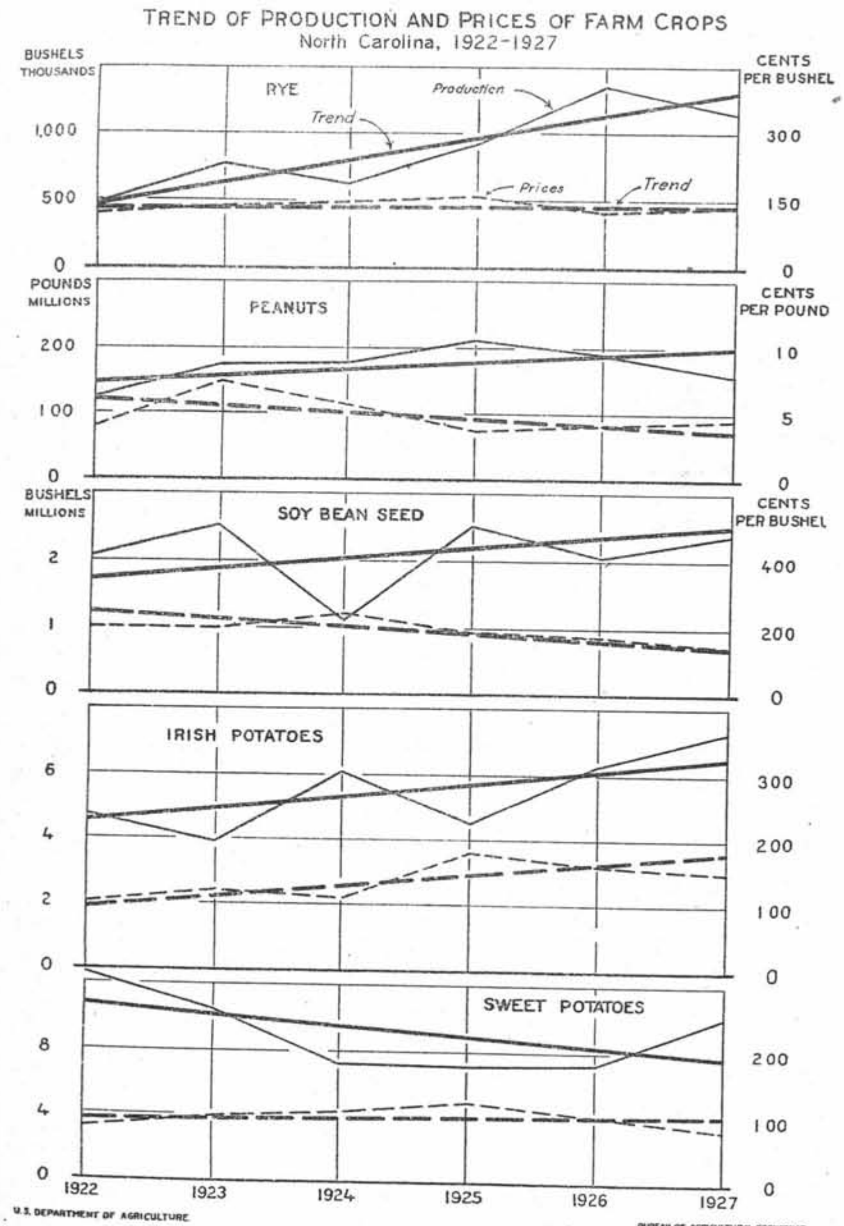


FIGURE 4A



TREND OF PRODUCTION AND PRICES OF FARM CROPS
North Carolina, 1922-1927
BUSHELS THOUSANDS
CENTS PER BUSHEL
RYE
Production
Trend
Prices
Trend
1,000
500
0
300
150
0
POUNDS MILLIONS
CENTS PER POUND
PEANUTS
200
100
0
10
5
0
BUSHELS MILLIONS
CENTS PER BUSHEL
SOY BEAN SEED
2
1
0
400
200
0
IRISH POTATOES
6
4
2
0
300
200
100
0
SWEET POTATOES
8
4
0
200
100
0
1922
1923
1924
1925
1926
1927
U.S. DEPARTMENT OF AGRICULTURE
BUREAU OF AGRICULTURAL ECONOMICS

FIGURE 4B

Soy Bean Seed. Soy bean seed is an important commercial crop in some localities. (Chowan Area.) In 1927 the crop was valued at $3,622,000. This value was approximately the same as that in 1926, but was exceeded by the crop in 1922, 1923, and 1925. On the whole, the value of the crop in 1927 was somewhat below normal.

Hay. Information on the hay crop is available only for 1924 to 1927 inclusive. The 1927 crop was valued at $18,453,000. This value was approximately the same as that of the crop of 1924, but considerably greater than the crop of 1925 and approximately $1,300,000 greater than the crop of 1926. On the whole, the crop of 1927 was somewhat above normal.

Peanuts. Peanuts as a commercial crop are confined largely to a few counties in the northeastern part of the state. In 1927, there were 207,000 acres harvested in North Carolina. This was the largest acreage since 1922. Because of the low yields, however, the production was low. The total value of the 1927 crop was $7,087,000, the lowest since 1922.

In the Chowan area, where the income from peanuts represented 22.5 per cent of the total receipts, the situation was somewhat better than for the state as a whole. The acreage in 1927 was the largest since 1924. And the yield, while the lowest since 1924, was only 100 pounds per acre less than in 1926, and 45 pounds less than in 1924. The value of the crop for the state each year is shown in Table 10. These figures show that the situation was not far from normal.

Irish Potatoes. This crop has been steadily growing in importance. In 1922 the value of the potato crop was $4,747,000. Since then the value has gradually increased to $11,052,000 in 1927. The situation in 1927 was somewhat above normal, but is probably not far from the general line of trend. (See Figure 4B.) The situation in the Chowan area, in which this crop is of commercial significance, was below normal in 1927.

Sweet Potatoes. Sweet potatoes are not of commercial importance except in a few areas. An examination of the data shows that 1927 was a normal year for this crop, the value of $8,166,000 being not greatly different from the amount received for the crops from 1922 to 1926 inclusive. The crop reached the peak in 1923, with a value of $10,290,000. The lowest value since 1922 was $7,560,000, the amount the crop brought in 1926. In general, the situation in the several areas was similar to that for the state as a whole. In Pender and Cumberland counties, however, conditions were below normal.

Miscellaneous Crops. There are a number of miscellaneous crops of considerable importance. Peaches are an important crop in the Sand Hills. Reliable data for this crop are available only since 1924. The peach situation in 1927 appears to be slightly below normal. The 1927 crop was valued at $3,910,000 which was higher than 1926, but lower than 1924 and 1925.

In the Pender area strawberries are an important crop and one which affects quite markedly the income of the farmers in that area. Reliable information available since 1925 indicates that 1927 was considerably above normal.

Vegetable production including snap beans, cabbage, cantaloupes, watermelons, lettuce, cucumbers, green peas, peppers, etc., are often of considerable importance in certain localities in the Tidewater region. The situation for these crops for 1925, 1926, and 1927 is shown in Table 10. Generally

[1]Farm Survey Records 1927.

speaking, the situation in 1927 was somewhat above normal, with the exception of cantaloupes, lettuce, cucumbers, and green peas. Peppers were decidedly below normal. This crop sold for $61,000 in 1927 as compared with $211,000 in 1925, and $155,000 in 1926.

PRICES OF LIVESTOCK AND LIVESTOCK PRODUCTS

Adequate information on the prices of livestock and livestock products paid to North Carolina farmers is not available. Recourse has been made to other sources. The data used are presented in Table 11 and the source of the information is indicated.

The major livestock products, in so far as North Carolina agriculture is concerned, are beef cattle, hogs, sheep and wool, poultry and eggs. Dairy products are sold to some extent, but the total amount is relatively small. In 1927 beef steers sold for $10.25 per cwt. The nearest approach to this price was $9.11 per cwt. in 1925. Similar trend is evident in the case of butcher cows. Butcher cows sold for $6.27 in 1927. This was the highest price since 1922. The price of veal calves was also high during 1927, when they sold for $12.17 as compared with $11.61 in 1926, and $10.86 in 1925.

There has been a rather consistent upward trend in sheep prices since 1922. In 1922 the price was $10.37 per cwt. In 1927 it was $11.26. The highest price during the period was $12.75 in 1925.

Poultry prices have shown an upward trend. In 1922 the poultry sold for 18.2 cents per pound and gradually moved up to 20.7 cents in 1925, 1926, and 20 cents in 1927. Prices of eggs rose gradually from 24.7 cents per dozen in 1922 to 28.3 cents in 1925. Since then there has been a slight downward trend in prices, declining to 25 cents per dozen in 1927.

Butterfat has been increasing in price since 1922. At the beginning of the period the price was 36.5 cents per pound and 44.4 cents at the end of the period. The price was the highest in 1927 since 1923.

A high price of 38.9 cents was paid for wool in 1923. There has been a gradual downward trend since then. In 1927 the price had declined to 30.7 cents per pound.

PRICES OF COST GOODS

The most important cost goods for the farmer's uses are labor, fertilizer, and feed. The cost of labor has changed but very little in recent years. (See Table 12.) In 1927 the average monthly wage, without board, was $38, as compared with $40 in 1924 and 1925, and $41 in 1926. Similarly there has been little change in the wage of day labor. In 1927 farm labor could be hired for $1.83 per day without board, in 1926 for $1.90, 1925 for $2.09, 1924 for $1.88, and in 1923 for $1.74.

Unfortunately, there is no common index of fertilizer prices, hence it is difficult to determine the price trends. In Table 13, however, prices are given for various kinds of fertilizer ingredients. In some instances data are not available for 1927, but according to the United States Department of Agriculture prices were normal and slightly less than the five year average. Super and concentrated phosphates were 50 cents lower in 1927 than in 1925, and higher than in 1923. The highest price, $25.26 per ton, was paid in 1919. Ready mixed fertilizers were somewhat lower in 1927 than in 1925 and probably lower than in 1926. Since 1914, when the average price was $14.25 per ton, ready mixed fertilizer has shown a tendency to increase. In 1919, probably as a result of the war, this type of fertilizer sold for $44.86

per ton. Since then there has been a tendency to lower prices, but prices have not reached the 1914 level. In 1921 the price was $29.59 and was as low as $22.92 in 1923. Since 1923 there has been a slight rise in prices.

The average price of corn per bushel in 1927 was 91 cents, as compared with 88 cents in 1926. During the period from 1923 to 1925, inclusive, corn was selling for over $1.00 per bushel. The price of oats in 1927 was 72 cents per bushel, as compared with 69 cents in 1926. From 1922 to 1925, inclusive, the price of oats varied from 69 cents in 1922 to 84 cents in 1924. The price of middlings was somewhat higher in 1927 and in 1926 than the average for the period from 1922 to 1927, inclusive. The price in 1927 and 1926 was approximately $30.50 per ton, but the average from 1922 to 1925 was approximately $29.00 per ton. Bran prices have shown an upward trend from 1922 to 1927. In 1927 the price was $25.50 and varied slightly during this period, reaching a maximum of $25.91 and $24.75 in 1921 and 1924. Cotton seed meal sold for $35 per ton in 1927. The price in 1927, however, was somewhat lower than the average price for 1922 to 1925. Cottonseed meal sold as high as $42.54 in 1923, and $41.94 in 1922. It dropped to $39.00 in 1924 and again a sharp drop to $33.58 in 1925. (See Table 14.)

TREND IN LAND VALUES AND TAXES

The movement in land values and taxes is shown in Table 15. From 1920 to 1922 land values dropped approximately 17 per cent from the 1920 level. There has been a tendency, however, since 1922 for land values to recover somewhat. This is especially noticeable from 1922 to 1924 when land values were only 4 per cent less than the 1920 level. There was a slight recession in values in 1925, a marked recovery in 1926, and again a recession in 1927. Land values for the period 1920-1927, while showing a marked tendency towards recovery, have not completely gained the 1920 position[1].

Taxes, on the other hand, have advanced steadily from 1921 to 1927. Beginning with 1921 the tax rate advanced from $0.85 per hundred dollars to $1.23 in 1923. Taxes per acre have shown a similar upward movement. In 1921 taxes were $0.28 per acre and in 1927 $0.41 per acre. The increase in taxes has been due almost solely to the increase in tax rates as assessed values have remained almost constant throughout the period under consideration. In 1921 the assessed values were $32.67 per acre and $33.45 per acre in 1927.

SUMMARY

The object of this chapter has been to determine to what extent the agricultural situation in 1927 was normal. For both cotton and tobacco, the two main cash crops, conditions were very good and no doubt somewhat better than normal. Emphasis should be placed on the fact that in the peach industry the conditions appeared to be above normal and this probably accounts for the satisfactory showing of the peach growers, as described in Chapter IV. In some areas, especially those devoted to the production of truck crops, the situation was somewhat mixed. With respect to the price of goods there was a tendency towards lower farm labor cost, fertilizer cost, but slight tendency towards increase in feed prices. Land values in 1927 were somewhat lower than in 1926, and considerably lower than in 1920. Taxes, on the other hand, were higher in 1927 than in any year since 1921.

[1]The index of land values has been calculated from census value of land and buildings in 1920 and 1925 together with the value of plowed land as reported by the U. S. D. A.

TABLE 10—NORTH CAROLINA AGRICULTURAL PRODUCTION, 1922-1927*

CROPS		1922	1923	1924	1925	1926	1927
COTTON:							
Acreage		1,625,000	1,678,000	2,005,000	2,017,000	1,985,000	1,727,000
Yield per acre, pounds	lint	250	290	196	261	292	237
Production	bales	852,000	1,020,000	825,000	1,102,000	1,213,000	857,000
Price per pound	dollars	.245	.308	.226	.190	.115	.195
Total value of crops	dollars	104,326,000	157,080,000	93,262,000	104,671,000	69,748,000	83,558,000
COTTON SEED:							
Yield per acre	pounds			348	444	543	441
Production	tons			349,000	448,000	539,000	381,000
Price per ton	dollars			33.57	32.98	22.00	37.00
Total value of crops	dollars			11,712,000	14,777,000	11,858,000	14,097,000
TOBACCO:							
Acreage		515,000	552,000	497,000	547,000	565,000	650,000
Yield per acre	pounds	564	700	577	695	684	720
Production	pounds	290,372,006	386,400,000	286,769,000	380,165,000	380,460,000	468,000,000
Price per pound	dollars	.276	.210	.258	.230	.264	.258
Total value of crop	dollars	80,143,000	81,144,000	79,986,000	87,438,000	102,025,000	120,744,000
CORN:							
Acreage		2,577,000	2,603,000	2,317,000	2,400,000	2,376,000	2,353,000
Yield per acre	bushels	20.0	22.5	18.0	18.5	22.0	22.8
Production	bushels	51,540,000	58,568,000	41,706,000	44,400,000	52,272,000	53,626,000
Price per bushel	dollars	.89	1.02	1.24	1.10	.88	.91
Total value of crops	dollars	45,871,000	59,739,000	51,715,000	48,840,000	45,999,000	48,799,660
WHEAT:							
Acreage		600,000	544,000	414,000	406,000	447,000	483,000
Yield per acre	bushels	9.0	11.1	12.0	11.0	14.1	10.7
Production	bushels	5,400,000	6,038,000	4,968,000	4,466,000	6,303,000	5,168,000
Price per bushel	dollars	1.36	1.28	1.60	1.71	1.43	1.45
Total value of crops	dollars	7,344,000	7,729,000	7,949,000	7,637,000	9,013,000	7,493,600

*Compiled from the N. C. Crop Forecaster, N. C. Dept of Agriculture.

TABLE 10—NORTH CAROLINA AGRICULTURAL PRODUCTION, 1922-1927—*Continued*

CROPS		1922	1923	1924	1925	1926	1927
Rye:							
Acreage		60,000	75,000	71,000	80,000	104,000	94,000
Yield per acre	bushels	8.0	10.4	9.0	11.5	13.0	12.0
Production	bushels	480,000	780,000	639,000	920,000	1,352,000	1,128,000
Price per bushel	dollars	1.20	1.35	1.49	1.57	1.25	1.35
Total value of crops	dollars	576,000	1,053,000	952,000	1,444,000	1,690,000	1,523,000
Oats:							
Acreage		220,000	231,000	258,000	258,000	310,000	273,000
Yield per acre	bushels	21.0	22.0	18,0	19,0	22.0	21.0
Production	bushels	4,620,000	5,082,000	4,644,000	4,902,000	6,820,000	5,733,000
Price per bushel	dollars	.67	.74	.84	.76	.69	.72
Total value of crops	dollars	3,095,000	3,761,000	3,901,000	3,726,000	4,706,000	4,128,000
Barley:							
Acreage			4,000	7,000	10,000	15,000	20,000
Yield per acre	bushels		24.0	23.0	23.0	26.0	24.0
Production	bushels		96,000	161,000	230,000	390,000	480,000
Price per bushel	dollars		.84	1.10	1.20	1.00	1.10
Total value of crop	dollars		80,640	177,000	276,000	390,000	528,000
Buckwheat:							
Acreage		7,000	9,000	10,000	10,000	10,000	10,000
Yield per acre	bushels	20.0	22.00	18.0	14.0	22.0	20.0
Production	bushels	140,000	198,000	180,000	140,000	220,000	200,000
Price per bushel	dollars	.97	1.08	1.19	1.10	1.00	1.00
Total value of crop	dollars	135,800	203,840	214,000	154,000	220,000	200,000
Soy Bean Seed:							
Acreage		130,000	146,000	108,000	155,000	174,000	161,000
Yield per acre	bushels	16.0	17.0	13.0	16.0	12.0	15.0
Production	bushels	2,080,000	2,482,000	1,120,000	2,480,000	2,088,000	2,415,000
Price per bushel	dollars	2.00	2.00	2.40	1.93	1.75	1.50
Total value of crop	dollars	4,160,000	4,939,180	2,688,000	4,786,400	3,654,000	3,622,500

Hay:							
Acreage	----	459,363	739,126	1,004,000	1,012,000	977,000	1,107,000
Yield per acre	tons	----	1.10	.97	.69	.90	.95
Production	tons	----	----	972,000	696,000	877,000	1,057,000
Price per ton	dollars	----	----	18.94	20.30	19.10	17.46
Total value of crop	dollars	----	----	18,411,000	14,139,000	16,756,000	18,453,000
Peanuts:							
Acreage	----	145,000	160,000	195,000	185,000	180,000	207,000
Yield per acre	pounds	840	1,100	900	1,150	1,038	761
Production	pounds	121,800,000	176,000,000	175,500,000	212,750,000	185,400,000	157,527,000
Price per pound	dollars	.040	.074	.054	.039	.042	.045
Total value of crop	dollars	4,872,000	13,024,000	9,477,000	8,297,000	7,787,000	7,089,000
Irish Potatoes:							
Acreage	----	50,000	46,000	59,000	58,000	67,000	72,000
Yield per acre	bushels	94	86	105	78	94	102
Production	bushels	4,700,000	3,956,000	6,195,000	4,524,000	6,325,000	7,368,000
Price per bushel	dollars	1.01	1.20	1.12	1.80	1.60	1.50
Total value of crop	dollars	4,747,000	4,747,000	6,938,000	8,143,000	10,120,000	11,052,000
Sweet Potatoes:							
Acreage	----	110,000	100,000	80,000	80,000	84,000	89,000
Yield per acre	bushels	113	105	92	88	90	114
Production	bushels	12,430,000	10,500,000	7,360,000	7,040,000	7,560,000	10,146,000
Price per bushel	dollars	.80	.98	1.04	1.20	1.00	.80
Total value of crop	dollars	9,944,000	10,290,000	7,654,000	8,448,000	7,560,000	8,166,000
Apples:							
Number of trees	----	----	----	6,066,000	5,936,000	5,740,000	5,740,000
Production	bushels	----	----	7,271,000	3,672,000	7,021,000	2,098,000
Price per bushel	dollars	----	----	1.04	1.33	.84	1.66
Total value of crop	dollars	----	----	7,587,000	4,885,000	5,881,000	3,475,100
Peaches:							
Number of trees	----	----	----	5,800,000	6,450,000	7,750,000	7,700,000
Production	bushels	----	----	3,500,000	2,625,000	3,750,000	2,300,000
Price per bushel	dollars	----	----	1.28	1.60	.90	1.70
Total value of crop	dollars	----	----	4,480,000	4,200,000	3,375,000	3,910,000

TABLE 10—NORTH CAROLINA AGRICULTURAL PRODUCTION, 1922-1927—*Continued*

CROPS		1922	1923	1924	1925	1926	1927
STRAWBERRIES:							
Acres					5,130	5,080	5,800
Yield per acre	quarts				2,400	2,147	2,872
Production	quarts				12,312,000	10,907,000	16,657,000
Price per quart	dollars				.14	.16	.16
Total value of crop	dollars				1,724,000	1,745,000	2,665,000
SNAP BEANS:							
Acres					3,920	3,390	4,480
Yield per acre	hampers				100	90	85
Production	hampers				329,000	305,000	381,000
Price per hamper	dollars				1.36	1.89	1.91
Total value of crop	dollars				447,000	576,000	728,000
CABBAGE:							
Acres					630	620	780
Yield per acre	tons				8.10	5.00	4.20
Production	tons				5,100	3,100	3,300
Price per ton	dollars				25.46	30.00	50.75
Total value of crop	dollars				130,000	93,000	167,000
CANTALOUPES:							
Acres					2,010	2,100	2,310
Yield per acre	crates				120	84	115
Production	crates				241,000	176,000	266,000
Price per crate	dollars				1.14	.88	.97
Total value of crop	dollars				275,000	155,000	258,000
WATERMELONS:							
Acres					4,100	4,880	5,610
Yield per acre	melons				318	304	359
Production	cars				1,304	1,484	2,014
Price per car	dollars				196	77	149
Total value of crop	dollars				256,000	114,000	300,000

TABLE 10—NORTH CAROLINA AGRICULTURAL PRODUCTION, 1922-1927—*Continued*

CROPS		1922	1923	1924	1925	1926	1927
LETTUCE:							
Acres	--------	--------	--------	--------	1,730	1,420	1,490
Yield per acre	crates	--------	--------	--------	270	267	282
Production	crates	--------	--------	--------	467,000	379,000	420,000
Price per crate	dollars	--------	--------	--------	1.98	2.00	1.87
Total value of crop	dollars	--------	--------	--------	925,000	758,000	785,000
CUCUMBERS:							
Acres	--------	--------	--------	--------	5,310	4,750	4,340
Yield per acre	hampers	--------	--------	--------	162	116	176
Production	hampers	--------	--------	--------	860,000	530,000	764,000
Price per hamper	dollars	--------	--------	--------	.93	1.13	.90
Total value of crop	dollars	--------	--------	--------	800,000	599,000	688,000
GREEN PEAS:							
Acres	--------	--------	--------	--------	3,840	3,880	3,490
Yield per acre	hampers	--------	--------	--------	108	55	70
Production	hampers	--------	--------	--------	415,000	213,000	244,000
Price per hamper	dollars	--------	--------	--------	1.42	1.32	1.92
Total value of crop	dollars	--------	--------	--------	589,000	281,000	468,000
PEPPERS:							
Acres	--------	--------	--------	--------	650	650	620
Yield per acre	bushels	--------	--------	--------	200	190	130
Production	bushels	--------	--------	--------	130,000	124,000	81,000
Price per bushel	dollars	--------	--------	--------	1.62	1.25	.75
Total value of crop	dollars	--------	--------	--------	211,000	155,000	61,000
Hypothetical value of all crops	dollars	--------	--------	--------	339,001,000	320,457,000	361,605,000
Estimated value of all crop sales†	dollars	--------	--------	--------	--------	--------	242,172,375

†This is 66.97% of Hypothetical Value of all crops.

TABLE 10—NORTH CAROLINA AGRICULTURAL PRODUCTION, 1922-1927—*Continued*

LIVESTOCK		1922	1923	1924	1925	1926	1927
HORSES AND COLTS:							
Number					120,000	112,000	105,000
Value per head					$ 85.67	$ 83.00	$ 87.00
Total value					10,280,000	9,295,000	9,136,000
MULES AND COLTS:							
Number					276,060	279,000	282,000
Value per head					$ 117.41	$ 107.00	$ 119.00
Total value					32,405,000	29,981,000	33,671,000
COWS AND HEIFERS KEPT FOR MILK:							
Number					303,000	303,000	321,000
Value per head					$ 42.00	$ 47.00	$ 62.00
Total value					12,726,000	14,241,000	19,902,000
ALL OTHER CATTLE:							
Number					220,000	204,000	206,000
Value per head					$ 17.29	$ 18.80	$ 24.09
Total value					3,803,000	3,835,000	4,962,000
SHEEP AND LAMBS:							
Number					73,000	80,000	85,000
Value per head					$ 6.62	$ 7.40	$ 9.00
Total value					483,000	589,000	765,000
HOGS:							
Number					832,000	849,000	951,000
Value per head					$ 13.10	$ 12.80	$ 11.70
Total value					10,899,000	10,867,000	11,127,000
Total value of all livestock	dollars					68,808,000	79,563,000
Estimated value of all livestock sales	dollars						39,781.500
Total value of all crops and livestock	dollars					389,265,000	441,168,000
Estimated value of crop and livestock sales	dollars						281,953,875

TABLE 11—PRICES LIVESTOCK AND PRODUCTS*

(Cents per Pound)

	1922	1923	1924	1925	1926	1927
Beef Steers	8.12	8.88	8.80	9.11	8.99	10.25
Butcher Cows	5.72	5.72	4.59	4.96	5.45	6.27
Veal Calves	9.15	9.65	9.86	10.86	11.61	12.17
Hogs	9.80	7.58	8.10	12.00	13.09	10.41
Sheep	10.37	10.55	11.28	12.75	11.30	11.26
Poultry	18.20	18.30	19.20	20.70	20.70	20.00
Eggs	24.70	25.20	26.10	28.30	27.50	25.00
Butterfat	36.50	43.20	40.50	42.30	31.90	44.40
Wool	29.80	38.90	36.90	38.50	32.50	30.70

*1927 U. S. Year Book of Agriculture.

TABLE 12—AVERAGE WAGES PAID HIRED FARM LABOR (N. C.)*

	1923		1924		1925		1926		1927	
	With board	Without board	With board	Without board	With board	Without board	With board	Without board	With board	Without board
By Month	$26	$36	$28	$40	$29	$40	$29	$41	$28	$38
By Day	$1.37	$1,74	$1.43	$1.88	$1.61	$2.09	$1.50	$1.90	$1.42	$1.83

*North Carolina Farm Forecaster, State Department of Agriculture.

TABLE 13—PRICES OF FERTILIZERS AT FACTORY (N. C.)*

	1921	1923	1925	1927
Superphosphates and concentrated phosphates	$17.67	$13.41	$14.50	$14.00
Other Fertilizers:				
Ready-mixed, weighted, average prices	29.59	22.93	30.50	27.50
Nitrate of Soda	50.00	50.20	49.80	51.00
Amonia Sulphate	48.40	63.60	57.80	53.00
Sulphate of Potash	----------	42.66	45.85	46.06
Muriate of Potash	----------	34.54	34.65	35.12
Phosphate Rock	8.90	7.50	6.19	5.56
Cotton Seed Meal	32.67	39.67	34.46	32.50
Fish Scrap	36.16	45.18	50.01	46.38
Dried Blood	39.84	50.28	60.32	62.40
Tankage	31.64	45.36	43.12	46.20

*U. S. Yearbooks of Agriculture, 1925, 1926, 1927.

TABLE 14—PRICES OF FEEDS*

	1922	1923	1924	1925	1926	1927
Corn	$ .89	$ 1.02	$ 1.24	$ 1.10	$ .88	$ .91
Oats	.67	.74	.84	.76	.69	.72
Hay	20.00	20.00	18.94	20.30	19.10	17.46
Middlings	27.22	27.19	31.59	28.09	30.55	30.50
Bran	23.27	23.96	25.91	24.57	25.63	25.50
C. S. Meal	41.94	42.54	39.04	33.58	30.74	35.00

*North Carolina Forecaster, State Department of Agriculture; and 1927 U. S. Yearbook of Agriculture.

TABLE 15—TREND IN LAND VALUES AND TAXES

	Trend in Land Values			Trend in Taxes			
YEAR	Value of Plow land	Value of Land and Buildings	Index for Value of Land and Buildings*	Assessed Value Per Acre	Weighted Average County wide Tax Rate	Taxes on Assessed Value Per Acre	Index for Taxes on Assessed Value per Acre
1920	$63	$54	100	$35.00	$ .80	$.28	100
1921	55	48	90	32.67	.85	.28	100
1922	49	45	83	32.57	.87	.28	100
1923	52	48	90	32.84	1.04	.34	122
1924	54	51	96	36.25	1.07	.39	139
1925	53	50	93	33.40	1.16	.39	139
1926	55	52	96	33.30	1.20	.40	143
1927	53	50	93	33.45	1.23	.41	146

*The index of land values has been calculated from the Census and from U. S. D. A. reports.

TABLE 16—ACREAGES AND YIELDS OF THE PRINCIPAL FIELD CROPS IN NORTH CAROLINA*

CROPS	ACREAGE						YIELDS						
	1922	1923	1924	1925	1926	1927	1922	1923	1924	1925	1926	1927	
Cotton	1,625†	1,678	2,005	2,017	1,985	1,727	250	290	196	261	292	237	Pounds
Corn	2,577	2,603	2,317	2,400	2,376	2,352	20	23	18	19	22	23	Bushels
Wheat	600	544	414	406	447	483	9	11	12	11	14	11	Bushels
Oats	220	231	258	258	310	273	21	22	18	19	22	21	Bushels
Rye	60	75	71	80	104	94	8	10	9	12	13	12	Bushels
Soy Bean Seed	130	146	108	155	174	161	16	17	13	16	12	15	Bushels
Hay	459	739	1,004	1,012	977	1,107	1	1	1	7	9	1	Tons
Peanuts	145	160	195	185	180	207	840	1,100	900	1,150	1,038	761	Pounds
Tobacco	515	552	497	547	565	650	564	700	577	695	684	720	Pounds
Irish Potato	50	46	59	58	67	72	94	86	105	78	94	102	Bushels
Sweet Potato	110	100	80	80	84	89	113	105	92	88	90	114	Bushels
INDEX	90	95	97	100	101	100	80	92	80	89	110	100	

*Calculated from data contained in the annual issues of The Farm Forecaster, N. C., Dept. of Agriculture.
†(000 omitted).

CHAPTER IV

INCOMES OF OWNER-OPERATED FARMS

There are in North Carolina approximately 231,000 farmers who operate their own farms. Presumably, all of these farmers pay taxes and, for the most part, these taxes must be paid out of returns obtained from farming. The purpose of this chapter is to show, as clearly and adequately as possible, the amount of income received by this group in our farm population.

It was, of course, impossible for the Commission to study the farm business of each one of these 231,000 farms. In lieu of a complete census of the situation, a sample, which was considered adequate, was selected. See Chapter I.) In all, 1,156 farm business records were obtained. The data obtained relate only to the year 1927. However, information on yields, production, and prices for the principal farm products in each area were studied for several years prior to 1927, and from these data the normalcy of 1927 has been determined. (See Chapter III.)

DEFINITIONS OF TERMS AND CONCEPTS

To arrive at figures which represent the income from the farm, it was necessary to make an elaborate and detailed study of the whole farm business. The method used in doing this has been described in Chapter I. The analysis of the farm business is complicated even when reduced to the simplest terms possible. There are a large number of technical and semi-technical terms and concepts which must necessarily be employed. In order that the discussion may be followed intelligently, it is essential first of all that these various terms be clearly defined.

This point is stressed because anything short of a complete mastery of these terms and concepts will likely lead to a misunderstanding of the analysis and, possibly, to drawing false and unwarranted conclusions from the data presented.

ACREAGE

The farm acreage is made up of: (1) crop acres, (2) cleared pasture, (3) woods pasture, (4) woods, and (5) other acreage.

Crop acres include all the land devoted to crops in 1927. If, perchance, any of the land was used for growing more than one crop during the year, it was counted but once. For example, if 10 acres had been harvested for oats and later followed in the same season by cow peas, the acreage was counted as 10 and not as 20 acres.

Cleared pasture is not likely to be misunderstood. It represents simply that pasture which is cleared and devoted to grazing.

Woods pasture on the other hand is woodland which has some grass and upon which livestock graze.

Woods. The acreage in woods does not include wooded pasture. If there were 15 acres reported as wooded pasture and 25 acres of woods, it would mean that there are a total of 40 acres of woodland, and not 25 acres.

Other. Crops, cleared pasture, wooded pasture, and woods make up most of the land in farms. In addition, however, there is some land which was not classified and is included under *other*. This includes land which might be lying idle or "resting" in 1927, land in roads, building lots, waste land, etc.

CAPITAL

The term capital, as used in this discussion, is an accounting concept and includes land as well as machinery, buildings, improvements, and supplies on hand. This concept differs somewhat from the economic concept of capital which usually refers simply to the machinery, buildings, improvements, and supplies. In evaluating the different classes of capital, as described above, the farmer was asked to give his estimate of the sale value of the farm as of January 1, 1927. The value which the farmer was asked to give was one which he might reasonably expect to receive under normal competitive conditions. In order to get the value of the land separate from the other classes of improvements, the farmer was asked to estimate the value of improvements, such as houses, tobacco barns, other buildings, fences, etc., separately. That is, the value of the land was calculated by deducting the value of improvements from that of the value placed on the entire farm.

In evaluating the livestock, fair market values as of January 1, 1927, were used. In evaluating the machinery, the farmer was asked to compare the old machines with what the new ones would cost and then to depreciate the machinery so as to arrive at the present worth. The feed on hand was valued by applying market prices, less the cost of delivery of these goods to the market.

RECEIPTS

For certain purposes in the analysis of the farm income data, it is desirable to distinguish between cash and non-cash receipts. The cash receipts are made up from sales of crops, sales of livestock and livestock products, sales of woodlot products, cash rent received, or wages received for work off the farm. The non-cash receipts consist of inventory increases in real estate, livestock, machinery, and feed. In addition to these, certain items have been added for food, wood, and use of the house for family purposes.

The crop receipts do not include the value of any of the year's production which has been used during the year as feed for livestock, or for meat, meal, etc., furnished hired labor in addition to the cash wages received. For example, if corn has been fed to livestock during the year, the corn is not considered as a receipt. The corn when fed to livestock, of course, normally will increase the value of the livestock. But this value is not recorded until the livestock has been sold, when it is shown as a receipt for livestock rather than as a receipt for corn.

All receipts from livestock and livestock products were derived from the sales of these during the year. Any livestock which was on hand, even though intended to be sold later, is not included in the sales but is inventoried as on hand at the end of the year. Also any livestock which has been carried over from the previous year is inventoried at the beginning of the year. Livestock-products sales are usually of the current year, although in a few instances they include some of the current year's production which is held over to be sold.

In case of woodlot products some adjustments were often necessary. These include, as the name indicates, all products such as firewood, posts, ties, poles, acid wood, logs, lumber, and standing timber. In some cases large amounts of timber were sold, the sales which could not be duplicated from a given farm yearly. For example, one farmer sold $2,200 worth of standing timber during 1927, and he estimated that he could sell approximately the same amount every twenty years. Adjustments were made by dividing the $2,200 by 20, giving $110, which should be recorded as sales from woodlot. It should be pointed out that woodlot sales do not include the value of firewood used by the farmer in his own house, hired labor, cropper or tenants, unless such firewood was actually paid for. nor does it include wood furnished by the farm for tobacco curing. It would be possible but not quite as convenient, to consider these as actual sales, but in case this was done then the cost of hired labor, croppers, and tenants would have to be increased by the same amount and the farm would have to be charged with the value of the wood used in curing tobacco. It is much simpler, therefore, to consider these as neither receipts nor expenditures.

In some instances, buildings or a part of the land was rented out for cash. The income derived from these sources was included in receipts. However, cash rent does not include rent received from any other property, such as rented property in town or from an entirely different farm from which the farm business record was taken. As a general thing farmers often have time to work off the farm. This work may include pay for labor or equipment or both. All moneys received for work off the farm was considered as a receipt. Income, however, from the members of the family who are regularly employed off the farm, such as members who might be working in factories, was not included in the receipts.

Inventory changes. The method of accounting used in determining the net income required the calculation of inventory increase or decreases. Such changes were ascertained for: (1) real estate, (2) livestock, (3) machinery, and (4) feed. A net increase in inventory was considered as a receipt and is so shown in the summary of the farm business. A net decrease on the other hand was considered as an expense. The method of calculation will be readily understood through a study of the tabulations given below.

METHOD OF CALCULATING INVENTORY CHANGES

	Beginning of Year	Purchases	Improvements	Sales	Depreciation	End of Year
Real Estate	$ 15,840	----------	210	----------	50	$ 16,000
Livestock	665	25	----------	306	----------	*565
Machinery	175	100	----------	----------	25	250
Feed	510	----------	----------	----------	----------	†630
	$ 17,190	----------	----------	----------	----------	$ 17,445
Increase in Inventory	255	----------	----------	----------	----------	----------
Totals at end of year	$ 17,445	----------	----------	----------	----------	$ 17,445

*Changes in livestock caused by growth of animals and by natural increases or decreases in numbers.
†The greater part of changes in feed come from crops produced on the farm during the year.

All purchases of livestock are entered in the summary of the farm business as an expense and all sales as receipts. Any increase in livestock inventories were considered as receipts, and any decrease an expense.

The same method was used in the case of feed. The value of the feed on hand at the beginning of the year, plus purchase, minus the sum of sales of feed, if any, plus the value of feed on hand at the end of the year will give a correct statement of the feed account.

In handling the real estate account, improvements and depreciation were listed as expenses and the differences between the closing and opening inventories were considered as receipts, if closing inventory was larger than the inventory at the first of the year, and as expenses if the reverse was true. In considering increases in real estate no changes in land values during the year were recognized. The only changes allowed were for improvements which had been added during the year and for depreciation of buildings, fences, etc.

Purchase of machinery was entered as expenses, and sales, if any, as receipts. The difference between the closing inventory was handled in the same manner as real estate.

Family Living from Farm. Farming is somewhat unique in that a considerable part of the living of the farmer and his family is derived directly from the products produced on the farm. Wood for household fuel is grown on the farm. Farm products, such as vegetables, meats, etc., are also produced on the farm and would add, if sold, to the farmer's net income. The value of food and fuel consumed by the farmer's family, together with the rent of the house, have been considered as a legitimate receipt. The value of these various items has been determined by considering what they would be worth at farm prices.[1] The income from the house which was credited to the farm business was estimated at 10 per cent of the value of the house itself. This arbitrary figure is assumed to cover insurance, repairs, depreciation, etc., on the house and the interest on the capital invested in it.

EXPENSES

In the summary tables presented in this chapter many of the expenses of operation are itemized. This is true especially with respect to wage labor, cropper labor, seed, fertilizer, insurance, taxes, repairs, livestock, and machinery purchased, improvements, and automobile for farm use. Other items, such as ginning, threshing, containers, spray materials, etc., are itemized only for those areas in which these items are important. In addition, such items as horseshoeing, veterinary fees, breeding fees, are included with other cash expenses.

Wage Labor. The expense reported for wage labor includes the stipulated wage paid together with the value of any item of food, fuel, etc., bought for the labor.

Cropper Labor. In this study the cropper has been considered as a laborer rather than a tenant. The value of his share of the crop, unless it was bought by the farmer, has been included in the crop sales and the value of

[1]It would be advisable to caution the reader that this manner of valuation should not be confused with that of using city retail prices. According to a study of family-living of twenty-eight families in Scioto County, Ohio, in 1922, the family-living furnished by the farm when valued at city retail prices amounted to 208 per cent of the farm prices.

his share less fertilizer, seed, and ginning expenses paid by the cropper has been entered under expenses as cropper labor. The method followed is indicated in the following tabulation:

METHOD USED IN CALCULATING VALUE OF CROPPER LABOR[1]

Cotton----32 acres
Corn------30 acres
Tobacco---12 acres

Value of Crops				Cash Expenses			
Crop	Production	Sales Value	Value of Cropper's Share	Item	Amount	Value	Cropper's Share
Cotton-------	16 bales--	$ 1,600	$ 800	Fertilizer---	30 tons---	$ 900	$ 450
Seed---------	480 bu	192	96	Nitrate of Soda------	3 tons---	180	90
Corn---------	750 bu---	600	300	Ginning	16 bales--	96	48
				Twine and Cloth-----		36	18
Tobacco------	12000 lbs.	3,000	1,500			$ 1,212	$ 606
Totals---	----------	$ 5,392	$ 2,696				
				Value of Cropper's Share of Crops			$ 2,696
				Cropper's share of cash expenses			606
				Croppers' labor			$ 2,090

[1]It probably should be pointed out that the same results would have been obtained if the cropper labor had been omitted from the expenses and a corresponding amount omitted from the crop sales. While this would not have made any difference in the net income, it would not have shown the total value of crops and to that extent would be misleading.

Feed, Seed, and Fertilizer Expenses. These items are only entered as expenses when they are actually purchased. No account was taken of seed, feed, or manure produced on the farm. This method was adopted to simplify the accounting. If feed produced on the farm had been put in as expenses it would have had to be added as a receipt. But when it is omitted from both sides no error in the final figures results. Feed fed to livestock during the year might have been credited to the crop account and debited to the livestock account, but to simplify the method of procedure it was omitted entirely. Any increase in value due to feeding livestock would be registered when the livestock was sold.

Repairs of Machinery, Buildings, and Fences. These items represent the money paid out for materials and for labor. They do not include materials such as lumber and posts when these were furnished by the farm, or for labor when performed by the farmer, his family, or by those hired to do the regular farm work. When labor was hired to do a particular repair job as painting, roofing, or building fences, this expense is included in the building or fence repair and not under farm labor.

Insurance. This item includes the premium paid for insurance on buildings, livestock, or crops. It does not include life insurance premiums, nor those on any property other than that for the farm.

Property Taxes. Under property taxes is included the tax levied upon real estate and upon personal property[1]. The property taxes do not include poll tax, dog tax, state and federal income taxes, motor vehicle licenses, or taxes on gasoline.

Automobile for Farm Use. This includes that proportion of the total cost of operating the automobile, including the license, which the farmer thought would be a fair part to charge to the farm business. In some instances farmers thought that no charge should be made against the business, while in other cases they thought all of it should be so charged. The figures given by the greater number of those having an automobile ranged from one-fourth to three-fourths of the total cost. That part of the gas and oil which should be charged against the farm is included in automobile for farm use. The other part is considered for personal use and is not charged against the business anywhere. The gas and oil for motor trucks and for tractors are included in the expense of fuel and oil for farm work.

Inventory Decreases. These are regarded as expenses against the farm business, just as inventory increases are regarded as receipts. Inventory changes in real estate take into account only depreciation or improvements and do not include any decrease in land values on account of market changes and prices. Also the value of the livestock on hand at the end of the year may be less than that at the beginning of the year on account of fewer numbers of livestock on hand. In this case the decreases are regarded as expenses. (See also inventory changes.)

Family Labor. The unpaid family labor is determined on the basis of what the farmer estimates it would cost to have the same work done by hired help or by the amount of additional labor he would have to hire to carry on the same size business had family labor not been available. The farmer's own labor is valued on the basis of what he estimates he would have to pay another person in money and in kind to take his place.

RETURNS

Income. Farm income has been defined, for the purpose of this discussion, as the *difference between the gross receipts and expenses, as represented in the foregoing discussion.* The operator's income does not include a charge for farmer's labor. If it be desired this may be included with the expenses and the difference between gross receipts and expenses will give the net income. However, it was thought better to segregate the items in the manner used in the summary tables presented in this chapter.

Returns to Capital. Returns to capital have been calculated by subtracting from the farm income the value of the unpaid family labor, together with the value of the farmer's labor. The net income multiplied by 100 and divided by the total estimated value of the capital gives the percentage returns on capital.

Profits. Profits are usually defined as returns to the farmer as an entrepreneur, or business executive, or director of the farm. The profits are cal-

[1]In North Carolina no property tax is levied by the State.

culated by taking the gross returns to capital, less an amount equal to 5 per cent on the total capital.

Cash Income. The cash income per farm has been calculated, as it is sometimes important to know the amount of cash the farmer has available. This has been done by subtracting from the total cash receipts the current cash expenses plus interest paid on borrowed capital.

FARM BUSINESS SUMMARY

A mastery of the terms and concepts discussed above is a necessary preliminary to an interpretation of the farm business summary which has been prepared for each area included in this investigation. Briefly the summary statement shows: (1) the classes of farm land into which the land area has been divided, (2) classification of capital, (3) classification of receipts, (4) classification of expenses, (5) farm income, (6) returns to capital, (7) profits, and (8) net cash income. The summaries have been prepared with the utmost care and are all uniform in character to facilitate comparison.

The summary statement gives an excellent picture of the condition of the farm business. However, it fails to show the important or significant variations. For example, it is important as well as interesting to know what percentage of the farms were above or below the average size, or what variations there were in the farm capital, or in the receipts or expenses. Were all of the farm incomes close to the average? Did all farms show negative or minus profits? If not, how many showed real profits? These and similar questions can only be answered by showing the data in detail. These details are presented without comment in a statistical appendix at the close of this chapter.

The method of analysis, it should be pointed out, is not altogether satisfactory. It has been necessary to make a few assumptions and to use some figures, the accuracy of which may be questioned. In the first place, the unpaid family labor and that of the farmer are estimates. The questions naturally arise whether or not the unpaid family labor is evaluated correctly, or indeed whether it really has any value whatsoever. Satisfactory answers cannot be given to either of these two queries. All that can be said is that value of unpaid family labor and that of the farm operator is that given by the farmer. Whether or not the unpaid family labor should be valued at all depends on alternative uses, and much could be said on this question. In some cases it undoubtedly has alternative uses; in other cases, probably not. Because of the uncertainty of the values of these two items, they were not classed as regular expenses in the summary table.

In calculating the profits another assumption was made. The returns for investment, i. e., capital, 5 per cent was taken as the rate. But why 5 per cent? Would not 4 per cent, or 3 per cent, or 10 per cent be just as reasonable? Unquestionably farmers do accept a lower rate than 5 per cent. But 5 per cent was chosen because it probably more nearly represents the current rate of returns to capital. At best, however, it is only an arbitrary figure. Furthermore, capital as used in this study includes land as well as capital in the economic sense. Whether or not the normal rate of return on farm land is 5 per cent or higher or lower cannot be stated with any degree of positiveness.

As pointed out in the introduction of this chapter, this study includes farm business records for 1,156 owner-operator farms for 1927. These farms were distributed in 26 counties and were located approximately as indicated by the small dots in Figure 1. The farms were grouped, for the purpose of study, into 11 areas. (See Figure 1.) Each area was designated by the county in which the greatest number of farms were located. The areas are as follows: Ashe, McDowell, and Jackson representing the Mountain region; Catawba, Davidson, and Person representing the Piedmont region; Moore, Cumberland, and Lenoir representing the Coastal Plain region; and Pender and Chowan representing the Tidewater region. The various counties (when there were more than one) comprising each area, together with the number of farms in each, are given in the following discussion. (See also Chapter I.)

ASHE AREA[1]

A summary of the results for 97 farms, all located in Ashe county, is presented in Table 17. The average size of the farms studied was 138 acres. The acreage was distributed as follows: 27 acres or 19.6 per cent in crops; 63 acres or 45.7 per cent in pasture, of which 47 acres were cleared and 16 acres in woods pasture; 31 acres or 22.5 per cent in woods; and 17 acres or 12.3 per cent for other purposes, mostly waste land, and land used for roads and for the farmstead. The chief characteristic of the acreage is the large percentage of land in pasture and woods. The area is hilly or mountainous and can best be utilized as pasture or for the production of timber.

The average investment was $7,730. This was distributed as follows: $5,052 or 65.4 per cent in land; $1,870 or 24.2 per cent in improvements; $525 or 6.8 per cent in livestock; $161 or 2.1 per cent in machinery; and $122, or 1.6 per cent in feed.

The gross receipts were $1,158. The agriculture of the area is largely self-sufficing or non-commercial, and for that reason the sales of farm products are as a general thing not large. As is typical of this type of farming, the value of family-living obtained from the farm is an important item. For the area as a whole $490 or 42.3 per cent of the total receipts represented the value of family living obtained from the farm. Income from crops was relatively unimportant, being only $82 or 7.1 per cent of all receipts. Livestock was the outstanding source of cash receipts. The income from this source was $337 or 29.1 per cent of all receipts. It is important to note also the income obtained from work off the farm. On the average, $183 or 16 per cent of the gross receipts were received from this source. The importance of work off the farm tends to show the non-commercial nature of the farming in this area. The cash receipts as distinguished from non-cash were $653 or 56.4 per cent of the gross receipts.

The expenses amounted to $590. Other than taxes, which were $112 or 19 per cent of the total expenses, there was no outstanding item of expense. Relatively little money is expended for labor, feed, and fertilizer.

The returns for 1927 were low. The operator's income was $504. After deducting from the operator's income the value of the operator's labor, there was nothing left for return on investment. Obviously there were no profits. The cash income was only $59.

[1]For a description of the areas see Chapter II.

JACKSON AREA

The farm business summary presented in Table 17 is based upon a study of 93 farms in Jackson and 27 farms in Macon counties. The average size of the farms was 101 acres. Only 16 acres or 15.8 per cent were in crops. There were 33 acres or 32.7 per cent in pasture. Of this amount 20 acres were cleared. Finally, there were 39 acres or 38.6 per cent of the total land in woods, and 13 acres or 12.9 per cent in waste land, roads, etc.

Comparable with other areas in the Mountain region, the investment in farming is not large. The average investment in 1927 was $4,050 distributed as follows: $2,690 or 66.4 per cent in land; $912 or 22.5 per cent in improvements; $276 or 6.8 per cent in livestock; $80 or 2.0 per cent in machinery; and $92 or 2.3 per cent in feed. It will be noted that while the area is quite well adapted to livestock, a relatively small part of the investment is in livestock.

The gross receipts per farm were only $793. The sale of crops amounted to only $51 or 6.4 per cent of all receipts. Livestock and livestock-products receipts were $138 or 17.2 per cent. Other cash receipts, including work off the farm, woodlot-product sales, cash rent, and other cash income, were $187 or 23.6 per cent of total receipts. The most significant item was $393 or 49.6 per cent for living obtained from the farm. The distribution of the receipts indicates a highly self-sufficing type of agriculture.

Expenses were $261. There were no significant items other than taxes of $67. This item represented approximately 25.7 per cent of all the expenses.

The returns were low. The operator's income was only $456. There was no return for investment. The summary statement shows that profits were minus $360. The cash income was $107.

McDOWELL AREA

The McDowell area is represented by 64 farms, all located in McDowell county. The farm business summary for these farms is presented in Table 17. The average size of the farms was 141 acres. This acreage was distributed as follows: 28 or 19.9 per cent in crops; 31 acres or 22 per cent in pasture (14 acres or 10 per cent in cleared pasture, and 17 acres or 12 per cent in woods pasture); 64 acres or 45.4 per cent in woods; and 18 acres or 12.8 per cent in waste land, roads, etc. The emphasis on pasture indicates the importance of livestock in the scheme of production. The accompanying analysis shows that a large part of the total cash receipts was from livestock and live stock products.

The investment per farm on the average amounted to $5,347. The total investment was distributed as follows: land $3,507 or 65.6 per cent; improvements, mainly buildings, $1,282 or 24 per cent; livestock $309 or 5.8 per cent; machinery $125 or 2.3 per cent; and feed $124 or 2.3 per cent. There is nothing especially characteristic of the distribution of the investment. It is similar to that for the other two areas in the Mountain region.

Receipts from all sources amounted to $1,016 per farm. Of this amount $153 or 15.1 per cent was received from sale of crops; $242 or 23.8 per cent from the sale of livestock and livestock products; $127 or 12.5 per cent was from work off the farm, wood product sales, cash rent and other cash receipts. The total cash receipts were $522 or 51.3 per cent of all receipts.

The family living obtained from the farm, including food, wood, and farm products used in the home, was $448 or 44.1 per cent of the total. The importance of this item indicates the more or less self-sufficing type of farming which is typical of the Mountain region.

Expenses per farm amounted to $428. There was no outstanding item of expense. The total labor bill, including cropper labor, of $89 or 20.8 per cent of the total, taxes of $64 or 15 per cent, and feed of $84 or 20 per cent were the important items. All other items amounted to $191 or 44.6 per cent of all expenditures.

The operator's returns were $518. There was no return to investment. That is, after subtracting from the total expenses of $585, as shown in the summary statement, the unpaid family labor and the value of the farmer's labor amounting to $766, there was a deficit of $181. In other words, the farms in this area on the average failed to obtain enough income to pay any interest whatsoever on the investment. Obviously, there were no profits. According to the summary statement, profits were minus $448. This is calculated by subtracting from the return to capital (-$181) 5 per cent interest on the investment in farming. The cash income was $83.

CATAWBA AREA

A farm business summary of the 99 Catawba county farms is given in Table 18. The average size of the farms surveyed was 103 acres. The acreage was distributed as follows: 36 acres or 35 per cent in crops; 15 acres or 14.6 per cent in pasture (9 acres of which was cleared and 6 acres in woods pasture); 32 acres or 31.1 per cent in woods; and 20 acres or 19.4 per cent in waste, roads, etc.

The average investment per farm was $6,973. This was distributed as follows: $4,151 or 59.5 per cent in land; $1,964 or 28.2 per cent in improvements (mostly buildings); $415 or 6 per cent in livestock; $284 or 4.1 per cent in machinery; and $159 or 2.3 per cent in feed.

The gross receipts were $1,552. Crop sales of $627 or 40.4 per cent of all receipts was the major source of income. Livestock and livestock-product sales amounted to $271 or 17.5 per cent of all the gross receipts. The value of the family living, an important item, was $548 or 35.3 per cent of all receipts.

The expenses per farm were $564. There were no items of major importance. Cropper and wage labor of $110 or 18.4 per cent and taxes of $75 or 12.6 per cent were the outstanding items.

The operator's income was $832. There was no return to capital, and profits were minus $397. The cash income was $380.

DAVIDSON AREA

In Table 18 is presented a summary of the business of 121 farms all located in Davidson county. The average size of the farms was 92 acres. This acreage was distributed as follows: 28 acres or 30.4 per cent in crops; 10 acres or 10.9 per cent in pasture (5 acres in woods pasture and 5 acres in cleared pasture); 34 acres or 37 per cent in woods; and 20 acres or 21.7 per cent in waste land, roads, etc.

The average investment per farm was $6,114. The investment was distributed as follows: $3,711 or 60.7 per cent in land; $1,764 or 28.9 per cent in improvements; $299 or 4.9 per cent in livestock; $205 or 3.4 per cent in machinery; and $135 or 2.2 per cent in feed and supplies.

Gross receipts per farm were $1,383. The receipts were distributed as follows: $423 or 30.7 per cent from sale of crops; $323 or 16.8 per cent from the sale of animals and livestock products; $99 or 7.2 from woodlot products, cash rent, and work off the farm; $63 or 4.6 per cent representing an increase in inventory; and $566 or 40.9 per cent indicating the value of family living obtained from the farm. The total cash receipts were $754 or 54.5 per cent of all receipts.

The expenses per farm amounted to $489. Purchase for feed of $84 was the outstanding item of expense. The labor bill was only $50, $25 of which was for hired labor. Taxes of $57 equaled 11.7 per cent of all expenses.

The operator's income was $777. There was no return on investment as there was no net income. There were, of course, no profits. If to the figure minus $93 (representing the returns on investment) be added $306 or 5 per cent on the total investment of $6,114, the resulting figure is minus $399. In short, Davidson county farmers on the average failed by $399 to make any profits whatsoever. The cash income was only $249.

PERSON AREA

A cross section of the farm economic conditions in the north central part of the Piedmont was obtained by a study of 91 farms located in Person county. A summary of the results obtained is presented in Table 18. The average size of the farms surveyed was 139 acres, distributed as follows: 33 acres or 23.7 per cent in crops; 12 acres or 8.6 per cent in pasture, of which 4 acres were cleared and 8 acres in woods pasture; 71 acres or 51.1 per cent in woods; and 23 acres or 16.5 per cent in roads, waste land, etc. This is a typical distribution of the acreage for the area. Tobacco, the chief crop, requires intensive cultivation. As a result the acreage devoted to crops is relatively small. Pasture is unimportant because cattle are not maintained in large numbers.

The investment per farm was $7,559. A large part of this, $4,086 or 54.1 per cent, was represented by land. Improvements, mostly buildings, amounted to $2,787 or 36.9 per cent of the total investment. Livestock and machinery were relatively unimportant. Only $526 or 7 per cent was invested in livestock and machinery combined.

The gross receipts per farm were valued at $2,970. The most important source was the sale of crops. The income derived from crop sale was $2,072 or 69.8 per cent of all receipts. It is significant to note the specialization in tobacco production. The income from tobacco alone was $2,002 or 96.6 per cent of all crop receipts and 67.4 per cent of all gross receipts. Livestock and livestock-products sales amounted to only $112 or 3.8 per cent of all receipts. Other cash receipts, such as woodlot-product sales, cash rent, work off the farm, etc., were only $58 or 2 per cent of the total receipts. Inventory increases amounted to $140 or 4.7 per cent of all receipts. The value of family living from the farm was large in the gross receipts but relatively unimportant. This item was $588 or 19.8 per cent of all receipts.

Gross expenses per farm were $1,048. There was no outstanding cash expenses other than that for fertilizer. On the average, farms of Person county paid $171 or 16.3 per cent of all expenses for fertilizer. Cropper labor was an important item of expense. This item alone was $353 or 33.7 per cent of all expenses. Taxes amounted to $83 or 8 per cent of all expenses.

The operator's income was $1,725. The rate of return on investment was 10.4 per cent. Profits amounted to $408. The cash income, i. e., gross cash income less current cash expenses and interest on borrowed capital, was $1,159. On the whole returns were satisfactory to a large majority of the farmers in this area.

MOORE AREA

Farmers in the Moore area have been classified as peach and non-peach producers. This classification was deemed advisable as peach production is an important part of the farming of the area. The results, when all farms are combined, do not reflect the real conditions in the area, especially in view of the fact that 1927 was an exceptionally profitable year for peach growers. Two summaries are presented, therefore, for the Moore area. Table 19 gives the results. Altogether there were 92 farms, of which 51 were non-peach and 41 peach farms. The farms were located as follows: non-peach growers, 44 in Moore county, 6 in Richmond county, and one in Lee county; peach, 26 farms in Moore county, 7 in Montgomery, and 8 in Richmond county.

Non-Peach Farms. The average size of farms was 129 acres. The acreage was distributed as follows: 34 acres or 26.4 per cent in crops; 11 acres or 8.5 per cent in woods pasture; 72 acres of 55.8 per cent in woods; and 12 acres or 9.3 per cent in waste land, roads, etc. There is practically no improved pasture in this area. The woods of the area produce little merchantable timber.

The investment per farm was $6,156. This was distributed as follows: $3,615 or 58.7 per cent in land; $1,931 or 31.4 per cent in improvements; $316 or 5.1 per cent in livestock; $159 or 2.6 per cent in machinery; and $135 or 2 per cent in feed.

Gross receipts per farm amounted to $2,398. A large part, $1,569 or 65.4 per cent of all receipts, was received from the sale of crops. The three important crops were tobacco, cotton, and dewberries. The gross income from these was $1,457 or 92.9 per cent of the receipts from crops, and 60.8 per cent of all receipts. Receipts from the sale of livestock and livestock products were relatively unimportant. In all, the sales from this source equaled only $206 or 8.6 per cent of all receipts. Other cash income, such as sales of woodlot products, cash rent, and work off the farm was only $77 or 3.2 per cent of all receipts. The value of family living obtained from the farm was $424 or 17.7 per cent of the total receipts.

The expenses per farm were $1,256. The important items were wages of $416 and fertilizer of $298. Wages represented 33.1 per cent of all expenses, while the cost of fertilizer represented 23.7 per cent. Farmers spent $142 or 11.3 per cent of all expenses for improvments. Taxes of $83 were 6.6 per cent of all expenses. All other expenses amounted to $317 and represented 25.2 per cent of the total expenses.

Operator's income was $1,042. The average rate of returns on investment was 5.5 per cent. Profits were low amounting to only $29. The cash income was $555.

Peach Farms. The average size of the farms specializing in the production of peaches was 335 acres. The acreage was distributed as follows: land in peaches 73 acres or 21.8 per cent; 54 acres in other crops or 16.1 per cent; 192 acres or 57.3 per cent in woods; 4 acres or 1.2 per cent in pasture; and 12 acres or 3.6 per cent in wasteland, roads, etc. The land classified as woods is mostly in scrub oaks and does not produce any or very little salable products.

The investment was $26,053 per farm. Of this total, $12,100 or 46.4 per cent was in land; $6,276 or 24.1 per cent in improvements; and $7,677 or 29.5 per cent was in livestock, equipment, and supplies. Most of the $7,677 was invested in equipment and supplies, as very little livestock is maintained on these farms.

The gross receipts per farm were $14,804. Crop sales amounted to $14,131 or 95.5 per cent of all receipts. The most important item of receipts was the sale of peaches of $12,426 or 83.9 per cent of all receipts. Cotton was an important item also. The income derived from this crop were $1,455 or 9.8 per cent of the total receipts. Livestock or livestock products were almost negligible as sources of receipts.

The average expenses amounted to $8,604. The major items were wages of $2,849, fertilizer of $907, taxes of $258, repairs of $322, crates and baskets, etc., of $1,209, and fuel and oil of $223. The percentage these were of the total was as follows: wages, 33.1 per cent; fertilizer, 10.5 per cent; taxes, 3 per cent; repairs, 3.7 per cent; crates, etc., 14.1 per cent; and fuel and oil 2.6 per cent. All other expenses amounted to $2,836 and represented 33 per cent of all expenses.

The operator's income, on the average, was $6,217. The rate of return on investment was 18.6 per cent. Profits were $3,538 and the cash income was $5,484.

LENOIR AREA

This area is represented by 98 farms in Lenoir, 34 farms in Wilson, and 3 farms in Greene. A summary statement for the area is presented in Table 19. The farms averaged 135 acres, of which 56 or 41.5 per cent was devoted to crop production, 10 acres or 8.1 per cent was in pasture, 55 acres or 40.7 per cent in woods, and 13 or 9.6 per cent in roads, building sites, waste land, etc.

The investment per farm was $12,103. Of this amount $7,698 or 63.6 per cent was invested in land. $3,439 or 28.4 per cent in improvements, mostly buildings, and $758 or 6.3 per cent was invested in livestock and machinery.

Gross receipts averaged $4,553 per farm of which $3,613 or 79.4 per cent was received from crops; $281 or 6.2 per cent from livestock and livestock products; $58 or 1.3 per cent from miscellaneous cash sales, including woodlot products, cash rent, and money received from work off the farm. Inventory increases were $135 or 3 per cent of the total receipts, while family-living obtained from the farm was $466 or 10.2 per cent of the gross income. The receipts are characterized by the large percentage of income received from crop sales, largely tobacco. The income obtained from the sale of tobacco alone was $2,697 or 74.6 per cent of all crop receipts, and 59.2 per cent of all receipts. Income from livestock was relatively an unimportant item, amounting to only $281 or 6.2 per cent of all receipts.

The annual average outlay was $2,519. The most significant item was labor. Labor, including both wage and cropper labor, amounted to $1,173, or 46.6 per cent of the total expenses. Of the total labor-cost $981 was spent as cropper labor. The next most important item was fertilizer. On the average, farmers in this area, spent $498 for the purchase of commercial fertilizer. This sum amounts to 19.8 per cent of the total expenses. The tax bill was $163 or 6.4 per cent of the total expenses.

The operator's income was $1,841. The rate of return on investment was 8.4 per cent. Profits amounting to $411 were obtained. Cash income amounted to $1,345.

CUMBERLAND AREA

To represent the agricultural conditions in the southern section of the Coastal Plain, Cumberland and Hoke counties were selected for study. Farm business records were obtained on 82 farms in Cumberland, and on 24 in Hoke. A summary of the farm business for the Cumberland area is shown in Table 19.

The average size of the farms for the area was 141 acres. The acres devoted to crop and woodland were the two most important groups. There were 56 crop acres or 39.7 per cent of the total, and 59 acres of woodland or 41.8 per cent of the total farm acreage. Improved pasture land and woods pasture were relatively insignificant. The acreage of both combined represented approximately 5 per cent of the total farm acreage. The remaining acreage classed as *other* was about 13.5 per cent of the total.

The average investment was $8,569. Of this amount $5,554 or 65 per cent was represented by land; $2,229 or 26 per cent for improvements which include buildings; $406 or 4.7 per cent for livestock, which is relatively unimportant; $181 or 2.1 per cent for machinery; and $199 or 2.2 per cent for feed. The most significant characteristics of the division of the capital is the relatively small amount invested in livestock and machinery. This is typical of the southern portion of the Coastal Plain.

The gross receipts per farm were $2,859. Of this amount $2,249 was cash and $610 non-cash. The chief sources of income were cotton and tobacco. The income derived from these two crops was $1,850 or 64.7 per cent of the gross receipts. Corn, truck, and berries combined were equal to $183 or 9.0 per cent of the total crop. While these crops appear insignificant when shown as averages of the region, there are some sections which specialize in truck crops and berries. Livestock receipts were small, amounting to only $170 for all classes or 5.9 per cent of the gross receipts. In this area the value of the family-living was $470 or 16.4 per cent of the gross receipts.

Expenses per farm were $1,607. The major items were $161 for wage labor, $408 for cropper labor, and $441 for fertilizer. These items combined total $1,010 or 62.9 per cent of the total expenses. Other expense items such as taxes of $115 or 7.2 per cent, and improvements of $127 or 7.9 per cent are worthy of mention. Feed, seed, insurance, repairs, livestock and machinery bought, ginning, fuel, and oil amounted to $355 or 22 per cent of the total.

Operator's income was $1,112. The return to investment was $300. This equaled a rate of return of 3.5 per cent. There were no profits. The cash income was $570.

PENDER AREA

Farm conditions in the Pender area are reflected in the data presented in Table 20. This table is a summary of 130 farms located in Pender county and one each in New Hanover and Duplin. It should be emphasized that farming in this section in 1927 and probably for several years prior to 1927, has not been profitable. (See Chapter III.) The average size of the farms was 166 acres. Only 29 acres or 17.5 per cent of the total acres per farm was used in producing crops[1]. A large part, 100 acres or 60.2 per cent of the land, is in woods which yield at the present time scant returns. There is little pasture as is evidenced by the fact that only 15 acres or 9 per cent of the total farm acreage is in pasture, and only 3 acres or less than 2 per cent is cleared pasture.

The investment per farm was $5,473. A large part of the total investment is in land and buildings. For the area as a whole, $3,449 or 63 per cent was invested in land, and $1,387 or 24.6 per cent in buildings. Livestock was of minor importance, as only $344 or 6.3 per cent of the total farm investment was in this class of farm property. Only $151 or 2.8 per cent of the total investment was in machinery.

Receipts from all sources was $1,809 per farm. The most important source was the sale of crops. Crop receipts amounted to $1,055 or 58.3 per cent of all receipts. Livestock was not an important source of income as only $236 or 13 per cent of all receipts was obtained from the sale of livestock or livestock products. Sales of woodlot products, cash rents, and work off the farm combined were only $60 or 3.3 per cent of the total. Inventory increases and family-living from the farm amounted to $95 and $363 respectively. The former representing 5.3 per cent and the latter 20.1 per cent of the gross income.

The farmers in this area spend on the average $953 for expenses. Wage labor and fertilizer were the two most important items. These two items represented 46.9 per cent of all expenses. Taxes of $84 represented 8.8 per cent of all expenses. All other items combined amounted to $422 or 44.3 per cent of the total.

As pointed out above, returns were unsatisfactory. While some farmers obtained satisfactory returns, returns on the average were low. The operator's income was $771, while return on capital was only 1.95 per cent. There were no profits. The cash income was $376.

CHOWAN AREA

To obtain a cross section of farming conditions in the Chowan area, a number of representative farms in each of five counties were surveyed. In all, 95 farms were studied located as follows: 34 in Chowan, 26 in Perquimans, 14 in Pasquotank, 9 in Camden, and 13 in Currituck.

A summary of the farm business of these farms is presented in Table 20. The average size of the farms surveyed was 127 acres. The land was dis-

[1]It should be pointed out that some of the land is double cropped.

tributed as follows: 58 acres or 45.7 per cent in crops; 43 acres or 33.9 per cent in woods; 13 acres or 10.2 per cent in pasture (3 acres of which was cleared and 10 in woods pasture); and 13 acres or 10.2 per cent in roads, waste land, etc.

The average investment was $10,332 per farm. The investment was distributed as follows: $6,271 or 60.7 per cent in land; $2,751 or 26.6 per cent in improvements; $632 or 6.1 per cent in livestock; $329 or 3.2 per cent in machinery; and $349 or 3.4 per cent in feed. This distribution of the capital is characteristic of the Tidewater region. In general, emphasis is placed upon crop production, although the receipts show that some attention is being given to hog production. Other than hogs the livestock consists of workstock and occasionally a few dairy or beef cattle.

The receipts were $3,598. The receipts were distributed as follows: $2,518 or 70 per cent for crop sales; $346 or 9.6 per cent from sales of livestock and livestock products; $77 or 2.1 per cent from sales of woodlot products, cash rent, and work off the farm; $132 or 3.7 per cent resulted from inventory increase; and $525 or 14.6 per cent represented the value of the family-living obtained from the farm. The cash receipts were $2,951 and represented 82 per cent of the total.

Farmers in this area spent, in 1927 on the average, $1,828 for farm operation. The largest part, $708 or 38.7 per cent was for labor. This bill was divided equally between wage and cropper labor. The expense for fertilizer was $363 or 19.9 per cent of the total expenses. Taxes paid by farmers amounted to $141 or 7.7 per cent of the total expenses. All other items combined amounted to $616 or 33.7 per cent of all expenses.

On the average, farmers received $1,607 as operator's income. The return on investment was 6.5 per cent, while profits amounted to $159 per farm. The cash income was $1,030.

SUMMARY

In this chapter has been presented a farm business summary for each of the eleven typical areas in the State. Table 21 is a statement for the state as a whole. Table 22 is the same type of a summary but does not include the records obtained from the peach growers. Table 23 is a brief summary of all areas including state and regional averages.

The state summary involves 1,156 owner-operated farms. For the year 1927 the operator's income was $1,213. This income was made on farms averaging 136 acres and with an average investment of $8,090. The net income or return on the investment was $405 or an amount just equal to 5 per cent returns. (See Figure 5 for variations.) Profits were zero. The average cash income was $730.

The elimination of the peach-farm records from the state average materially affects these results. The operator's income is reduced from $1,213 to $1,031 or a difference of $182. Return to investment is reduced from $405 to $241, a difference of $164. The rate of return on investment is reduced from 5 per cent to 3.8 per cent, a difference of 1.2 per cent. Profits become negative. Cash income drops to $556. (See Table 22.)

According to this investigation, as shown in Tables 17 and 23, farming in the Mountain region was not profitable. The operator's income, on the average; and $1,523, or 75.8 per cent, less than the average for the Coastal average, was $487. This figure is $726, or 60 per cent, less than the state

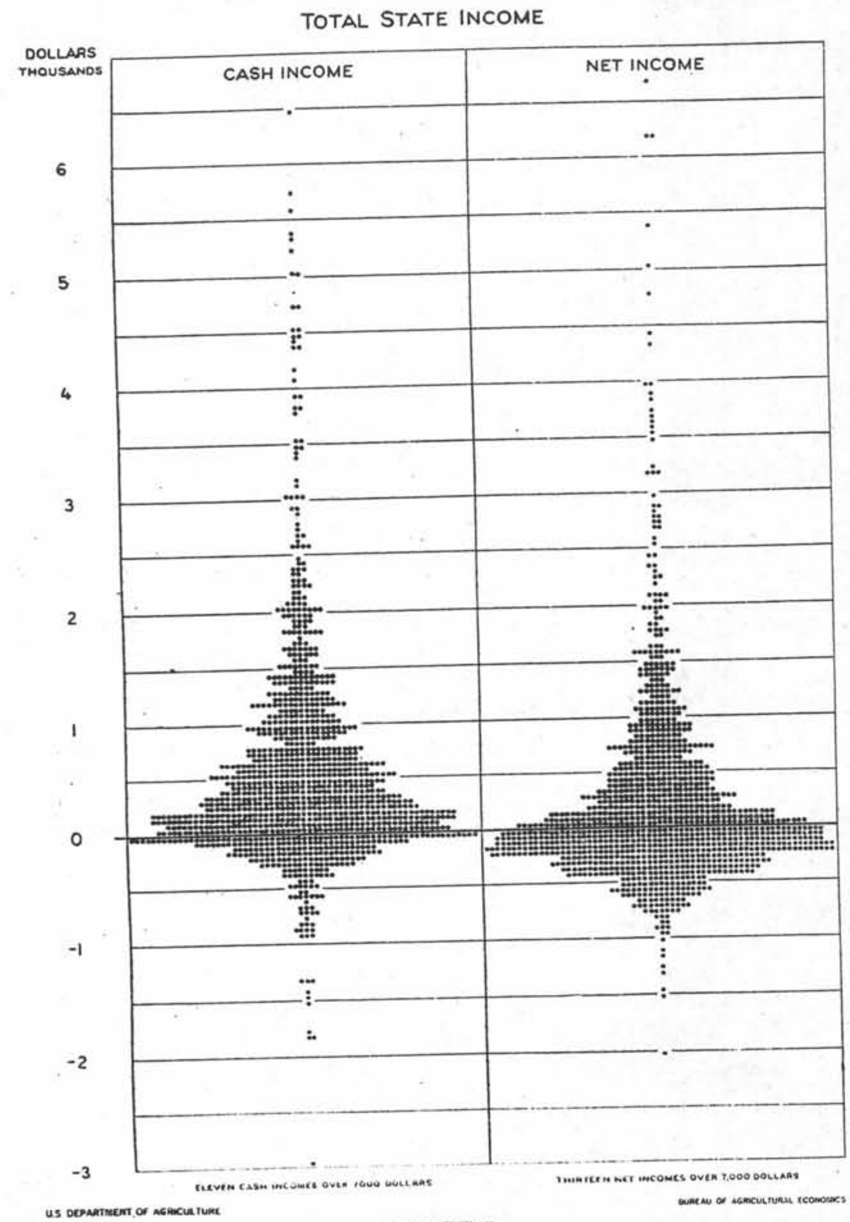


FIGURE 5

SHOWING VARIATIONS IN THE CASH INCOME AND IN THE NET INCOME RECEIVED PER FARM
(1,156 Owner-Operated Farms)

Plain region. There were no returns to capital. In fact, after deducting from the farm earnings of $554, the value of unpaid family labor of $67, and the value of the farmer's labor of $679, there was a deficit of $192. ($554—$67—$679=—$192). There were, of course, no profits. The cash income was $86.

In the Piedmont farming was much more profitable. The operator's income was $1,172. This is $141 below the state average and $938 less than the operator's income in the Coastal Plain region. Return on investment was $178 or 2.6 per cent. There were no profits. In fact, $178, the return to investment, is less by $163 than an amount equal to 5 per cent on the average investment. The cash income was $556. (See Tables 18 and 23.)

For the Tidewater the operator's income was $1,127. This was $86 less than the state average. Returns were $352 or 4.7 per cent on the investment. There were, however, no profits. The cash income was $657. (See Tables 20 and 23.)

Conditions in the Coastal Plain region, as reflected by the data obtained, were the best in the state. The average operator's income was $2,010. This was $797 or 65.7 per cent higher than the state average, and $883 or 78.3 per cent higher than the Tidewater region, which ranked next to the Coastal Plain. The return to capital was $1,147 or 9.7 per cent on the investment. Profits amounted to $559. The cash income was $1,483. (See Tables 19 and 23.)

With the exception of Moore county peach growers, conditions as reflected in earnings were most satisfactory in the Lenoir area and the least satisfactory in the Jackson area. For the Moore county peach growers, the operator's income was $6,217, returns on investment 18.6 per cent, and profits of $3,538. These figures are the highest of any area in the state. For Lenoir, which is probably more typical of the agriculture of the state, the earnings were also high. The operator's income $1,841, return on investment 8.4, and profits $411. On the other extreme was the Jackson area. Here operator's income was only $456, and there was no return to investment and no profits. McDowell, Ashe, Catawba, and Davidson were similar to Jackson in that none of these areas show any profits or returns to investment. Cumberland and Pender, while not showing any profits, made fairly satisfactory operator's income, but a relatively low return on investment of 3.5 and 2 per cent respectively. Person county farmers made, on the average, an operator's income of $1,725, obtained 10.4 per cent returns on investment, and showed profits of $408. The Moore area (non-peach growers) made only a fair showing. The operator's income was $1,042, the rate of return of 5.5, and profits of $29. For the Chowan area, which falls somewhat below Person, the operator's income was $1,607, return on investment 6.5, and profits $159. The details are shown in Tables 17 to 20.

Variations in the size of the capital investment and of the tax bill of the owner-operated farms surveyed are shown graphically in Figure 6. The same information as to the amount of the capital investment is shown in Table 25. While the average capital investment is $8,090, the actual investments range from below $2,000 to over $120,000 per farm, and the actual taxes paid per farm cover relatively as wide a range.

Variation in size of the farms surveyed is shown in Table 24, in crop acreage per farm in Table 26. These tables show that the farms studied

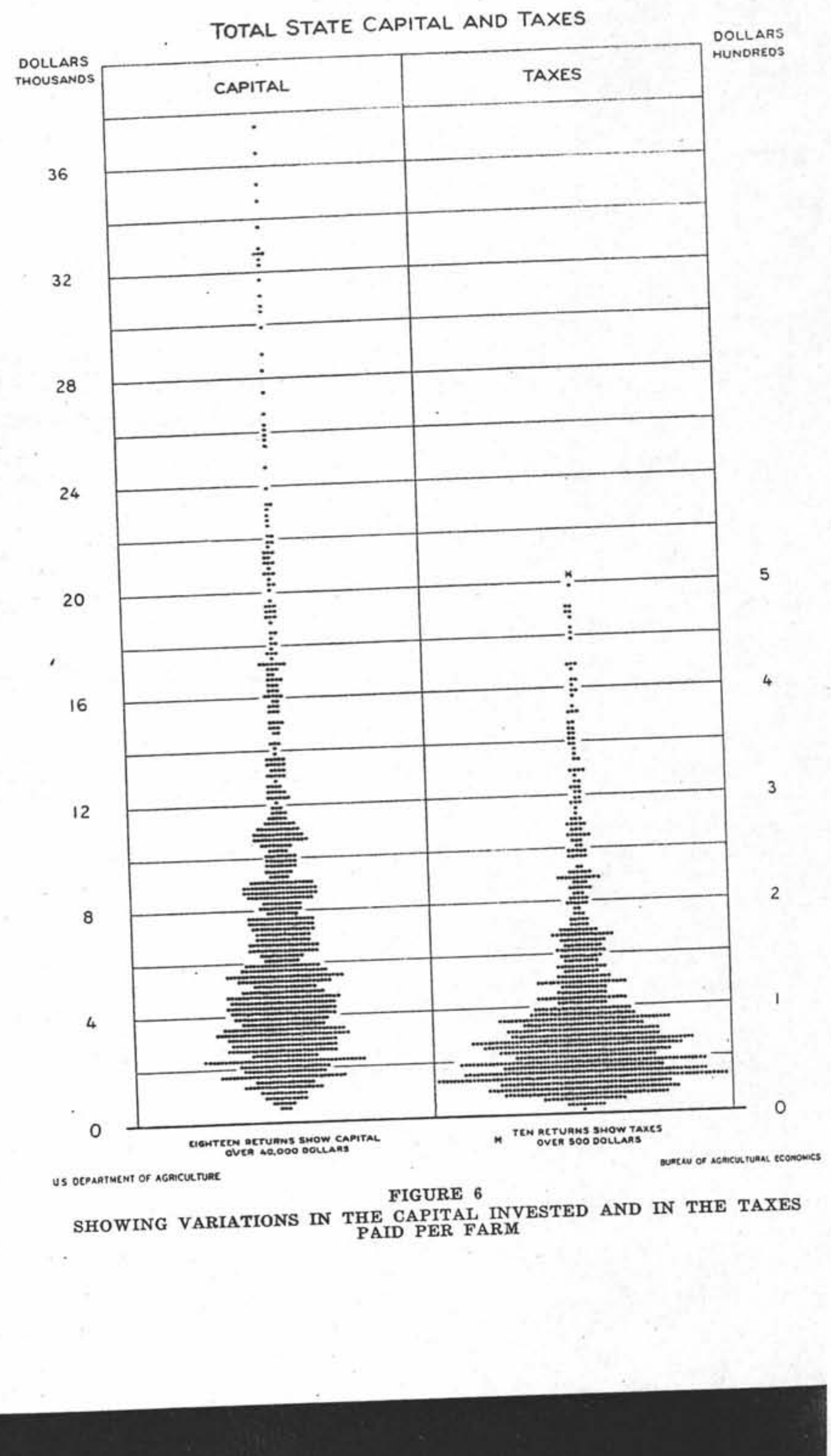


FIGURE 6
SHOWING VARIATIONS IN THE CAPITAL INVESTED AND IN THE TAXES PAID PER FARM

range from very small—41 farms of less than 20 acres each—to very large —37 containing more than 500 acres each; and that roughly the smallest size farms in crops are in the Mountain region and the largest in the Coastal Plain.

In Table 27 are presented the variations of net income, or return to capital, of the 1156 owner-operated forms surveyed. This table shows that 582 farms, or almost exactly 50 percent of total, have an actual net income; and that this income ranged from very small—166 forms having a net income of less than $200 each—to rather large—21 farms having a net income each of over $4,000. This table also shows that 574 farms had a negative net income or deficit; that is, they were unable to pay any return to capital.

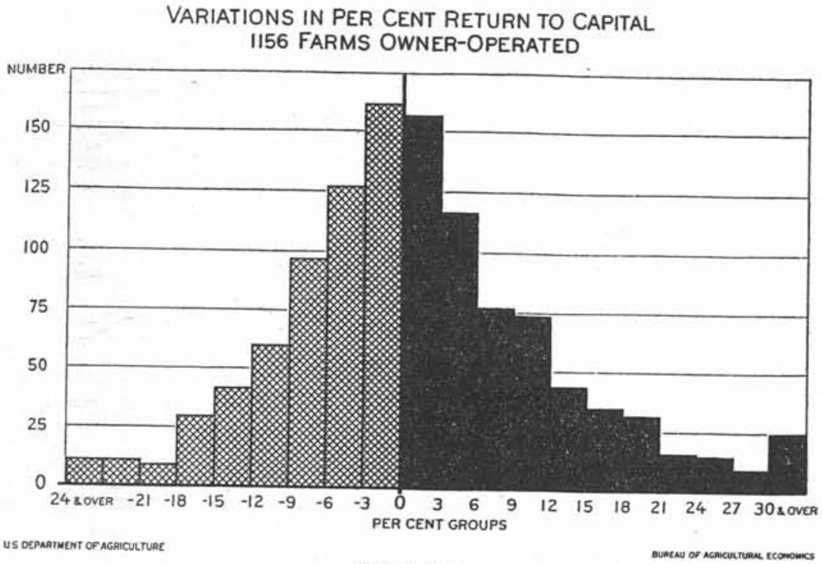


FIGURE 7

Figure 7 and Table 28 each show the variations in per cent return to capital, or the variations in per cent of net income per farm. An inspection of the per cent group in the figure shows that the number of actual positive net incomes just about balances the negative incomes, that the number of farms showing a small per cent of return to capital is just about balanced by the number showing a small per cent of deficit, and that the number of farms showing a large per cent of net return are also balanced by approximately the same number showing a large net loss to capital. The chart shows the net return as ranging from 0 per cent to 30 per cent on individual farms and the net loss ranging from 0 per cent to over 24 per cent. The same story is told statistically in Table 28.

Table 29 shows variations in size of cash income in the same way that Table 27 shows variations of net income per farm.

TABLE 17—FARM BUSINESS SUMMARY—MOUNTAIN REGION
(281 farms)

	Jackson	McDowell	Ashe	Mountain
Number of Farms	120	64	97	281
Capital	$ 4,050	$ 5,347	$ 7,730	$ 5,616
Land	2,690	3,507	5,052	3,692
Improvements	912	1,282	1,870	1,327
Livestock	276	309	525	369
Machinery	80	125	161	118
Feed	92	124	122	110
Acreage	101	141	138	123
Crops	16	28	27	22
Cleared pasture	20	14	47	28
Woods pasture	13	17	16	16
Woods	39	64	31	42
Other	13	18	17	15
RECEIPTS				
Crop Sales	$ 51	$ 153	$ 82	$ 85
Corn	29	82	30	41
Wheat	2	23	12	10
Hay	7	12	7	8
Other crops	13	36	33	26
Livestock and product sales	$ 138	$ 242	$ 337	$ 230
Cattle	32	36	154	75
Dairy products	29	144	30	55
Poultry and eggs	43	38	70	51
Hogs	29	15	38	29
Other	5	9	45	20
Wood lot product sales	30	22	45	34
Work off the farm	144	87	183	144
Other cash receipts	13	18	6	12
Total Cash Receipts	$ 376	$ 522	$ 653	$ 505
Inventory Increaes	24	46	15	20
Real estate	5	----	----	----
Livestock	19	23	15	19
Machinery	----	6	----	----
Feed	----	17	----	1
Family living from farm	393	448	490	439
Food	293	322	327	311
Wood	36	34	40	37
Use of house	64	92	123	91
Gross Receipts	$ 793	$ 1016	$ 1158	$ 964

TABLE 17—*Continued*
EXPENSES

	Jackson	McDowell	Ashe	Mountain
Wage labor	$ 20	$ 28	$ 88	$ 45
Cropper labor	13	61	37	32
Feed	40	84	30	46
Fertilizer	7	22	31	19
Taxes	67	64	112	82
Repairs machinery	9	7	11	9
Repairs buildings, fences	16	28	21	21
Livestock bought	29	38	76	47
Machinery bought	2	13	2	5
Improvements	24	19	70	39
Other cash expenses*	34	64	77	55
Total	$ 261	$ 428	$ 555	$ 400
Inventory decreases	8	3	35	10
Real estate	----------	3	23	7
Livestock	----------	----------	----------	----------
Machinery	2	----------	10	3
Feed	6	----------	2	----------
Total Expenses	$ 269	$ 431	$ 590	$ 410
Receipts less Expenses	$ 524	$ 585	$ 568	$ 554
Less unpaid labor	$ 681	$ 766	$ 813	$ 746
Family labor	68	67	64	67
Farmer's labor	613	699	749	679
Return to Capital	$ −157	$ −181	$ −245	$ −192
Per cent return	−3.8	−3.4	−3.2	−3.4
Cash receipts	$ 376	$ 522	$ 653	$ 505
Less cash expenses	261	428	555	400
Plus interest on borrowed capital	8	11	39	19
Cash Income	$ 107	$ 83	$ 59	$ 86

*Other expenses include seed, threshing, fuel and oil, insurance, automobile for farm use and other items for farm operation.

TABLE 18—FARM BUSINESS SUMMARY—PIEDMONT REGION
(311 farms)

	Catawba	Davidson	Person	Piedmont
Number of farms	99	121	91	311
Capital	$ 6,973	$ 6,114	$ 7,559	$ 6,810
Land	4,151	3,711	4,086	3,961
Improvements	1,964	1,764	2,787	2,127
Livestock	415	299	351	351
Machinery	284	205	175	221
Feed	159	135	160	150
Acreage	**103**	**92**	**139**	**109**
Crops	36	28	33	32
Cleared pasture	9	5	4	6
Woods pasture	6	5	8	6
Woods	32	34	71	44
Other	20	20	23	21

RECEIPTS

	Catawba	Davidson	Person	Piedmont
Crop Sales	$ 627	$ 423	$ 2,072	$ 970
Tobacco	—	145	2,002	642
Cotton and seed	465	110	—	191
Wheat	56	57	6	42
Corn	27	17	51	30
Truck crops	47	53	6	38
Other crops	32	41	7	27
Livestock and product sales	$ 271	$ 232	$ 112	$ 209
Dairy products	130	133	26	101
Poultry and eggs	90	42	49	59
Hogs	25	34	22	28
Other	26	23	15	21
Wood lot product sales	6	20	6	11
Work off the farm	65	75	38	63
Other	7	4	14	6
Total cash receipts	$ 976	$ 754	$ 2,242	$ 1,259
Inventory iucreases	28	63	140	68
Real estate	—	39	101	41
Livestock	27	11	3	14
Machinery	—	4	5	—
Feed	1	9	31	13
Family living from farm	$ 548	$ 566	$ 588	$ 567
Food	380	407	388	393
Wood	35	35	48	39
Use of house	133	124	152	135
Gross receipts	$ 1,552	$ 1,383	$ 2,970	$ 1,894

TABLE 18—*Continued*
EXPENSES

	Catawba	Davidson	Person	Piedmont
Wage labor	$ 44	$ 25	$ 63	$ 42
Cropper labor	66	25	353	134
Feed	73	84	31	65
Fertilizer	79	51	171	95
Taxes	75	57	83	70
Repairs machinery	18	17	18	18
Repairs buildings and fences	31	29	25	28
Livestock bought	23	21	21	22
Machinery bought	9	14	17	13
Improvements	25	75	174	88
Other cash expenses*	121	91	92	101
Total	**$ 564**	**$ 489**	**$ 1,048**	**$ 676**
Inventory decreases	**$ 31**	----------	----------	**$ 3**
Real estate	12	----------	----------	----------
Livestock	----------	----------	----------	----------
Machinery	19	----------	----------	3
Feed	----------	----------	----------	----------
Total expenses	**$ 595**	**489**	**$ 1,048**	**$ 679**
Receipts less expenses	**$ 957**	**$ 894**	**$ 1,922**	**$ 1,215**
Less unpaid labor	**$ 1,005**	**$ 987**	**$ 1,136**	**$ 1,037**
Family labor	125	117	197	143
Farmer's labor	880	870	939	984
Return to capital	**$ −48**	**$ −93**	**$ 786**	**$ 178**
Per cent return	−0.7	1.5	10.4	2.6
Cash receipts	$ 976	$ 754	$ 2,242	$ 1,259
Less cash expenses	564	489	1,048	676
Plus interest on borrowed capital	32	16	35	27
Cash income	**$ 380**	**$ 249**	**$ 1,159**	**$ 556**

*Other expenses include ginning, threshing, fuel and oil, automobile for farm use, seed, bags, nsurance, and other items for farm operation.

TABLE 19—FARM BUSINESS SUMMARY—COASTAL PLAIN REGION
(335 farms)

	Moore	Moore Peach	Cumberland	Lenoir	Coastal Plain
Number of farms	51	41	108	135	335*
Capital	$ 6,156	$ 26,053	$ 8,569	$ 12,103	$ 11,765
Land	3,615	12,100	5,554	7,698	7,622
Improvements	1,931	6,276	2,229	3,439	3,232
Livestock	316		406	534	436
Machinery	159	7,677**	181	224	285
Feed	135		199	208	190
Acreage	129	335	141	135	160
Crops	34	127	56	56	60
Cleared pasture			2	1	1
Woods pasture	11	4	6	10	8
Woods	72	192	59	55	75
Other	12	12	18	13	16

RECEIPTS

	Moore	Moore Peach	Cumberland	Lenoir	Coastal Plain
Crop sales	$ 1,569	$ 14,131	$ 2,033	$ 3,613	$ 4,080
Peaches		12,426			1,522
Tobacco	811	111	799	2,697	1,483
Cotton and seed	520	1,455	1,051	808	922
Corn	35		84	86	67
Truck crops	161		64		47
Other crops	42	139	35	22	39
Livestock and product sales	$ 206	$ 103	$ 170	$ 281	$ 212
Dairy products	124		62	173	110
Hogs	11		42	54	39
Poultry and eggs	49		54	29	46
Other	22		12	25	17
Wood lot product sales	8		6	4	5
Work off the farm	67		35	35	48
Other	2	102	5	19	9
Total cash receipts	$ 1,852	$ 14,336	$ 2,249	$ 3,952	$ 4,354
Inventory increases	$ 122	$ 68	$ 140	$ 135	$ 126
Real estate	102		69	73	74
Livestock	7		13	23	15
Machinery	1		17	16	12
Feed	12		41	23	25
Family living from farm	$ 424	$ 400	$ 470	$ 466	$ 453
Food	287		300	299	275
Wood	31		40	32	32
Use of house	106		130	135	146
Gross receipts	$ 2,398	$ 14,804	$ 2,859	$ 4,553	$ 4,933

*Excluding the Moore Peach Farms, the capital is $9,772, Gross Receipts, $3,556, Cash Expenses, $1,963, Return to Capital, $637, and cash income $925 for the Coastal Plain Region

**Machinery, livestock and feed not separated for Moore Peach farms.

TABLE 19—FARM BUSINESS SUMMARY—COASTAL PLAIN REGION—*Continued*
(335 farms)

EXPENSES

	Moore	Moore Peach	Cumberland	Lenoir	Coastal Plain
Wage labor	$ 146	$ 2,849	$ 161	$ 192	$ 500
Cropper labor	270	----------	408	981	568
Feed	87	111	79	155	115
Fertilizer	298	907	441	498	499
Taxes	83	258	115	163	147
Repairs machinery	13	238	19	29	49
Repairs buildings and fences	19	84	22	30	32
Livestock bought	34	----------	25	53	35
Machinery bought	7	----------	29	33	24
Improvements	142	----------	127	142	120
Other cash expenses*	157	4,157	181	243	687
Total	**$ 1,256**	**$ 8,604**	**$ 1,607**	**$ 2,519**	**$ 2,776**
Inventory decreases	----------	----------	----------	----------	----------
Receipts less expenses	**$ 1,142**	**$ 6,200**	**$ 1,252**	**$ 2,034**	**$ 2,157**
Less unpaid labor	**$ 805**	**$ 1,359**	**$ 952**	**$ 1,018**	**$ 1,006**
Family labor	100	73	140	193	147
Farmer's labor	705	1,286	812	825	859
Return to capital	**$ 337**	**$ 4,841**	**$ 300**	**$ 1,016**	**$ 1,151**
Percent return	5.5	18.6	3.5	8.4	9.7
Cash receipts	$ 1,852	$ 14,336	$ 2,249	$ 3,952	$ 4,354
Less cash expenses plus	1,256	8,604	1,607	2,519	2,776
Interest on borrowed capital	41	248	72	88	95
Cash income	**$ 555**	**$ 5,484**	**$ 570**	**$ 1,345**	**$ 1,483**

*Other expenses include crates, ice, freight, spray materials, fuel and oil for tractors, ginning, nsurance, automobile operation for farm use, seed, trees, and other items for farm operation.

TABLE 20—FARM BUSINESS SUMMARY—TIDEWATER REGION
(229 farms)

	Pender	Chowan	Tidewater
Number of farms	134	95	229
Capital	$ 5,473	$ 10,332	$ 7,489
Land	3,449	6,271	4,620
Improvements	1,387	2,751	1,953
Livestock	344	632	463
Machinery	151	329	225
Feed	142	349	228
Acreage	166	127	150
Crops	29	58	41
Cleared pasture	3	3	3
Woods pasture	12	10	12
Woods	100	43	76
Other	22	13	18
RECEIPTS			
Crop sales	$ 1,055	$ 2,518	$ 1,662
Peanuts	55	809	368
Cotton and seed	53	713	327
Tobacco	216	210	214
Irish potatoes	76	419	219
Truck crops	597	185	436
Other crops	58	182	98
Livestock and product sales	$ 236	$ 346	$ 282
Hogs	129	205	161
Dairy products	61	53	58
Poultry and eggs	38	43	40
Other	8	45	23
Wood lot product sales	7	8	12
Work off the farm	44	67	48
Other	9	2	16
Total cash receipts	$ 1,351	$ 2,941	$ 2,020
Inventory increases	$ 95	$ 124	$ 107
Real estate	23	21	22
Livestock	17	35	24
Machinery	13	14	14
Feed	42	54	47
Family living from farm	$ 363	$ 525	$ 430
Food	253	325	283
Wood	22	41	30
Use of house	88	159	117
Gross receipts	$ 1,809	$ 3,590	$ 2,557

TABLE 20—FARM BUSINESS SUMMARY—TIDEWATER REGION—*Continued*
(229 farms)

EXPENSES

	Pender	Chowan	Tidewater
Wage labor	$ 209	$ 354	$ 270
Cropper labor	35	354	167
Feed	51	59	54
Fertilizer	203	363	270
Taxes	84	141	108
Repairs machinery	17	31	23
Repairs buildings and fences	17	31	22
Livestock bought	13	30	20
Machinery bought	32	51	40
Improvements	55	75	63
Other cash expenses*	237	339	279
Total	**$ 953**	**$ 1,828**	**$ 1,316**
Inventory decreases			
Receipts less expenses	**$ 856**	**$ 1,762**	**$ 1,241**
Less unpaid labor	**$ 749**	**$ 1,086**	**$ 889**
Family	85	155	114
Farmer's labor	664	931	775
Return to capital	**$ 107**	**$ 676**	**$ 352**
Per cent return	2.0	6.5	4.7
Cash receipts	$ 1,351	$ 2,941	$ 2,020
Less cash expenses plus	953	1,828	1,316
Interest on borrowed capital	22	83	47
Cash income	**$ 376**	**$ 1,030**	**$ 657**

*Other expenses include gining, threshing, fuel and oil, automobile for farm use, crates, bags, seed, insurance, and other items for farm operation.

TABLE 21—FARM BUSINESS SUMMARY—NORTH CAROLINA

(Average 1156 farms*)

281 farms in Mountain Region. 311 farms in Piedmont Region. 335 farms in the Coastal Plain and 229 farms in the Tidewater Region.

Acreage	
Crops	40
Cleared pasture	9
Woods pasture	10
Woods	59
Other	18
Total	136

Capital	
Land	$5,087
Improvements	2,218
Livestock	402
Machinery	216
Feed	167
Total	$8,090

Gross Receipts	
Crop Sales:	
Tobacco	$ 644
Peaches*	442
Cotton and seed	383
Peanuts	74
Truck crops	51
Corn	48
Irish potatoes	48
Berries	44
Sweet potatoes	20
Wheat	14
Other crops	25
Total	$1,793
Livestock and product sales:	
Dairy products	$ 84
Hogs	57
Poultry and eggs	50
Cattle	29
Other	9
Total	$ 229
Woodlot product sales	$ 15
Cash rent	9
Work off the farm	77
Total	$ 101
Total cash receipts	$2,123
Inventory Increases:	
Real estate	$ 36
Livestock	17
Machinery	5
Feed	20
Total	$ 78
Family living from the farm:	
Food	$ 317
Wood	35
Use of house	124
Total	$ 476
Gross receipts	$2,677
Operating capital	$ 785

Expenses		
Wage labor		$ 221
Cropper labor		242
Feed		73
Fertilizer		228
Taxes		103
Repairs:		
Machinery		26
Buildings, fences, etc.		26
Livestock bought		31
Machinery bought		19
Improvements		80
Other cash expenses		295
Total cash expenses		$1,344
Gross receipts		$2,677
Expenses as above		1,344
Total farm earnings		$1,333
Less unpaid labor:		
Family labor	$120	
Farmer's labor	808	928
Return to capital		$ 405
or 5%		
Return to capital		$ 405
5% on capital		405
Profit		$ 0
Cash receipts from the farm		$2,123
Current cash expenses	$1,344	
Interest paid on borrowed capital	49	1,393
Cash income from farm		$ 730

*41 Commercial peach orchards in Moore County included in averages for the state.

TABLE 22—FARM BUSINESS SUMMARY—NORTH CAROLINA
(Average 1115 farms*)

281 farms in Mountain Region, 311 farms in Piedmont Region, 294 farms in the Coastal Plain and 229 farms in the Tiedwater Region

ACREAGE	
Crops	37
Cleared pasture	9
Woods pasture	10
Woods	54
Other	18
Total	128

CAPITAL	
Land	$4,600
Improvements	2,069
Livestock	404
Machinery	190
Feed	167
Total	$7,430

GROSS RECEIPTS		
Crop sales:		
Tobacco	$ 664	
Cotton and seed	344	
Peanuts	76	
Truck crops	53	
Corn	50	
Irish potatoes	50	
Berries	45	
Sweet potatoes	21	
Wheat	15	
Other crops	21	
Total		$1,339
Livestock and product sales:		
Dairy products	$ 87	
Hogs	59	
Poultry and eggs	49	
Cattle	30	
Other	9	
Total	$ 234	
Woodlot products sales	16	
Cash rent	9	
Work off the farm	76	
	$ 101	
Total cash receipts		$1,674
Inventory increases:		
Real estate	$ 34	
Livestock	18	
Machinery	5	
Feed	21	
	$ 78	
Family living from the farm:		
Food	$ 325	
Wood	35	
Use of house	118	
	$ 478	
Gross receipts		$2,230
Operating capital $761		

EXPENSE		
Wage labor		$ 124
Cropper labor		252
Feed		71
Fertilizer		203
Taxes		97
Repairs:		
Machinery		18
Buildings, fences, etc.		24
Livestock bought		33
Machinery bought		20
Improvements		83
Other cash expenses		152
Total cash expenses		$1,077
Inventory decreases		
Gross receipts		$2,230
Expenses as above		1,077
		$1,153
Less unpaid labor:		
Family labor	$122	
Farmer's labor	790	912
Return to capital or 3.2%		$ 241
Return to capital		$ 241
5% on capital		372
Profit		$ −131
Cash receipts from the farm		$1,674
Current cash expenses	$1,077	
Interest paid on borrowed capital	41	$1,118
Cash income from farm		$ 556

*41 peach farms in Moore County not included in averages.

TABLE 23—FARM BUSINESS SUMMARY OF OWNER-OPERATED FARMS
1,156 farms (1927)

Areas	No. Farms	Acre-age	Capital	Gross Receipts	Expenses	Farm Earnings	Family Labor	Operator's Income	Farmer's Labor	Net Income	Percent return to Capital	5% Interest on Capital	Profits
Jackson	120	101	$ 4,050	$ 793	$ 269	$ 524	$ 68	$ 456	$ 613	$ −157	−3.8	203	$ −360
McDowell	64	141	5,347	1,016	431	585	67	518	699	−181	−3.4	267	−448
Ashe	97	138	7,730	1,158	590	568	64	504	749	−245	−3.2	387	−632
Mountain	**281**	**123**	**5,616**	**964**	**410**	**554**	**67**	**487**	**679**	**−192**	**−3.4**	**281**	**−473**
Catawba	99	103	6,973	1,552	595	957	125	832	880	−48	−0.7	349	−397
Davidson	121	92	6,114	1,383	489	894	117	777	870	−93	−1.5	306	−399
Person	91	139	7,559	2,970	1,048	1,922	197	1,725	939	786	10.4	378	408
Piedmont	**311**	**109**	**6,810**	**1,894**	**679**	**1,215**	**143**	**1,072**	**894**	**178**	**2.6**	**341**	**−163**
Moore Peach	41	335	26,053	14,804	86,04	6,290	73	6,217	1,286	4,841	18.6	1,303	3,538
Moore	51	129	6,156	2,393	1,256	1,142	100	1,042	705	337	5.5	308	29
Cumberland	108	141	8,569	2,859	1,607	1,252	140	1,112	812	300	3.5	428	−128
Lenoir	135	135	12,103	4,553	2,519	2,034	193	1,841	825	1,016	8.4	605	411
Coastal Plain	**335**	**160**	**11,765**	**3,556**	**2,776**	**2,157**	**147**	**2,010**	**859**	**1,147**	**9.7**	**588**	**559**
Pender	134	166	5,473	1,809	953	856	85	771	664	107	2.0	274	−167
Chowan	95	127	10,332	3,598	1,836	1,762	155	1,607	931	676	6.5	517	159
Tidewater	**229**	**150**	**7,489**	**2,557**	**1,316**	**1,241**	**114**	**1,127**	**775**	**352**	**4.7**	**374**	**−22**
State	1,156	136	8,090	2,230	1,344	1,333	120	1,213	808	405	5.0	405	---------

TABLE 24. VARIATION OF FARMS ACCORDING TO SIZE.
(Owner-Operated Farms)

500 acres and over	37
260–499	71
175–259	122
100–174	329
50– 99	340
20– 49	216
Less than 20	41
Total	1156

Total farms surveyed—

Owner-operated farms	1156
Rented farms	416
Total	1572

TABLE 25—VARIATIONS IN AMOUNT OF CAPITAL PER FARM
(STATE TOTAL)

Groups	Frequency	Cumulative Frequency	Cumulative Percentage
Over 40,000	18*	18	2
38,000—39,999			
36,000—37,999	2	20	2
34,000—35,999	2	22	2
32,000—33,999	7	29	3
30,000—31,999	4	33	3
28,000—29,999	3	36	3
26,000—27,999	4	40	3
24,000—25,999	4	44	4
22,000—23,999	8	52	4
20,000—21,999	20	72	6
18,000—19,999	16	88	8
16,000—17,999	32	120	10
14,000—15,999	21	141	12
12,000—13,999	37	178	15
10,000—11,999	79	257	22
8,000— 9,999	120	377	33
6,000— 7,999	142	519	45
4,000— 5,999	243	762	66
2,000— 3,999	274	1,036	90
Under 2,000	120	1,156	100
Total	1,156		

*123,612, 100,090, 80,050, 79,600, 77,386, 77,005, 74,007, 66,000, 65,735, 63,738, 60,000, 59,664, 46,805, 46,270, 43,881, 43,225, 42,199, 40,826.

TABLE 26—VARIATION IN CROP ACREAGE PER FARM

(1156 Owner-operated farms 1927)

Crop Acres	Mountain				Piedmont				Coastal Plain					Tidewater			Grand Total
	Jackson	Mc-Dowell	Ashe	Total	Catawba	Davidson	Person	Total	Moore Peach	Moore	Cumberland	Lenoir	Total	Pender	Chowan	Total	
10 acres and less	42	15	15	72	8	13	2	23	--------	4	4	4	12	26	2	28	135
11 to 20 acres	48	13	26	87	17	34	22	73	--------	13	16	22	51	40	12	52	263
21 to 40 acres	25	22	39	86	45	52	40	137	7	24	32	48	111	44	27	71	405
41 to 60 acres	4	9	11	24	18	16	19	53	5	4	26	25	60	9	23	32	169
61 to 80 acres	1	3	5	9	5	5	6	16	8	2	9	14	33	6	9	15	73
81 to 100 acres	--------	1	--------	1	5	1	2	8	5	3	9	7	24	6	7	13	46
101 to 120 acres	--------	1	--------	1	--------	--------	--------	--------	5	--------	5	7	17	1	8	9	27
121 to 140 acres	--------	--------	--------	--------	--------	--------	--------	--------	2	--------	1	4	7	2	2	4	11
141 to 160 acres	--------	--------	1	1	1	--------	--------	1	1	--------	--------	--------	1	--------	--------	--------	3
161 to 180 acres	--------		--------	--------	--------	--------	--------	--------	--------	1	1	--------	2	--------	--------	--------	2
181 to 200 acres	--------	--------	--------	--------	--------	--------	--------	--------	2	--------	--------	2	4	--------	3	3	7
201 to 220 acres	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	3	--------	3	--------	2	2	5
221 to 240 acres	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
241 to 260 acres	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
261 to 280 acres	--------	--------	--------	--------	--------	--------	--------	--------	1	--------	1	--------	2	--------	--------	--------	2
281 to 300 acres	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------	--------
300 and over	--------	--------	--------	--------	--------	--------	--------	--------	5	--------	1	2	8	--------	--------	--------	8
Total	120	64	97	281	99	121	91	311	41	51	108	135	335	134	95	229	1,156

TABLE 27—VARIATIONS OF NET INCOME OR RETURN TO CAPITAL
(STATE TOTALS)

Groups	Frequency	Cumulative Frequency	Cumulative Percentage
Over $4,000	21*	21	2
3,800—3,999	4	25	2
3,600—3,799	3	28	2
3,400—3,599	3	31	3
3,200—3,399	1	32	3
3,000—3,199	3	35	3
2,800—2,999	4	39	3
2,600—2,799	6	45	4
2,400—2,599	4	49	4
2,200—2,399	5	54	5
2,000—2,199	7	61	5
1,800—1,999	10	71	6
1,600—1,799	9	80	7
1,400—1,599	25	105	9
1,200—1,399	22	127	11
1,000—1,199	29	156	13
800— 999	40	196	17
600— 799	53	249	22
400— 599	74	323	28
200— 399	93	416	36
000— 199	166	582	50
−1 to −199	247	829	72
−200 to −399	180	1,009	87
−400 to −599	86	1,095	95
−600 to −799	42	1,137	98
−800 to −999	10	1,147	99
−1,000 to −1,199	3	1,150	99
−1,200 to −1,399	2	1,152	99
−1,400 to −1,599	2	1,154	99
Over −1,600	2−†	1,156	100
Total	1,156		

*4,188, 4,201, 4,294 4,348, 4,426, 4,725, 5,039, 5,380, 6,182, 6,192, 6,666, 7,161, 8,209, 9,571, 12,968, 17,219, 21,620, 21,945, 24,097, 26,332, 37,163.
−†$−2,026, $−2,947.

TABLE 28—VARIATIONS IN PER CENT RETURN TO CAPITAL

(STATE TOTAL)

Groups	Frequency	Cumulative Frequency	Cumulative Percentage
30% and over	25*	25	2
27 —29.9	9	34	3
24 —26.9	15	49	4
21 —23.9	16	65	6
18 —20.9	32	97	8
15 —17.9	35	132	11
12 —14.9	44	176	15
9 —11.9	74	250	22
6 — 8.9	77	327	28
3 — 5.9	117	444	39
0 — 2.9	157	601	52
− 1 to − 2.9	162	763	66
− 3 to − 5.9	127	890	77
− 6 to − 8.9	97	987	86
− 9 to −11.9	60	1,047	91
−12 to −14.9	42	1,089	95
−15 to −17.9	30	1,119	97
−18 to −20.9	9	1,128	98
−21 to −23.9	11	1,139	99
−24 and over	11−†	1,150	100
Total	1,150‡		

*30.3, 31.2, 32.5, 32.6, 32.8, 32.9, 33.6, 33.9, 34.2, 35.0, 37.5, 42.2, 42.7, 43.8, 44.1, 44.1, 49.7, 50.2, 56.3, 60.6, 61.3, 65.6, 78.9, 81.0, 132.6.

−†—24.3, —24.4, —25.1, —25.4, —27.4, —28.2, —31.1, —31.6, —37.2, —38.1, —40.8.

‡6 farms had zero return.

TABLE 29—VARIATIONS IN CASH INCOME
(TOTAL FOR STATE)

Groups	Frequency	Cumulative Frequency	Cumulative Percentage
Over $4,000	30*	30	3
3,800—3,999	4	34	3
3,600—3,799	1	35	3
3,400—3,599	5	40	3
3,200—3,399	1	41	4
3,000—3,199	6	47	4
2,800—2,999	3	50	4
2,600—2,799	5	55	5
2,400—2,599	7	62	5
2,200—2,399	13	75	6
2,000—2,199	17	92	8
1,800—1,999	21	113	10
1,600—1,799	17	130	11
1,400—1,599	27	157	14
1,200—1,399	42	199	17
1,000—1,199	58	257	22
800— 999	55	312	27
600— 799	95	407	35
400— 599	115	522	45
200— 399	151	673	58
000— 199	219	892	77
— 1 to — 199	159	1,051	91
— 200 to — 399	59	1,110	96
— 400 to — 499	18	1,128	98
— 600 to — 799	8	1,136	98
— 800 to — 999	10	1,146	99
—1,000 to —1,199			
—1,200 to —1,399	3	1,149	99
—1,400 to —1,599	3	1,152	99.6
—1,600 to —1,999	3	1,155	99.9
—2,000 and over	1†	1,156	100
Total	1,156		

*$44,495, 37,268, 25,122, 24,582, 23,495, 16,234, 15,368, 9,406, 8,612, 7,191, 7,185, 6,497, 5,701, 5,575, 5,375, 5,342, 5,248, 5,032, 5,031, 4,750, 4,738 4,531, 4,515, 4,490, 4:462. 4,446, 4,322, 4,305, 4,182, 4,074.

†—$2,985.

CHAPTER V

INCOME FROM RENTED FARMS

Chapter IV was devoted to the discussion of the income-producing power of North Carolina owner-operated farms. The data used were obtained from the study of 1,156 farms. The results obtained adequately portray, it is believed, the farming conditions in North Carolina in so far as owner-operated farms are concerned. But a study of the owner-operated farms alone does not give all of the information required for a complete discussion of the income-producing power of North Carolina agriculture. The reason for this is obvious when it is realized that approximately 27 per cent of the total number of farms in this state are rented either on the share or cash basis. It is essential, therefore, for a complete understanding of the agricultural situation to consider, in addition to the returns from owner-operated farms, the returns from rented property. For this purpose, 416 rented farms were surveyed; of these 173 were cash and 243 were share rented farms. The returns were obtained for the years 1925, 1926 and 1927.

THE BUSINESS SUMMARIES OF RENTED FARMS

The same general procedure is followed in this chapter as that used in Chapter IV. A summary statement for all rented farms has been prepared. In addition, there are separate summaries for each region. These summaries (Tables 32 to 34) are all uniform in character and show: (1) the size of the farm; (2) investment; (3) receipts; (4) expenses; (5) taxes; (6) rents, both before and after taxes; (7) per cent return on investment; and, finally, (8) per cent taxes are of net rent.

SIZE OF RENTED FARMS

It is not essential to dwell at length on the size of rented farms. The information on this subject is presented in the business summary and in Table 30 in sufficient detail for all practical purposes. It may be pointed out, however, that the average size of rented farms is 229 acres or approximately 100 acres larger than the size of owner-operated farms. Share rented farms are larger, as might be expected, than cash rented farms. Tenants usually lack money and hence are forced to rent smaller farms when renting on a cash basis than when the farm is rented on shares. In the latter case the tenant is not only able to use his own limited resources, but the resources of the landlord as well. And inasmuch as the landlord is to receive a share of the crops, the tenant will attempt to operate as large a farm as his equipment, livestock, and managerial ability will permit. On the other hand, if renting for cash, the tenant is limited by the current or fluid funds he may have available or may anticipate having at the end of the year to pay the rent.

INVESTMENT

Capital invested in rented farms is much more extensive than in the case of owner-operated farms. (Table 31.) This is to be expected in view of the fact that rented farms, as already pointed out, are much larger than owner-operated farms. For the rented farm the average investment amounts to $12,704, as compared with $8,090 for owner-operated farms. There is also considerable difference in the investment in the case of share and cash-rented farms. For the 243 share-rented farms the average investment was $15,986, as against $8,094 for 173 cash-rented farms.

The distribution of the investment is important in a study of this kind. Approximately 76 per cent of the total capital is invested in land, 21 per cent in improvements, 2 per cent in livestock, and 1 per cent in equipment. The large part of the total investment in land materially reduces the error when an attempt is made to calculate that portion of the total income which may reasonably be attributed to land. In calculating the amount which may be attributed to land, it is necessary to assume a rate of interest for the capital invested in equipment and livestock. Hence if the amount of capital, other than that invested in land, is large it increases the possibility of error.

There appears to be no great difference in the distribution of investment on share and cash-rented farms. In the case of cash-rented farms the land represented approximately 80 per cent, and for the share-rented farms 75 per cent of the investment. There was a somewhat higher percentage of the total investment for improvements in the case of the share-rented farms.

RECEIPTS

In the summary no attempt has been made to itemize the receipts. In the case of cash receipts, the rent of course is paid in cash and is not subject to further division. For the share-rented farms receipts are given as a single figure. The average cash rent for 173 cash-rented farms was $415 in 1927, and for the 243 share-rented farms the landlord's share of the products was $2,240. The average gross receipts for both share and cash-rented farms were $1,480.

EXPENSES

Expenses have been itemized only to the extent of showing the outlay for: (1) current farm operation, (2) insurance, (3) depreciation on buildings, equipment, and livestock, (4) interest on investment in equipment and livestock. The average for the 416 rented farms was $785. The average expenses on the cash-rented farms was $100, as compared with $1,274 for share-rented farms.

NET RENTS

Net rent represents that part of the total income which may be attributed to the land. The average net rent for all rented farms was $695. For the cash-rented farms the average was $315 as compared with $966 for the share-rented farms.

Table 35 gives the data with respect to gross and net rent per acre for the state and also for each of the four major regions. For the state the net rent averaged $3.04 per acre. Rents were very low in the Mountain region. In fact, with the exception of 1927, gross rents were less than the landlord's expenses. That is, the sum equal to 5 per cent interest on the capital invested in equipment and livestock, expenses for current farm operation, insurance, and depreciation exceeded the gross income from the farm. Landlords in the other regions fared somewhat better, although net rents were not high.

There has been a tendency for the rents to increase from 1925 to 1926 and 1927. (Table 36.) During this period rents moved from $2.19 to $3.04 per acre, or an increase of approximately 38.8 per cent. Most of this increase, however, may be attributed to the movement of rents in the Coastal Plain area. In the Coastal Plain rents have increased from $2.77 in 1925 per acre to $3.48 in 1927, or an increase of 25.6 per cent. In the other regions of the state during this period movements have been less marked. In one area, namely the Tidewater, rents have decreased slightly. In the Piedmont the increase was from $1.11 to $1.79 per acre, or approximately 61.3 per cent increase in net rents.

PER CENT RETURN ON INVESTMENT

Return on investment for rented farms has been nominal. The average return for 416 rented farms was $494. This is equal to a 4 per cent return on the landlord's investment. The per cent return for investment of owner-operated farms was 5 per cent. Owner-operated farms, therefore, were somewhat more profitable than rented farms[1]

There was a marked difference in the returns on investment for share-rented as compared to cash-rented farms. The return on investment for 173 cash-rented farms was only 2.4 per cent, as compared with 4.6 per cent for 243 share-rented farms. Larger returns from share-rented farms than for cash-rented farms are to be expected inasmuch as there is considerably more risk in renting farms on shares. In case of cash-rented farms the returns are quite certain but returns from share-rented farms depend not only on weather conditions, which may or may not be favorable, but also on economic conditions. Furthermore, landlords renting their farms on share basis usually give more time to the details of crop production and general management of the farm than do landlords who rent their farms for cash.

Renting is more profitable in the Coastal Plain than any other region in the state. The average return on investment for rented farms in the Coastal Plain is 4.3 per cent as compared with 1.8 per cent in the Tidewater, 2.8 per cent in the Piedmont, and -.8 per cent in the Mountain area. There is little difference in returns from share-rented farms in the Coastal Plain, Tidewater, and Piedmont. The per cent return on investment was as follows: Tidewater 4.6 per cent; Piedmont, 4.3 per cent; Coastal Plain, 4.7 per cent. Rented farms in the Mountain area failed to show net returns. Cash rented farms in the Coastal Plain returned on the average 3.4 per cent on the investment. This was a larger return than was realized from cash-rented property in any other region of the state. Farms in the Tidewater returned 1.3 per cent, while farms in the Piedmont and Mountain areas returned 1.2 per cent and -1 per cent respectively.

TAXES AND RENTS[2]

The subject of tax burden is fully discussed in Chapter VI. It will be sufficient, therefore, simply to point out that the tax burden on rented farms is heavy. In 1927, taxes on rented farms absorbed 28.9 per cent of the net rent. The per cent that taxes were of net rents varied widely among the

[1]It should be pointed out that 5 per cent return to owner operators is in part a return to management.

[2]Net rents in this discussion refers to rents before taxes.

various regions. In the Mountain region taxes were 268.7 per cent of the net rent, i. e., taxes were 168.7 per cent larger than the net rent obtained. For the other regions the results were as follows: Tidewater, 51.7 per cent; Piedmont, 32.6 per cent; and the Coastal Plain, 27.2 per cent. Apparently cash-rented farms were taxed more than share-rented farms. For the state 39 per cent of the net cash rents was absorbed by taxes as compared with 26.5 per cent for net share rent. What was true for the state held true also for each of the regions. The discussion dealt only with averages; however, variations are often significant. Table 37 shows the variations in net rents per acre for share and cash-rented farms for the state and for each region, while Table 38 gives information on taxes. These tables deserve careful consideration in any study of the incomes from rented farms.

TABLE 30—SIZE OF FARMS*

Regions	Rented Farms	Owner-Operated Farms
Mountain	158	123
Piedmont	154	109
Coastal Plain	266	160
Tidewater	155	150
State	229	136

*Acres.

TABLE 31—COMPARISON OF 1,156 OWNER-OPERATED FARMS AND 416 RENTED FARMS

	Owner-Operated Farms	Rented Farms
Number of farms	1,156	416
Acreage	136	229
Capital	$8,090	$12,704
Receipts	2,685	1,480
Expenses before taxes	2,177	785
Net returns before taxes	508	695
Taxes	103	201
Net returns after taxes	405	494
Return to capital	5%	4%
Percent taxes are of net returns before taxes	20.3%	28.9%
Percent taxes are of net returns after taxes	25.4%	40.7%
Percent taxes are of capital	1.3%	1.6%

TABLE 32—LANDLORD FARM BUSINESS SUMMARY
(Average of 416 rented farms—Total for state, 1927)

243 share rented farms and 173 cash rented farms. 18 farms in the Mountain region, 89 farms in the Piedmont region, 276 farms in the Coastal Plain region, and 33 farms in the Tidewater region.

		CAPITAL	
Acreage	229	Land	$ 9,622
		Improvements	2,654
Taxes	$ 201	Livestock	296
		Equipment	132
		Total	$12,704

RECEIPTS		EXPENSES	
		Current outlay for farm operation	$642
		Insurance	13
		Depreciation:	
		Buildings	78
Gross rent	$1,480	Other improvements	3
		Equipment	13
		Livestock	15
		5% interest on equipment and livestock	21
		Total	$785

Gross rent	$1,480
Less expenses as above	785
Net rent before taxes	$ 695
Taxes	201
Net rent after taxes	$ 494
Per cent return to land and improvement	4.0%

Per cent taxes are of net rent before taxes	28.9%
Per cent taxes are of net rent after taxes	40.7%
Per cent taxes are of capital	1.6%

TABLE 33—SUMMARY OF SHARE-RENTED FARMS
(243 farms)

	Mountain	Piedmont	Coastal Plain	Tidewater	State
Number of farms	11	29	197	6	243
Capital	**$ 6,169**	**$ 9,020**	**$ 17,807**	**$ 7,859**	**$ 15,986**
Land	4,985	6,767	13,299	4,518	11,925
Improvements	1,015	2,074	3,818	2,720	3,457
Livestock	96	109	457	244	394
Equipment	73	70	233	377	210
Acreage	**119**	**189**	**279**	**195**	**257**
Receipts, Gross rent	**$ 193**	**$ 731**	**$ 2,614**	**$ 1,006**	**$ 2,240**
EXPENSES					
Taxes	**$ 90**	**$ 109**	**$ 289**	**$ 197**	**$ 256**
Current outlay	91	92	1,305	298	1,081
Insurance	5	10	19	13	17
Depreciation:					
Buildings	27	62	113	80	102
Other improvements	7	1	3	2	3
Equipment	7	7	23	38	21
Livestock	5	5	23	12	20
5% interest on livestock and equipment	8	9	35	31	30
Total (taxes not included)	**$ 150**	**$ 186**	**$ 1,521**	**$ 474**	**$ 1,274**
Gross rent	$ 193	$ 731	$ 2,614	$ 1,006	$ 2,240
Less expenses	150	186	1,521	474	1,274
Net rent before taxes	**$ 43**	**$ 545**	**$ 1,093**	**$ 532**	**$ 966**
Taxes	90	109	289	197	256
Net rent after taxes	$ −47	$ 436	$ 804	$ 335	$ 710
Per cent return to land and improvements	−0.8	4.9	4.7	4.6	4.6
Per cent taxes are of net rent before taxes	209.	20.	26.4	37.	26.5
Per cent taxes are of net rent after taxes	----------	25.	35.9	58.8	36.1
Per cent taxes are of capital	1.5	1.2	1.6	2.5	1.6

TABLE 34—SUMMARY OF CASH-RENTED FARMS
(173 farms)

	Mountain	Piedmont	Coastal Plain	Tidewater	State
Number of farms	7	60	79	27	173
Capital	$ **6,436**	$ **5,621**	$ **10,551**	$ **6,832**	$ **8,094**
Land	5,507	4,642	8,155	5,314	6,387
Improvements	785	939	2,135	1,242	1,526
Livestock	144	40	261	128	158
Equipment	----------	----------	----------	148	23
Acreage	**221**	**138**	**234**	**146**	**186**
Receipts, Cash rent	$ **59**	$ **205**	$ **650**	$ **285**	$ **415**

EXPENSES

	Mountain	Piedmont	Coastal Plain	Tidewater	State
Taxes	$ **81**	$ **81**	$ **159**	$ **124**	$ **123**
Current outlay for farm operation	----------	21	41	----------	26
Insurance	3	5	10	6	7
Depreciation:					
Buildings	22	28	62	36	44
Improvements	4	1	5	2	3
Equipment	----------	----------	----------	15	3
Livestock	7	2	13	6	8
5% interest on livestock and equipment	7	2	13	14	9
Total (taxes not included)	$ **43**	$ **59**	$ **144**	$ **79**	$ **100**
Cash rent	$ 59	$ 205	$ 650	$ 285	$ 415
Less expenses	43	59	144	79	100
Net rent before taxes	$ **16**	$ **146**	$ **506**	$ **206**	$ **315**
Taxes	81	81	159	124	123
Net rent after taxes	$ −65	$ 65	$ 347	$ 82	$ 192
Per cent return to land and improvements	−1	1.2	3.4	1.3	2.4
Per cent taxes are of net rent before taxes	506.3	55.6	31.4	60.2	39.
Per cent taxes are of net rent after taxes	----------	125.	45.8	151.2	64.1
Per cent taxes are of capital	1.3	1.4	1.5	1.8	1.5

TABLE 35—NET RENT PER ACRE BEFORE TAXES
(416 Rented Farms)

Region	Year	Share Rented Farms		Cash Rented Farms		All Rented Farms	
		Number of Farms	Net Rent per Acre	Number of Farms	Net Rent per Acre	Number of Farms	Net Rent per Acre
Mountain	1925	3	−$1.00	5	$ .02	8	−$ .24
	1926	5	− .20	7	.07	12	− .12
	1927	11	.36	7	.07	18	.20
	Average		− .26		.01		
Piedmont	1925	3	.67	52	1.15	55	1.11
	1926	6	1.29	56	1.10	62	1.12
	1927	29	2.88	60	1.06	89	1.79
	Average		2.49		1.10		1.44
Coastal Plain	1925	21	3.56	52	2.16	73	2.77
	1926	29	3.75	54	2.17	83	2.83
	1927	197	3.92	79	2.16	276	3.48
	Average		3.85		2.16		3.23
Tidewater	1925	24	1.48	20	2.10	24	2.00
	1926	4	1.21	21	1.89	25	1.80
	1927	6	2.69	27	1.41	33	1.71
	Average		2.06		1.74		1.81
State	1925	31	3.10	129	1.75	160	2.19
	1926	44	3.23	138	1.58	182	2.21
	1927	243	3.73	173	1.69	416	3.04
	Average		3.58		1.70		2.69

TABLE 36—SUMMARY OF ALL RENTED FARMS FOR THREE YEARS, 1925, 1926, 1927

Year	No. Rented Farms	Size of Farms	Capital	Gross Rent	Expenses not including taxes	Taxes	Net Rent before Taxes	Gross Rent per Acre	Net Rent per acre before Taxes
1925	160	207	$11,789	$ 723	$ 271	$ 151	$ 452	$ 3.50	$ 2.19
1926	182	195	11,236	701	271	149	430	3.60	2.21
1927	416	229	12,704	1,480	785	201	695	6.46	3.04

TABLE 37—VARIATION OF NET RENT (BEFORE TAXES)
(416 Rented Farms)

	Cash Rented Farms	Share Rented Farms	Total Rented Farms
$5,000 and over	----------	7	7
4,500—4,999	----------	3	3
4,000—4,499	----------	2	2
3,500—3,999	----------	3	3
3,000—3,499	----------	7	7
2,500—2,999	1	3	4
2,000—2,499	3	10	13
1,500—1,999	1	12	13
1,000—1,499	8	21	29
900— 999	3	7	10
800— 899	2	12	14
700— 799	2	11	13
600— 699	----------	13	13
500— 599	3	8	11
400— 499	8	18	26
300— 399	18	13	31
200— 299	33	21	54
100— 199	40	23	63
0— 99	40	25	65
0	3*	----------	3
− 1 to − 99	6	7	13
−100 to −199	1	7	8
−200 to −299	1	4	5
−300 to −399	----------	----------	----------
−400 to −499	----------	4	4
−500 and over	----------	2	2
Totals	173	243	416

*3 farms had zero incomes.

TABLE 38—VARIATION IN TAXES PER FARM FOR RENTED FARMS
(416 farms—1927)

Groups	Frequency	Cumulative Frequency	Cumulative Percentage
Over $1,000	7	7	2
900—999	1	8	2
800—899	5	13	3
700—799	6	19	5
600—699	6	25	6
500—599	6	31	7
475—499	2	33	8
450—474	7	40	10
425—449	4	44	11
400—424			
375—399	2	46	11
350—374	9	55	13
325—349	8	63	15
300—324	11	74	18
275—299	7	81	19
250—274	11	92	22
225—249	11	103	25
200—224	12	115	28
177—199	15	130	31
150—174	18	148	36
125—149	27	175	42
100—124	36	211	51
75— 99	53	264	63
50— 74	70	334	80
25— 49	59	393	94
1— 24	23	416	100
Total	416		

CHAPTER VI

TAX BURDEN ON FARMING

For the purpose of determining the tax burden on farming the Commission made, as pointed out in Chapter IV, an exhaustive study of 1,156 farms located in twelve representative areas of the state. From the data on the farm business of these farms much useful information has been compiled. At the outset, it was evident that a study of owner-operated farms alone would not furnish all of the information required; hence, the Commission provided for a study of rented farms. (See Chapter V.) Actually 416 rented farms were surveyed. The data obtained on net rents, together with the taxes paid by the landlords, furnished information relative to the burden of taxation on property, while the information derived from the 1,156 owner-operator farms gives an idea of the tax burden on income. From these two sources of information it is believed a fairly accurate picture of the tax burden on farming has been obtained.

TAXES PAID BY FARMERS

Owner-operated Farms. In Table 39 data are presented relative to the farmer's tax bill. The average taxes for 1,156 farmers included in this study were $103. The highest taxes were paid by farmers in the Coastal Plain region, the lowest by farmers in Piedmont region. The average tax bill for the farmers in the Coastal Plain was $147, and for the Piedmont $70. The Mountain region had an average of $82 and the Tidewater $108 per farm.

There was considerable variation, however, in the taxes paid by farmers. Moore county peach growers paid, on the average, $258 in taxes, while Davidson county farmers paid, on the average, only $57 per farm, or 55.3 per cent of the state average. McDowell county farmers paid on the average $64, and Jackson county farmers $67. Catawba county farmers paid $75 and Moore county farmers (non-peach growers) $83. Pender county was in the same class with Moore and Catawba with $84 per farm.

High tax bills are not common. The information presented in Table 40 shows that only ten farmers out of the 1,156, or 9 per cent, paid taxes in excess of $500 per farm. On the other hand, there were 793 farmers, or 69 per cent who paid $100 or less. Taxes of $200 or less include 1,019 farmers or 88 per cent of the total, and taxes of $300 or less involve 95 per cent of the 1,156 farmers included in this study. (See Fig. 8.)

Regional differences exist with respect to taxes paid by farmers. In the Mountain region 77 per cent of the farmers paid less than $100 in taxes. Over 92 per cent paid $200 or less. Of the 120 farmers in the Jackson area not one paid as high as $400. The conditions in the McDowell and Ashe areas were similar to those in Jackson, with the exception of one farmer in Ashe, who paid a tax in excess of $500. In Ashe county also 37 per cent of the farmers paid taxes in excess of $100. This percentage is somewhat higher than that found in the **Jackson** and McDowell areas.

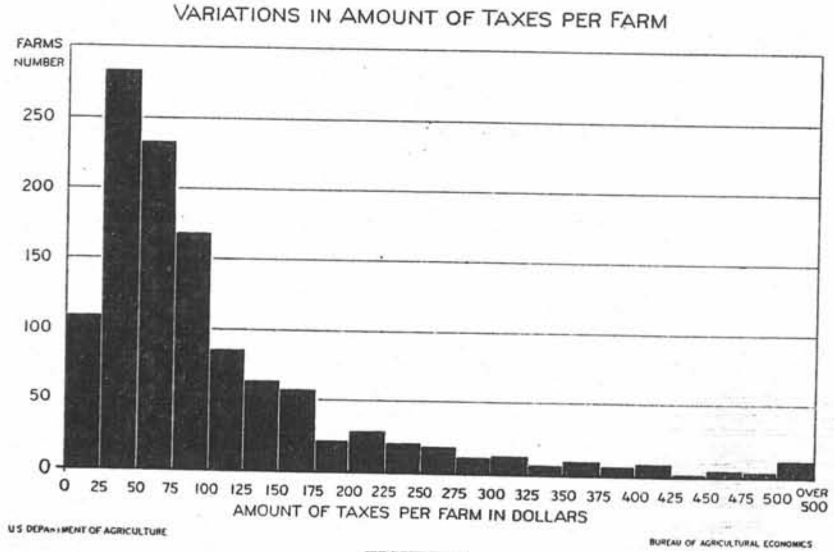


FIGURE 8

In the Piedmont region there was not a single farmer who paid taxes in excess of $350. A large majority, or 80 per cent cent, to be exact, paid less than $100. Over 96 per cent paid $200 or less. The distribution of the taxes paid in each of the areas representing the Piedmont region varied somewhat from the regional average. For example, in Catawba county 75 per cent of the farmers paid $100 or less, while in Davidson and Person counties the percentage paying $100 or less were 89 and 72, respectively.

Farmers in the Coastal Plain region pay higher taxes than farmers in any other region in the state. Yet in this area the number paying high taxes is not marked. There were eight farmers out of the total of 335, or 2.4 per cent, who paid taxes in excess of $500. Of these eight, there were two who paid taxes in excess of $1,000. An examination of the data also shows that in the Coastal Plain region a much larger percentage of the farmers pay taxes in excess of $100 than in any other region. Farmers actually paying $100 or less constitute 52 per cent of the total. This is a much smaller percentage than is found in other regions of the state. Over 79 per cent paid $200 or less in taxes. Considerable variation was found in the counties representing the Coastal Plain areas. Peach growers in Moore county paid higher taxes than any other groups. Approximately 28 per cent paid $100 or less, while 37 per cent paid over $300. Four farms in this group paid in excess of $500.

While the Tidewater region ranks next to the Coastal Plain in amount of taxes paid per farm, the percentage of farmers paying taxes of $100 or less is large. There were 152 farmers or 66 per cent who paid taxes of $100 or less, and 85 per cent who paid $200 or less. There was a striking uniformity in the tax distribution in each of the areas represented in this region. (See Table 41.)

TAXES PAID BY LANDLORD

According to the data obtained in this investigation, landlords pay more taxes per farm than do owner-operators. The state average, as already pointed out, for 1,156 owner-operator farmers was $103, while 416 landlords paid on the average of $201 taxes per farm. Regional differences exist, but in each region the rented farms paid more taxes than owner-operated farms. For the state as a whole taxes of $100 or less include 69 per cent of all the owner-operators. On the other hand, the taxes amounting to $100 or less include only 49 per cent of the rented farms. Finally, the number paying taxes in excess of $500 is much more common among landlords. Out of the 1,156 owner-operator farms there were only eleven or less than 1 per cent paying over $500, while among the 416 rented farms there were 41 or 10 per cent.

METHOD OF COMPARING TAX BURDENS

The total taxes paid per farm shows whether or not the farmer's tax bill is large or small. It also gives some notion with respect to the distribution of the total tax burden among farmers; that is to say, the extent to which a given percentage of farmers pay or do not pay a corresponding percentage of the taxes. But beyond this the tax bill of individual farmers does not show the tax burden. For example, Farmer A may pay taxes to the extent of $500 per annum as compared with $300 for Farmer B, and yet B may be carrying a greater tax burden than A. This may be due to a number of things. It may be that A's farm is relatively larger than B's or that it is more productive and hence is more valuable than B's. For this and other reasons A's tax burden may actually be lighter than B's in spite of the fact that A's tax bill is more than B's. Evidently, in order to measure tax burden

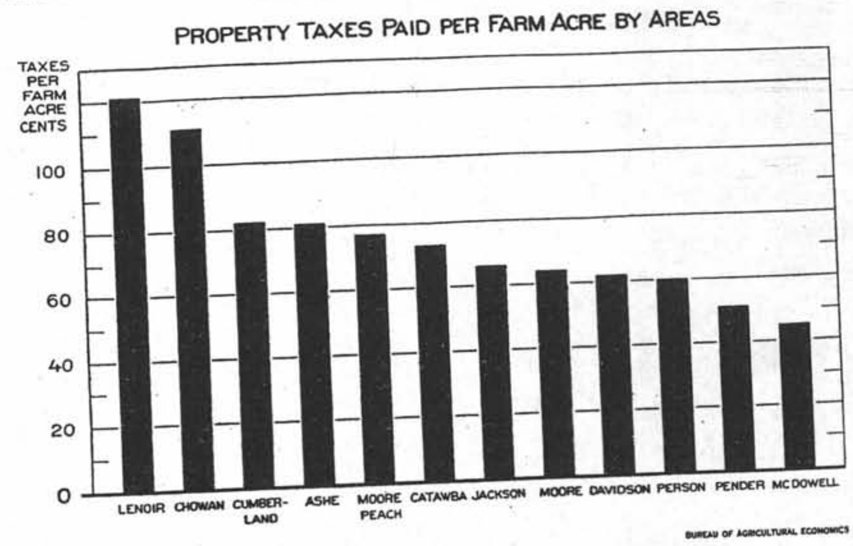


FIGURE 9

the taxes paid must be reduced to a comparable basis or bases. This may be done in a number of ways: (1) Reducing the taxes paid to a per acre basis by dividing the total taxes paid per farm by the number of acres in the farm; (2) expressing the taxes in terms of crops acres per farm; (3) showing the taxes paid per $100 gross receipts, gross expenditures, or capital invested in the farm; (4) calculating the per cent of the net income or net returns absorbed by taxes.

Taxes Per Acre. Taxes per acre for each region and for each area of the state covered by the investigation are shown in Table 39 and Fig. 9. The average taxes per acre for the 1,156 owner-operated farms was 76 cents. Each region varies somewhat from this average. There was a range from 64 cents taxes per acre in the Piedmont to 92 cents in the Coastal Plain. The average for the Mountain and Tidewater regions were 67 cents and 72 cents respecttively. Most of the areas studied have taxes per acre of less than $1.00 with the exception of Lenoir and Chowan areas. Similar results were obtained for rented farms. While, as pointed out above, landlords pay more taxes than owner-operators the taxes per acre are somewhat lower for rented farms. (See Table 42.)

Taxes Per Crop Acre. The results when taxes have thus been expressed in terms of crop acres are shown in Table 39. The average taxes per crop acre for the 1,156 owner-operator farms was $2.58. This average is exceeded only by one region, namely, the Mountain region, which has an average of $3.73 per crop acre. The Piedmont, Coastal Plain, and Tidewater are all below the state average with $2.19, $2.45, and $2.63 respectively. There is considerable difference among the various areas. In the Jackson area taxes were $4.19 per crop acre, while in Moore county (peach growers) the average was only $2.03. Only one other area, namely Ashe with an average of $4.15, were taxes over $4 per crop acre.

It is obvious that variations in the taxes per crop-acre may be due to variations in the percentage of land in crops. The effect of variation in percentage of land in crops may be illustrated by taking McDowell and Jackson areas as examples. Taxes in McDowell are $2.29 per crop acre and in Jackson $4.19. In McDowell county the cultivated land in crops is 30 per cent of the total, while in Jackson it is only 16 per cent of the total. A high percentage of land in crops tends to reduce the taxes per crop acre. Because of this wide variation of the percentage of lands devoted to crops, and for the fact that in some sections, notably in the Mountain regions, a large part of the total income is derived from livestock and livestock products, taxes per crop acre has serious limitations as a method of comparing tax burden among the various sections of the state, and also has serious limitations when comparing tax burdens within the same region, if the per cent of crop land varies widely.

Rate of Taxes to Capital. The tax burden may be measured also by expressing taxes paid in terms of the capital invested, that is by the ratio of taxes to capital. This method of measuring the tax burden is based on the theory that earnings are related to capital; that is to say, on the theory that earnings are reflected ultimately in values. When farm earnings are high the farm as a going concern will be valued higher than when farm earnings are low. This method has a decided advantage over the two methods already employed because variation in classes of land, or differences in fertility, etc., tend to be reflected in the capital value of the farm. If one farm for any reason, (e. g. differences in amount of crop land, natural fertility, topography, or location) is economically more productive than another, it will be reflected in the differences in the value of the two farms.

The data presented in Table 39 show that the tax rate per $100 capital invested in farming varies considerably from region to region and from area to area. Furthermore, it varies among the farms in the same area. For the state as a whole (i. e. for 1,156 owner-operated farms) taxes represent 1.3 per cent of the value of capital invested. The various regions exhibited differences from this general average. In the Mountain region the rate was 1.45 per cent, while in the Piedmont it was 1 per cent. The Coastal Plain region also was comparatively low with 1.30 per cent. In the Tidewater region the rate was 1.4 per cent or approximately the same as for the state as a whole.

Variations in the tax rate among the various areas are equally striking. There were nine of the eleven areas which had a rate equal to or above the general average of 1.3 per cent. Of these the Jackson area had the highest rate of 1.7 per cent. Pender and Ashe had a rate of 1.5 per cent; Cumberland and Chowan were next in order with 1.4 per cent each. Lenoir and Moore (non-peach growers) had a rate equal to the general average. Catawba, Person, Davidson, and McDowell were below the general average with 1.1 per cent, 1.1 per cent, 0.9 per cent, and 1.2 per cent respectively.[1]

Gross Receipts and Taxes. For the state as a whole (i. e. for 1,156 owner-operated farms) taxes paid amounted to 3.8 per cent of the gross receipts.[2] In the Mountain region the percentage was 8.5, or slightly less than twice the state average. The Piedmont and Coastal Plain regions were relatively low with percentage figures of 3.7 and 3.0 respectively. For the Tidewater the rate was 4.2 per cent.

Marked variation exists among the several areas of the state. In the case of the Moore county peach growers taxes represented only 1.7 per cent of the gross receipts. On the other extreme was Ashe county in which the taxes were 9.6 per cent of the gross receipts. However, with the exception of these two, and possibly Person, the remaining areas exhibited considerable uniformity. With the exception of the areas in the Mountain region, there was no county in which taxes represented as high as 5 per cent of the gross receipts. In five areas it was less than 4 per cent.

Expenses and Taxes. Taxes may be related to expenses. This may be done by calculating the per cent taxes are of gross expenses. For the 1,156 owner-operated farms, taxes represent 4.5 per cent of the gross expenses.[3] Taxes are a higher percentage of the gross expenses in the Mountain region than in any other section of the state. For this region taxes represent 7.1 per cent of the gross expense. In the Coastal Plain. Tidewater, and Piedmont

[1]In this connection it should be pointed out that the accuracy of these deductions is predicated on the assumption that the capital invested has been accurately evaluated in each case. The valuations are those given by farmers and may or may not be correct. To the extent that they are not correct the ratio of taxes to capital is obviously faulty as a method of comparing tax burden; however, the data do show roughly, at least, variation in tax rates for the various areas of the state. That some sections are more heavily taxed than others is, of course, to be expected and probably the difference in rate as here expressed gives a correct picture of these differences.

[2]Gross receipts are total sales plus value of work off the farm, inventory increases, and family living from the farm.

[3]Gross expenses include taxes, value of unpaid family labor, and value of farmer's labor.

regions, on the other hand, taxes did not represent a large part of the gross expenses. For these regions the figures were as follows: Piedmont, 4.0 per cent; Coastal Plain, 4.4 per cent; and Tidewater, 4.9 per cent.

While differences exist among the several regions, there was considerable uniformity within each region. In the Mountain region the difference between the several areas was less than one per cent. This is true also with respect to Piedmont and Tidewater. In the piedmont the difference was eight-tenths of one per cent, while in the Tidewater the difference was one-tenth of one per cent. Considerable variation is found in the Coastal Plain. In the case of the Moore county peach growers the taxes were 2.5 per cent of the gross expenses. On the other extreme was the Cumberland area in which taxes represent 7.3 per cent of the expenditures. For the other two areas of this region, namely Moore (non-peach growers) and Lenoir, the figures are not large, being 4.0 per cent and 4.6 per cent respectively.

Taxes and Income[1] As taxes must be ultimately paid out of income, it is probably more significant as a means of measuring tax burden to determine the percentage of the farm income absorbed by taxes. But this is not a simple matter. There are several types of income which may be calculated. These various incomes will give somewhat different results. Which of these results is correct is a question which the Commission has not undertaken to state dogmatically. It has adopted the policy of presenting each of these incomes and showing the per cent absorbed by taxes.

1. *Net Income.* The net income is the difference between the gross receipts and gross expenses. In the gross receipts have been included the sale of crops, livestock-products sales, woodlot-product sales, cash rent receipts, receipts from work off the farm, inventory increases, and the value of the family living obtained from the farm. The expenses include, in addition to the expenses for labor, feed, seed, insurance, etc., the value of the unpaid family labor and the value of the operator's labor. The method used in calculating the net income is shown in detail in the following tabulation.

2. *Operator's Income.* The operator's income is a difference between the gross receipts and the gross expenditures when the value of the operator's own labor has been omitted from the expenses.

3. *Cash Income.* Cash income from the farm is the difference between the gross cash income less cash expenditures and interest on borrowed capital.

It is recognized that the definitions are open to criticism. Criticism does not apply so much to the method of calculating as to the reliability of the items included as receipts and expenditures. Amount items open to objection are: (1) the value of the various items which comprise the family living obtained from the farm; (2) the value of unpaid family labor; and (3) the value of operator's labor.[2]

Net Income and Taxes. In some areas the net income was a minus quantity and for that reason the percentage of income absorbed by taxes could not be calculated. In other cases the taxes were more than the net income and hence the percentage taxes of the net income is greater than 100. For the state as a whole 20.3 per cent of the net income was taken by taxes. In the Mountain region the average net income was minus. That is, there was no net income. In the Coastal Plain region which ranked lowest, 11.3 per cent

[1]Income refers to income before taxes are paid.
[2]These criticisms do not apply to cash income.

of the income was absorbed by taxes. The Piedmont region was very close to the state average, with 28.2 per cent of the income taken by taxes. In the Tidewater 23.5 per cent of the income was taken by taxes.

The per cent of the net income absorbed by taxes varies from 278 per cent in the Catawba area to 5.1 per cent for Moore county peach growers. In Jackson, McDowell, Ashe, and Davidson there was no net income. Approximately 44 per cent of the net income of Pender county farmers was taken in taxes. In the Cumberland area the farmers paid taxes to the extent of 27.9 per cent of their net incomes. Person county farmers paid considerable less than any other group with the exception of the Moore county peach growers. But even in Person county 9.6 per cent of the farmer's income was taken by taxes. The percentage figures for Lenoir and Chowan areas were 13.8 and 17.3 respectively, while the non-peach growers of Moore county paid 19.8 per cent of their net income for taxes. (See Table 39.)

In the foregoing discussion relationship between income and taxes has been expressed in terms of general averages. If, however, the incomes be grouped in some regular way and the average income for each group related to the corresponding average taxes, an important relationship is revealed, namely, that as incomes increase the ratio of taxes to income decreases. This relationship may be illustrated by using net incomes. (See Table 43.) For the state as a whole taxes approximate 83 per cent of the net incomes ranging from zero to $200, but the ratio of taxes to net income decreases fairly uniformly to 4 per cent for incomes in excess of $4,000. The same relationship holds in each of the several regions of the state. (See Table 4.) In the Mountain region taxes approximated 84 per cent of the incomes ranging from zero to $200, and only 7 per cent of incomes in excess of $2,000. For the Piedmont the taxes were 88 per cent of the net incomes ranging from zero to $200, but decreased to 3.4 per cent in the case of farms with net incomes of $2,000 or more. In the Coastal Plain taxes were equal to 89 per cent of incomes ranging from zero to $200, but only 4 per cent of incomes in excess of $4,000. Finally, in the Tidewater area taxes represented 72 per cent of incomes ranging from 0 to $200 and 6.1 per cent of income over $4,000.

The fact that taxes tend to decrease relatively as income increases reveals the defective nature of our present method of levying taxes. The theory, if there be one, underlying our present method is that land values tend to equal the sum of discounted future rents, or that land values tend to be reflected by the magnitude of that part of the income which may be attributed to the land. This theory may be correct when considered from a long time point of view, but for a short period the income derived from farming may not bear a very close relationship to the value of the land. In other words, land values may remain constant for short periods while incomes may fluctuate markedly. Under our present method of assessing land there is little or no attempt to adjust land values to the income-producing power of the land. As a result, farmers who obtain in any one year or for a few years net income out of line with the assessed value of their farm property are likely to find taxes exceedingly burdensome. In fact, the tax burden may be so great as to compel such farmers to go heavily in debt, exhaust capital supplies, reduce their standard of living, or be forced to abandon farming altogether.

Operator's Income and Taxes. Net income may not be after all the best basis for measuring tax burden among farmers.[1] For this reason the taxes have been related to the operator's income.[2] For the state as a whole 7.8 per cent of the operator's income was taken in taxes, as compared with 20.3 per cent in the case of the net income. Regional variations were not marked with the single exception of the Mountain region. (Fig. 10.) In this region the taxes represented 14.4 per cent of the operator's income. In the other regions the percentage figures were much less, being 6.1 per cent in the Piedmont, 6.8 per cent in the Coastal Plain, and 8.7 per cent in the Tidewater.

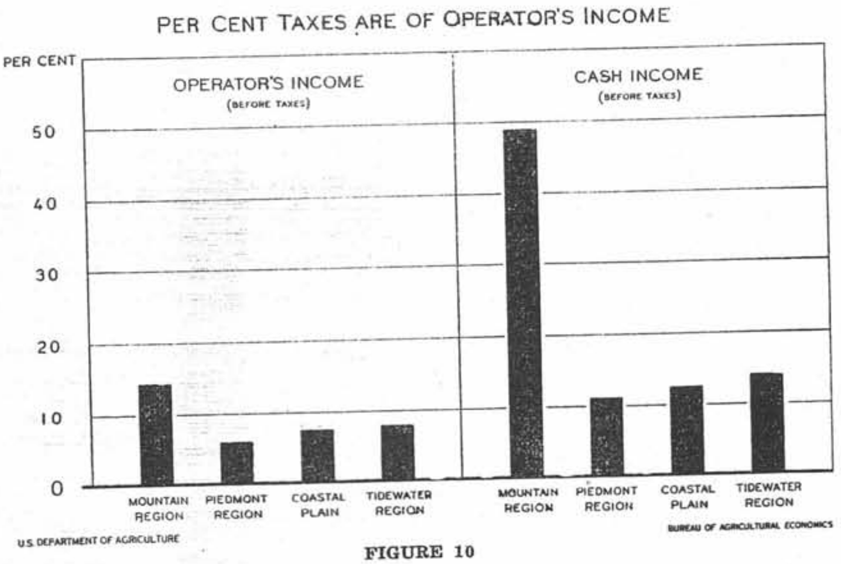


FIGURE 10

Ashe county ranks the highest with a percentage figure of 18.2 per cent. The lowest, 4 per cent, was found in Moore county among the peach growers. The other areas were as follows: Moore area (non-peach growers) 7.3 per cent; Chowan, 8 per cent; Lenoir, 8.1 per cent; Catawba, 8.3 per cent; Cumberland, 9.4 per cent; Pender, 9.8 per cent; McDowell, 11 per cent; Jackson, 12.8 per cent.

Taxes and Cash Income.[3] Taxes must be paid in cash. It is interesting and also instructive to note the per cent of the cash income required to pay taxes. Table 39 shows these data for each area and each region. The general average for the 1,156 owner-operated farms was 12.4 per cent. There was considerable variation in amount of the cash income required to pay the taxes. In the Mountain section where the cash incomes are small the percentage figure was large. (Fig. 10.) In this section 48.8 per cent of the cash income was required to pay the taxes. There was not much difference among the other three regions. In the Tidewater it required 14.1 per cent, in the Coastal Plain 9.0 per cent, and in the Piedmont 11.2 per cent of the cash income to pay the taxes.

[1]See Pages 146 to 149 for discussion.
[2]See Page 149 for definition of operator's income.
[3]For definition of cash income, see Page 149.

Variations within the regions are more striking. In Ashe county it required 65.5 per cent of the cash income to pay taxes, as compared with 38.5 per cent in Jackson, and 43.5 per cent in McDowell. Variations in the Piedmont are even more striking. In Person county the cash income so absorbed by taxes was 6.7 per cent, as compared with Davidson with 18.6 per cent and Catawba with 16.5 per cent. In the Coastal Plain the difference between the lowest percentage figures and the highest was 12.4 per cent. That is, 4.5 per cent of the Moore county peach growers' cash income was absorbed by taxes as compared with 16.9 per cent cash income of the Cumberland area farmers. Farmers in Lenoir and Moore (non-peach growers) areas paid, respectively, 10.8 per cent and 13.0 per cent of their cash income in taxes. The differences were less pronounced in the Tidewater. In the Pender area it required 18.3 per cent and in Chowan 12.0 per cent of the cash income to pay the taxes.

Net Rents and Taxes. Inasmuch as taxes are levied on property and not on income (for local purposes) it is important that the burden of taxation on property should be discussed. For the purpose of determining the burden of taxation on farm property 416 rented farms have been studied. The net rents for these farms have been calculated and the per cent of the net rents

RATIO OF TAXES TO NET RENT (BEFORE TAXES)

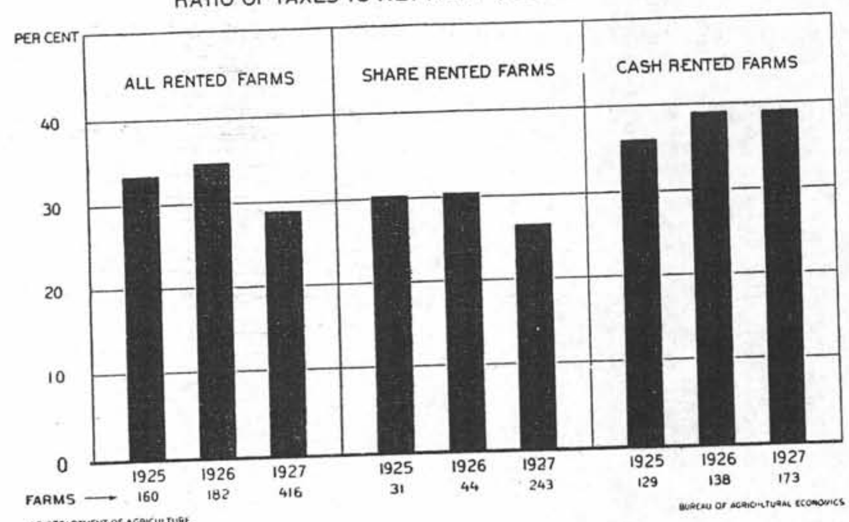


FIGURE 11

absorbed by taxes determined. In addition to the net rents for 416 rented farms, the returns to property have been calculated for the 1,156 owner-operated farms.[1] A summary of the results is presented in Tables 44 and 45.

For the rented farms taxes absorbed on the average 28.9 per cent of the net rents, as compared with 22 per cent for owner-operated farms. Taxes were apparently more burdensome on the cash than the share-rented farms. In the case of the former, 39.2 per cent of the net rents was absorbed by taxes, while in the latter it was 26.5 per cent.

[1]See footnote Table 44 for method of calculation.

Regional differences exist. In the Mountain region records were obtained for 18 rented farms. For these farms the net rents were not sufficient to pay the taxes. For example, the taxes in the case of share-rented farms represented 209.5 per cent and for cash-rented farms 506 per cent of the net rents. The results for the Mountain region are not, however, typical for the state. In all of the remaining regions taxes were considerably less burdensome. For the Piedmont, Coastal Plain, and Tidewater taxes represented 20.1 per cent, 26.5 per cent, and 37.6 per cent of the net return of share-rented farms.

During the period from 1925 to 1927 net rents in general increased more rapidly than taxes, hence taxes were somewhat lighter in 1927 than in the previous two years. (See Table 46.) In 1927 the taxes represented 28.9 per cent of the net rents as compared to 33.4 in 1925 and 34.8 in 1926. While taxes were less burdensome in 1927 than in either 1925 or 1926 for rented farms in general, cash-rented farms were taxed more in 1927 than in 1925. The reason for this condition is that net cash rents decreased slightly from 1925 to 1927, while taxes increased. The net results was that in 1925 taxes represented 35.9 per cent of the net rents in 1925 and 39.2 per cent in 1927. (Fig. 11.)

TAX STUDIES IN OTHER STATES

Similar studies of farm taxation have been made in certain other states. The results are reasonably comparable as the studies have been made in the same manner. The results of studies made in 1925 in Michigan, Colorado, Arkansas and North Carolina are shown in Table 47. While these data show that North Carolina farm lands are taxed high, they are not taxed as high as Michigan farm lands. However, in comparison with Arkansas, North Carolina farm land was taxed very heavy. In Arkansas the rate per acre was 61 cents as compared with 73 cents in North Carolina. More striking, however, is the fact that in North Carolina taxes absorbed 33.4 per cent of the net rents in 1925 as compared to 17.2 per cent for Arkansas. While taxes per acre in North Carolina are higher than in Colorado, the percentage of the net rents taken by taxes is approximately the same.

SUMMARY

In this chapter an attempt has been made to measure the burden of taxation on farming. For this purpose a study was made of 1,156 owner-operated farms and 416 rented farms. These farms were located in various sections of the state and represent fairly accurately the farming conditions in each of the four major regions of the state, namely, the Tidewater, Coastal Plain, Piedmont, and Mountain.

At the outset, data were presented showing the taxes paid by farm operators and landlords. Analysis of these data show that relatively few farmers pay taxes in excess of $100. To be more explicit, 69 per cent of the 1,156 farms surveyed paid taxes of $100 or less. A tax bill of $200 or less includes practically 88 per cent of all farms. Furthermore, relatively few farmers pay taxes in excess of $500. In fact, there were only ten farmers or .9 per cent who paid over $500.

The size of the tax bill varies quite markedly with different areas or regions of the state. The situation for the year of 1927 was as follows: The state average was $103; the average for the Coastal Plain was $147; Tidewater, $108; Mountain, $82; and Pedmont, $70. In the Mountain region 77 per cent of the farmers paid $100 or less in taxes. In the Piedmont region 80 per cent of the farmers paid less than $100, while in the Coastal Plain and Tidewater the percentage of farmers paying $100 or less was 52 per cent and 66 per cent, respectively.

Landlords paid higher taxes than owner-operators. The average, as already pointed out, for 1,156 owner-operator farmers was $103, as compared with $201 for 416 landlords. Not only was the average tax higher, but the number paying $100 or less is much greater in the case of owner-operator farmers than in the case of landlords, while the number of farmers paying $500 or more is greater among the landlords than among the owner-operators.

A statement of the size of the tax bill, however, does not indicate in any real sense the tax burden on farming. The farmer's tax bill may be relatively small and yet his tax burden may be very heavy. For the purpose, therefore, of showing more definitely the tax burden on farming, taxes paid were reduced to several bases. These bases are: (1) taxes per acre; (2) taxes per crop acre; (3) taxes per $100 of gross receipts, gross expenses and capital invested in farm; (4) per cent of income absorbed by taxes, that is the per cent taxes were of the net farm income, operator's income and cash income; and finally, (5) net rent absorbed by taxes.

The results obtained by each method are by no means consistent; that is, on one basis the tax burden may appear relatively heavy, while on another basis the tax burden may appear relatively light. For example, the Davidson area, which ranks first or lowest with respect to taxes paid per farm, ranks ninth when compared on the basis of taxes per $100 of cash income. Some areas, however, consistently rank high, while others rank low. For example, Jackson and Ashe counties rank uniformly high, while Moore area (peach growers) ranks almost uniformly low. For the Moore area the only exception being taxes per farm in which case it ranks twelfth and taxes per farm acre in which it ranks eight. On all other bases it ranks first, with the exception of taxes per $100 gross receipts in which case it ranks second.

It is difficult to determine with any degree of accuracy the relative burdensomeness of taxes in the several areas covered by this investigation. Some notion of the relative tax burden among the several areas, however, may be obtained by comparing the ranking of the areas. (Table 48.) Omitting taxes per farm, which is not a satisfactory basis for comparing tax burden as there are likely to be wide variations in size of farms, fertility of the soil, location, etc. Moore county peach growers were taxed less than farmers in any other area. Farmers growing peaches, as pointed out above, ranked eight on the basis of taxes per acre, but very low with respect to other bases employed in measuring the tax burden. A comparison of the data shows that farmers in Ashe and Jackson county areas are taxed very heavy. The Jackson area does not rank less than six on any basis used, while Ashe does not rank less than nine. It is clear, therefore, that these two areas are carrying a heavy tax burden, while Moore county peach growers, certainly for the year of 1927, were carrying a relative light tax burden. Using the sum of the ranks (omitting taxes per farm) the area may be classified into three groups: those which are taxed relatively light; those which are taxed relatively heavy; and those which are intermediate. The areas which are apparently taxed relatively light include Moore, Person and Davidson; those which are apparently carrying a very heavy burden of taxation are Jackson, Ashe, and Pender; while those occupying an intermediate position are Lenoir, Chowan, Cumberland, Catawba, and McDowell.

TABLE 39—VARIATIONS IN TAXES PAID IN DIFFERENT AREAS
(1,156 Owner-Operated Farms)

Areas	No. Farms	Taxes per Farm	Taxes per Farm Acre	Taxes per Crop Acres	Taxes per $100 of Capital	Taxes per $100 of Gross Receipts	Taxes per $100 of Gross Expenses	Taxes per $100 of Cash Receipts	Taxes per $100 of Cash Expenses	Taxes per $100 of Net Income*	Taxes per $100 Operator's Income*	Taxes per $100 of Cash Income*
Jackson	120	$ 67	$ .66	$ 4.19	$ 1.70	$ 8.40	$ 7.01	$ 17.8	$ 24.9	$ ______†	$ 12.80	$ 38.50
McDowell	64	64	.45	2.29	1.20	8.20	7.02	16.0	19.1	______†	11.00	43.50
Ashe	97	112	.81	4.15	1.45	9.60	7.90	17.1	18.8	______†	18.20	65.50
Mountain Region	**281**	**82**	**.67**	**3.73**	**1.45**	**8.50**	**7.10**	**16.2**	**19.5**	______†	**14.40**	**48.80**
Catawba	99	75	.73	2.83	1.08	4.80	4.69	7.6	12.5	278.00	8.30	16.50
Davidson	121	57	.62	2.04	.93	4.10	3.86	7.5	11.2	______†	6.80	18.60
Person	91	83	.60	2.52	1.10	2.70	3.79	3.7	7.6	9.60	4.60	6.70
Piedmont Region	**311**	**70**	**.64**	**2.19**	**1.03**	**3.70**	**4,08**	**5.5**	**9.9**	**28.20**	**6.10**	**11.20**
Moore Peach	41	258	.77	2.03	.99	1.70	2.50	1.7	2.9	5.10	4.00	4.50
Moore	51	83	.64	2.44	1.35	3.40	4.00	4.4	6.3	19.80	7.30	13.00
Cumberland	108	115	.82	2.05	1.36	4.00	7.30	5.1	6.8	27.90	9.40	16.90
Lenoir	135	163	1.21	2.91	1.35	3.50	4.61	4.1	6.2	13.80	8.10	10.80
Coastal Plain	**335**	**147**	**.92**	**2.45**	**1.30**	**3.00**	**4.40**	**3.4**	**5.1**	**11.30**	**6.80**	**9.00**
Pender	134	84	.51	2.90	1.54	4.70	4.90	6.2	8.6	43.90	9.80	18.30
Chowan	95	141	1.11	2.43	1.37	3.90	4.80	4.7	7.3	17.30	8.00	12.00
Tidewater	**229**	**108**	**.72**	**2.63**	**1.44**	**4.20**	**4.90**	**5.3**	**7.9**	**23.50**	**8.70**	**14.10**
State	**1,156**	**103**	**.76**	**2.58**	**1.30**	**3.80**	**4.50**	**4.8**	**7.4**	**20.30**	**7.80**	**12.40**

*Before taxes. †Minus incomes.

TABLE 40—VARIATION IN AMOUNTS OF TAXES PER FARM FOR 1,156 OWNER-OPERATED FARMS (1927) STATE

Taxes per Farm	Frequency	Percentage of total	Cumulative Frequency	Cumulative Percentage
Below $100	793	68.6	793	68.6
100 to 199	226	19.6	1019	88.1
200 to 299	77	6.7	1096	94.8
300 to 399	33	2.9	1129	97.7
400 to 499	16	1.4	1145	99.1
500 and above	11	.9	1156	100.0
MOUNTAIN REGION—281 FARMS				
Below $100	217	77.2	217	77.2
100 to 199	42	14.9	259	92.2
200 to 299	12	4.3	271	96.4
300 to 399	8	2.8	279	99.3
400 to 499	1	.4	280	99.6
500 and above	1	.4	281	100.0
PIEDMONT REGION—311 FARMS				
Below $100	249	80.1	249	80.1
100 to 199	50	16.1	299	96.1
200 to 299	9	2.9	308	99.0
300 to 399	3	1.0	311	100.0
400 to 499	----	----	----	----
500 and above	----	----	----	----
COASTAL PLAIN—335 FARMS				
Below $100	175	52.2	175	52.2
100 to 199	92	27.5	267	79.7
200 to 299	33	9.9	300	89.6
300 to 399	14	4.2	314	93.7
400 to 499	12	3.6	326	97.3
500 and above	9	2.7	335	100.0
TIDEWATER REGION—229 FARMS				
Below $100	152	66.4	152	66.4
100 to 199	42	18.3	194	84.7
200 to 299	23	10.0	217	94.8
300 to 399	8	3.5	225	98.3
400 to 499	3	1.3	228	99.6
500 and above	1	.4	229	100.0

TABLE 41—VARIATIONS IN AMOUNT OF TAXES PER FARM

Taxes per Farm	Mountain Region				Piedmont Region				Coastal Plain Region					Tidewater Region			Total for State
	Jackson	McDow-	Ashe	Total	Catawba	Davidson	Person	Total	Moore Peach	Moore	Cumberland	Lenoir	Total	Pender	Chowan	Total	
Over $500			1	1					4			4	8		1	1	10
475—499											1	2	3		1	1	4
450—474									1	1	2		4				4
425—449									1				1				1
400—424		1		1					1		2	2	5		2	2	8
375—399	1		1	2					1				1	1	2	3	6
350—374			2	2					2		1	2	5	1	1	2	9
325—349	1		1	2			2	2	2				2				6
300—324	1		1	2			1	1	2			4	6	1	2	3	12
275—299			1	1					1		1	3	5	2	3	5	11
250—274	1	2	5	8	1			1	1	2	3		6	1	2	3	18
225—249		1		1	1	2	1	4	1	1	4	7	13	1	1	2	20
200—224		1	1	2	2		2	4	1		2	6	9	6	7	13	28
175—199	1		1	2	2		1	3	2		1	6	9	2	5	7	21
150—174	1		8	9	3	3		6	8	3	7	11	29	6	7	13	57
125—149	5	2	6	13	5	3	7	15	1	2	10	11	24	4	7	11	63
100—124	6	4	8	18	10	5	11	26	1	1	9	19	30	6	5	11	85
75— 99	19	7	15	41	10	11	17	38	4	9	16	25	54	26	9	35	168
50— 74	28	7	17	52	29	29	18	76	3	12	25	22	62	25	18	43	233
25— 49	35	13	19	67	31	54	25	110	4	14	23	11	52	37	17	54	283
0— 25	21	26	10	57	5	14	6	25		6	1		7	15	5	20	109
Total	120	64	97	281	99	121	91	311	41	51	108	135	335	134	95	229	1,156

TABLE 42—RENTS AND TAXES ON 416 RENTED FARMS

Region	Year	Net Rent Per Acre (Before Taxes)		Tax Per Acre		Percentage Ratio: Tax to net Rent (Before Taxes)	
		Share Rented Farms	Cash Rented Farms	Share Rented Farms	Cash Rented Farms	Share Rented Farms	Cash Rented Farms
Mountain	1925	−$1.00	$ .02	$ .90	$ .17	----------	850.0
	1926	−0.20	−.07	.74	.34	----------	----------
	1927	.36	.07+	.76	.38+	209.0	506.0
Three Yr. Ave.*		−.26	.01	.81	.31	----------	3,100
Piedmont	1925	$0.67	1.15	.73	.55	109.	47.7
	1926	1.29	1.10	.77	.57	59.7	52.
	1927	2.88	1.06	.58	.59	20.1	55.
Three Yr. Ave.*		2.49	1.10	.62	.57	24.9	51.8
Coastal Plain	1925	$3.59	$2.16	.97	.66	27.4	30.5
	1926	3.75	2.17	1.03	.67	27.5	31.
	1927	3.92	2.16	1.04	.68	26.5	31.4
Three Yr. Ave.*		3.85	2.16	1.03	.67	26.6	31.0
Tidewater	1925	$1.48	$2.10	.59	.89	39.9	42.4
	1926	1.21	1.89	.61	.95	50.3	50.4
	1927	2.69	1.41	1.01	.85	37.6	60.2
Three Yr. Ave.*		2.06	1.74	.82	.90	39.8	51.7
State†	1925	$3.10	$1.75	.94	.63	30.3	36.
	1926	3.23	1.68	.99	.65	30.4	39.
	1927	3.73	1.69	.99	.66	26.5	39.
Three Yr. Ave.		3.58	1.70	.98	.65	27.4	38.2

*Weighted averages.

	Share Rented Farms	Cash Rented Farms	Total
†1925	31	129	160
1926	44	138	182
1927	243	173	416

TABLE 43—PER CENT TAXES ARE OF NET FARM INCOME (BEFORE TAXES)
(1,156 owner-operated farms)

Income Classes	Number Farms	Net Income Per Farm (Before Taxes)	Taxes Per Farm	Per cent Taxes are of net income (Before Taxes)
Minus Incomes	478	−$258	$71	
Positive Incomes:				
$0 to $199	202	89	74	83.1
200 to 399	94	293	89	30.4
400 to 599	98	485	102	21.0
600 to 799	58	705	101	14.3
800 to 999	40	882	113	12.8
1,000 to 1,199	36	1,131	131	11.6
1,200 to 1,399	28	1,295	145	11.2
1,400 to 1,599	16	1,418	168	11.8
1,600 to 1,799	21	1,701	176	10.3
1,800 to 1,999	11	1,869	144	7.7
2,000 to 2,199	10	2,108	221	10.5
2,200 to 2,399	6	2,339	457	19.5
2,400 to 2,599	8	2,493	196	7.9
2,600 to 2,799	4	2,747	217	7.9
2,800 to 2,999	4	2,837	242	8.5
3,000 to 3,199	5	3,080	267	8.7
3,200 to 3,399	4	3,284	332	10.1
3,400 to 3,599	2	3,489	323	9.3
3,600 to 3,799	2	3,722	165	4.4
3,800 to 3,999	5	3,900	251	6.4
4,000 and above	24	11,460	470	4.1
State Average	1,156	508	103	20.3

TABLE 44—NET RENT AND TAXES OF 1,572 NORTH CAROLINA FARMS IN 1927*

(1,156 owner-operated farms, 243 share-rented farms, and 173 cash-rented farms)

Regions	Number of Farms*			Net Rent Per Farm (Before Taxes)			Taxes Per Farm			Ratio: Taxes to Net Return (Before Taxes)		
	Owner Operated Farms	Share Rented Farms	Cash Rented Farms	Owner Operated Farms	Share Rented Farms	Cash Rented Farms	Owner Operated Farms	Share Rented Farms	Cash Rented Farms	Owner Operated Farms	Share Rented Farms	Cash Rented Farms
Mountain	281	11	7	$ 1.40	$ 43	$ 16	$ 82	$ 90	$ 81	----------	209.	506.0
Piedmont	311	29	60	212	544	146	70	109	80	32.8	20.1	55.6
Coastal Plain	335	197	79	1,248	1,093	506	147	289	159	11.8	26.5	31.4
Tidewater	229	6	27	414	524	206	108	197	124	26.1	37.6	60.2
State	1,156	243	173	469	966	315	103	256	123	22.0	26.5	39.

Regions	Acreage		
	Owner Operated Farms	Share Rented Farms	Cash Rented Farms
Mountain	123	119	221
Piedmont	109	189	138
Coastal Plain	160	279	234
Tidewater	150	195	146
State	136	259	186

*The method used in calculating net rent in the case of owner-operated farms was as follows: Five per cent interest on the amount invested in livestock, machinery and feed was deducted from the net income before taxes. For example in the Piedmont Region the average investment per farm in livestock is $351, Machinery $221, feed $150, making a total of $722. Interest at 5 per cent equals $36. Subtract the $36 from the net income (before taxes) of $248, this leaves $212 the net rent to land and improvements.

Net income before taxes	$248
Interest at 5% on $722 (Investment in livestock, machinery and feed)	36
Net rent or return to land and improvements	$212

TABLE 45—RELATION OF TAXES TO NET RENT (BEFORE TAXES) FOR 416 RENTED FARMS IN NORTH CAROLINA, 1927

Region	Number Farms	Net Rent Before Taxes	Taxes per Farm	Per cent Taxes are of net Rent before Taxes
Mountain Region	18	$ 32	$ 86	268.7
Piedmont Region	89	276	90	32.6
Coastal Plain	276	926	252	27.2
Tidewater Region	33	265	137	51.7
State Average	416	695	201	28.9

TABLE 46—RELATION OF PROPERTY TAXES TO NET RENTS ON 416 RENTED FARMS

Year	Number of Rented Farms	Number of Acres	Gross Rent Per Acre	Net Rent Per Acre (before taxes)	Tax Per Acre	Per cent of Net Rent Paid in Taxes (before taxes
All Rented Farms:						
1925	160	33,044	$3.50	$2.19	$ .19	33.4
1926	182	35,501	3.60	2.21	0.77	34.8
1927	416	95,205	6.47	3.04	0.88	28.9
Share Rented Farms:						
1925	31	10,764	6.20	3.10	.94	30.3
1926	44	12,149	6.44	3.23	.98	30.4
1927	243	62,941	8.65	3.73	.99	26.5
Cash Rented Farms:						
1925	129	22,280	2.20	1.75	.63	36.
1926	138	23,352	2.12	1.67	.65	39.
1927	173	32,264	2.22	1.69	.66	39.

Share Rent 3.8 per cent of capital (1927) = Livestock and Machinery.
Cash Rent 1.98 per cent of capital (1927) = Livestock and Machinery.
1927—3.37 per cent of capital = Livestock and equipment (not deducted)
1926— 1.9 per cent of capital = Livestock and Equipment.
1925— 1.8 per cent of capital = Livestock and Equipment.

TABLE 47— COMPARISON OF RATIO OF TAXES TO NET RENT (BEFORE TAXES) IN NORTH CAROLINA, MICHIGAN, COLORADO, ARKANSAS AND VIRGINIA* (1925 and 1926)

State	Year	Number Farms	Net Rent Per Acre Before Taxes	Taxes Per Acre	Ratio Taxes to Rent Before Taxes
North Carolina	1925	160	2.19	.73	33.4
North Carolina	1926	182	2.21	.77	34.8
Virginia	1926	1,094	2.12	.42	20.0
Michigan	1925	1,018	2.69	1.46	54.3
Colorado	1925	568	1.84	.61	33.2
Arkansas	1925	162	3.54	.61	17.2

*Bulletin No. 91 Michigan Experiment Station.
Bulletin No. 223 Arkansas Agricultural Experiment Station and Bureau of Agricultural Economics circular on "Taxation in Virginia."

NORTH CAROLINA

Deductions from gross rent were (1) current outlay cost of repairs, the owner's share of ginning, seed, feed fertilizer and other items paid by the owner; (2) 5 per cent on the value of livestock and machinery furnished the tenant by the landowner; (3) insurance risk on buildings at ½ per cent; (4) depreciation on buildings 3 per cent; (5) depreciation on other improvements 6 per cent; (6) depreciation on machinery and equipment 10 per cent; (7) depreciation on livestock 5 per cent. All rented farms were included for which complete records were obtained for 1925.

ARKANSAS

Both cash rent and share rent were used. Deductions from the gross rent were (1) all costs to the owner as a part of the rent contract, such as ginning, threshing, etc.; (2) annual cost of depreciation and repairs at 5 per cent of the building values furnished by the landowner in making the crop. No allowance was made for insurance on buildings and equipment.

MICHIGAN

Deductions from gross rents were (1) annual cost of depreciation and repairs on buildings at 3 per cent of the building values; (2) cost of insurance risk on buildings whether carried by owner or by a company, at the average mutual insurance rates on full value of buildings; (3) cost of depreciation and repairs on wire fences at 8 per cent of the value of the fences; (4) 6 per cent on the value of machinery and livestock furnished the tenant by the owner; and (5) full cost of threshing, seed, feed, and other items paid by the owner.

TABLE 48—RANK OF AREAS BY TAXES PAID

(1,156 owner-operated farms)

Areas	Taxes per Farm	Taxes per Acre	Taxes per Crop Acre	Taxes per $100 of Capital	Taxes per $100 of Receipts	Taxes per $100 of Expenses	Taxes per $100 of Net Income	Taxes per $100 of Operator's Income	Taxes per $100 of Cash Income	Sum of Ranks
Davidson	1	4	2	1	7	3	9	3	9	39
McDowell	2	1	4	5	10	10	11	10	11	64
Jackson	3	6	12	12	11	9	10	11	10	84
Cataba	4	7	8	3	9	6	8	7	6	58
Person	5	3	7	4	2	2	2	2	2	29
Moore	6	5	6	7	3	4	5	4	5	45
Pender	7	2	9	11	8	8	7	9	8	69
Ashe	8	9	11	10	12	12	12	12	12	98
Cumberland	9	10	3	8	6	11	6	8	7	68
Chowan	10	11	5	9	5	7	4	5	4	60
Lenoir	11	12	10	6	4	5	3	6	3	60
Moore (Peach)	12	8	1	2	1	1	1	1	1	28

TABLE 49—AUTOMOBILE LICENSE AND GASOLINE TAXES FOR FARM PURPOSES

	Mountain Region	Piedmont Region	Coastal Plain	Tidewater Region	State Average
Number of Farms	281	311	335	229	1,156
Number of Farms Reporting Taxes	94	232	222	139	687
Average Taxes*	6	14	18	15	14

*Automobile License and Gasoline Taxes.

CHAPTER VII

ASSESSMENT AND EQUALIZATION OF FARM PROPERTY

One of the objects of this investigation, as pointed out in Chapter I, was to obtain the true or market value of farm property. Information on this subject is essential to any discussion of assessment and equalization. There are two major questions which arise: (1) to what extent are farm properties being assessed according to their market value as provided by statute; (2) and to what extent, if at all, are assessments discriminatory?

The law provides that all properties and subjects of taxation are to be assessed at their true or actual value in money. Section 48 of the Machinery Act, Public Laws, 1927, reads as follows:

"The intent and purpose of the tax laws of this state is to have all property and subjects of taxation assessed at their true and actual value in money, in such manner as such property and subjects are usually sold, but not by forced sale thereof, and the words "market value" or "true value," whenever in the tax laws, shall be held and deemed to mean what the property and subjects would bring at cash sale when sold in such manner as such property and subjects are usually sold."

The law also provides for county boards of equalization. The statute on this, as given in Section 50, Machinery Act, Public Laws, 1927, reads as follows:

"The board of county commissioners shall constitute the board of equalization in each county, and shall meet the second Monday in July in each year. The board may adjourn from day to day while engaged in the equalization of property, but shall complete all work on or before the first Monday in each August. Said board shall equalize the valuation so that each tract or lot of land or article of personal property shall be entered on the tax list at its true value in money, and for this purpose they shall observe the following rules: (1) They shall raise the valuation of such tracts or lots of real or articles of personal property, except such as are specifically exempt by law, as in their opinion have been returned below their true value thereof; (2) they shall reduce the valuation of such tracts and lots or articles of personal property as in their opinion have been returned above their true value, as compared with the average valuation of real and personal property of such county. In regard to real property, they shall have due regard to the relative situation, quality of soil, improvements, natural and artificial advantages possessed by each tract or lot. The clerk of said board of county commissioners shall be the clerk of the board of equalization, and shall within five days after adjournment of said board furnish the State Board of Assessment with a copy of all proceedings of the county board of equalization with respect to any and all changes made by such board of valuation made and returned by the township list-takers and assessors. The clerk of the board shall also furnish the State Board of Assessment, within five days after adjournment of the county board of equalization, on blanks to be furnished by the board, statement from the returns made by the township list-takers and assessors of aggregate value of real and personal property by townships and as a whole for the county and average value per unit of land acreage and the several classes of livestock."

In spite of the law, however, no scientific attempt is made in this state to obtain true or market values as a basis for assessment. The reason for this is obvious. It is difficult and often impossible to obtain the true or market value of property. Sales of farm property in many communities are not made in sufficient volume for accurate information to be obtained, and even where sales are made in sufficient volume it is difficult to obtain the information regarding prices paid. There is no provision in the law requiring sales to be recorded in such manner as to reveal actual prices. In most instances where properties are recorded the price is stated in such vague terms as $1 and other valuable consideration. In the absence of accurate price data it is obviously impossible to make a scientific study of the effect of the various factors, such as distance from market, type of highway, productivity of the farm, etc., on the value of the farm. If the law required the declaration of the terms of sale of farm property, it would be possible to measure the effect on a given piece of property, even if it had not been sold recently, of the distance from market, the type of road on which the farm was located, its productivity, and other factors relating or affecting the value of property.[1]

METHODS USED IN OBTAINING MARKET VALUE OF FARM PROPERTY

In this study the market value of farm property was obtained not from actual sales, but by means of independent estimates. In each area a number of qualified persons were requested to give their estimate of the market value of specified farms. These estimators were familiar with the farms and also with farm values in their community. No estimates were made by individuals who were not properly qualified for the task. In this manner 3,174 estimates were received on 1,058 pieces of farm property, or an average of 3 estimates per farm. To these independent estimates was added the farmer's own estimate of his farm and the average of all was termed the *estimated market value of farm property*. The assessed value of farm property was obtained directly from the books of the county auditor.

FARMS ARE NOT ASSESSED AT THEIR MARKET VALUE

A study of the data collected indicates very clearly that farms are not assessed according to their true or market value as provided by statute. In the case of 1,057 farms the assessed value was 75 per cent of the estimated market value. (See Table 50.) Approximately 20 per cent of these farms were assessed above and 80 per cent below their market vale. (See Table 51.) Some farms were assessed very low and others relatively high. There were 46 farms, or 4.5 per cent, which were assessed at 30 per cent or less of their true or market value; and 35 or 3.4 per cent at 50 per cent above their market value. Only 170 farms or 16.7 per cent of all farms included in this study were assessed within 10 per cent of their true or market value.

Similar variations in assessment exist in each of the several areas. For the most part assessed values are low. (See Table 52.) This is especially true for Davidson, Jackson, Ashe, Cumberland, and Pender areas. On the average the assessed value in these areas is less than 60 per cent of the market value. Somewhat better results have been obtained in Catawba, Moore, McDowell, and Person areas. But in none of these areas does the assessed value exceed, on the average, 80 per cent of the market value. For the

[1]See Minnesota Bulletin No. 9 for detailed description of the method suggested here.

Chowan area the assessed value is 86.6 per cent of the estimated market value. Lenoir, however, with a percentage figure of 92 is the only area in which assessed values approach the estimated market value. One of the significant things about Table 52 is the small percentage of farms which are assessed at their true or market values; in each area the number of farms assessed within 10 per cent of their market value (90-109.9) varies from 26.8 per cent in Lenoir county to approximately 3 per cent in Davidson.[1]

THE EFFECT OF UNEQUAL ASSESSMENT

Assessment which is not based on true market value is likely to be discriminatory. Those farms which are assessed less than the market value pay less taxes, and those which are assessed higher than their market value pay more taxes than they should.

According to Table 54 there is a tendency to assess small farms higher than the medium and large-sized farms. To illustrate, 25 per cent of all farms in Group I, i. e., farms valued at less than $2,000, were assessed above their estimated market value. On the other hand, less than 20 per cent of the farms in Groups II to VII were assessed above their market value. In short, there were more small farms assessed above their market value than large farms.

Too much emphasis, however, should not be placed on these data. For while small farms may be assessed higher than large farms, the additional tax burden on the small farms may after all be insignificant. Table 55 has been prepared for the purpose of determining, if possible, the effect in terms of additional taxes per farm of unequal or biased assessments. The tax burden decreases as the size of the farm increases from Groups I to IV. Farms in Group I, or those valued at less than $4,000, were taxed on the average of $13.038 per thousand, or $.146 per thousand above the general average of $12.892. Farms in Group II were taxed at $12.867, or only $.025 less than the weighted average. For farms in Group III the tax levy was $.244 less than the average for all farms; and for farms in Group IV the rate was $.965 per thousand less than the general average. From this point, however, the tax rate increases. Farms in Group V were taxed $1.037 above the average, and farms in Group VI $.223 in excess of the average for all farms.

However, when the tax burden is calculated on the average market value it is not excessive for the smaller farms. The average value of farms below $4,000 (Group I) was $2,387. On this value the tax was only $.034 per farm above that which it would have been if the assessment had not been biased. For Groups II and III the tax burden on the average farm was $0.16 and $2.19 less than the general average for the farms as a whole. However, farms in Group IV paid $13.59 less than the general average, and farms in Groups V and VI paid excess taxes of $17.94 and $7.21 respectively. Or if these two groups be combined the tax burden per farm is $12.35 more than it would be if assessments were not made on the basis of market values.

In general the same results are obtained when an analysis is made of the data for the several regions of the state. (See Tables 56 to 59.) In the

[1]Variability in assessment is shown also in Table 53 which gives the coefficient of dispersion for each of the areas included in this study. The greater the coefficient of dispersion the greater the variability in assessment. From this table assessment is more consistent in Catawba county than in any other area. The areas showing the greatest amount of variability are Jackson, McDowell, Person, Cumberland, Lenoir and Chowan.

Mountain region farms in Group I, or those valued at less than $4,000, were taxed $.054 above the average of all farms of the region. The average tax levy per thousand of estimated market value falls in Group II and III, rises slightly in Group IV and quite markedly in Group V, but falls to $9.98 per thousand or 86 cents less than the general average for Group VI.

When these data are translated into actual tax burden per farm the small farms, or farms in Group I, pay only $1.07 per farm more than would be the case if the farms had been assessed at their market value. In case of Groups II and III the taxes per farm were $0.84 and $5.90 per farm less than they should be if the farms had been assessed properly. It is quite evident that farms in Group V bears the brunt of the tax burden. This group of farms paid $43.27 excess taxes per farm. Large farms—Group VI—apparently pay less than their share. Farms in this group paid $57.54 per farm less than they should have paid. However, as there were only 4 farms in the group the results, in so far as they indicate a tendency, are defective.

An analysis of the data for the Piedmont region reveals that farms in Groups I, II, IV, and VI are taxed above the average of the region and Groups III and V less than the average. The variation in assessment caused the small farms, that is in Groups I and II, to pay $2.18 and $0.17 in excess taxes. Groups III and V paid $7.79 and $31.94 respectively less taxes than they would if the assessments had been equalized. In Group IV farms paid $18.67 excess taxes.

In the Coastal Plain farms in Group I were taxed at $15.54 per thousand, or $1.48 more than if assessments had been equalized. In Group II the tax rate per thousand was 60 cents and for Group III $1.16 in excess of the average. In Group IV the tax rate per thousand was $11.53, or $2.54 less than the general average. The tax rate for Group V was slightly above the average, but for Group VI it was less than the average.

The general result of the variation in assessment is that the farms in Groups I, II, III, and V, all pay more taxes and Groups IV and VI less taxes than would be the case if the assessments had been properly equalized. True, for the first three groups excess taxes per farm are not large, but for farms in Group V excess taxes are significant. Farms in Group IV paid $36 less per farm than should be paid if farms had been properly assessed.

In the Tidewater region farms in Group I, i. e., farms below $4,000 are taxed at $12.41 per thousand, as compared with $14.12 for the average for the region. However, Group II farms, which may be considered relatively small farms, were taxed $1.02 above the regional average, in Groups III and IV, the tax rate was $.30 and $1.62 per thousand less than the regional average. For the next two groups, i. e., Groups V and VI, the tax levy was $1.31 and $1.68 higher than the regional average.

These differences in rates of assessment reduced the tax burden on farms in Groups I, III and IV and increased the burden on farms in Groups II, V, and VI. For the first three groups the differences in burden per farm is not marked, i. e., does not exceed, on the average, $5.72 per farm. However, for Group IV taxes were $22.51 less than they would have been if the farms in this group had been assessed at the same rate as the average. And farms in Groups V and VI paid $23.04 and $49.11 more than would have been the case if the farms had been assessed in a uniform manner.

SUMMARY

This chapter has been devoted to a brief discussion of assessment and equalization of farm property. An analysis of the information collected on this subject from eleven typical areas of the state leads to these conclusions: First, that farm property has not been assessed at its true or market value as required by statute; and second, that assessment as now conducted, tends to be discriminatory.

To determine to what extent assessment is based on market value as required by statute, it was necessary first to obtain data regarding the market value of the farms included in this study. It was impossible to obtain actual market prices, as these farms had not been sold recently. For this reason independent estimates were used. These estimates were made by competent persons in each community, who were familiar with the prevailing land prices and also were familiar with the individual farms upon which they were requested to pass judgment. An average of three independent estimates were obtained on 1,057 farms. To these independent estimates were added the farmer's own estimate of the market value of his farm, and from these an average was computed which was designated the *estimated market value*.

The assessed values of each farm, obtained from the county auditor's office, were then expressed as the percentage of this estimated market value. When these percentages were subjected to analysis, it was found that for the 1,057 farms the assessed value was equal to only 75 per cent of the estimated market value. Not only was this true, but there was a wide variation in the percentage figures. To illustrate, there were 46 farms, or 4.5 per cent of all farms, for which the assessed value was 30 per cent or less than the market value, and 35 farms, or 3.4 per cent of all farms, were found to be assessed at over 150 per cent of their market value. There were only 170 farms, or 16.7 per cent of all farms, which had been assessed within a range of 20 per cent of their estimated market value.

In most of the areas the farms were assessed considerably below their estimated market value. This was particularly true in the case of Davidson, Jackson, Ashe, Cumberland, and Pender areas, in which areas the assessed value was less than 60 per cent of the estimated market value. There were only two areas (Chowan and Lenoir), in which the assessed value was greater than 80 per cent of the market value. For Chowan the assessed value was 86.6 per cent and for Lenoir 92 per cent of the estimated market value.

Obviously where the percentage of assessed value to market value is low, relatively few farms will be estimated at their true or market value. The variation in this respect is from 27 per cent in Lenoir to about 3 per cent in Davidson. In some areas practically all of the farms were assessed below their market value.

Such wide variation in assessment is likely to be discriminatory in character. When some farms are assessed at less than their market value and others at more than their market value discrimination arises. Those which are assessed at less than their market value pay less taxes than they should, and those which are assessed higher than their market value pay more taxes than they should. According to the analysis of the data used in this investigation, there is a tendency to tax small farms and large farms heavier than those of intermediate size. Although it should be pointed out that in many cases the additional tax burden on the small farms, when calculated on the average market value of such farms, is significant. For example, for the state as a whole the small farms, or those less than $4,000 in value, were taxed only $.144 per thousand of the estimated market value above the average of all farms. When the tax is computed on the average value of these farms, it amounts to only 34 cents per farm above that which would normally prevail if assessment had been properly made. However, for large farms the difference in taxes appears to be significant. For example, for farms ranging in value from $12,000 to $16,000 the tax rate, due to unequal assessment, was $13.59 less per farm than would have been the case if assessment had been made properly and large farms, or those ranging from $16,000 to $20,000, paid excess taxes of $17.94 per farm. What is true of the state as a whole is equally true of the several areas. In brief the present method of assessing farm property tends decidedly to be discriminatory.

The conclusions reached in this chapter may not be absolutely correct for the reason that estimated prices for farm land have been used in lieu of actual prices. However, the data are sufficiently accurate, it is believed, to demonstrate the fact that our present method of assessing farm property is defective.

TABLE 50—ASSESSED AND ESTIMATED MARKET VALUE OF FARM PROPERTY
(1,057 farms)

Area	No. of Farms	No. of Estimates Per Farm	Owner's value	Assessed Value	Estimated Market Value	Per cent assessed value is of	
						Owner's Value	Estimated Market Value
Jackson	119	3	$ 3,560	$ 2,566	$ 4,315	72	60
McDowell	62	3	5,100	3,365	4,212	66	80
Ashe	92	3	6,995	4,733	7,807	68	61
Mountain	**273**		**5,067**	**3,514**	**5,449**	**69**	**65**
Catawba	99	3	6,027	4,167	5,726	69	73
Davidson	110	3	5,810	3,193	6,440	55	50
Person	81	2	6,752	4,625	5,992	69	77
Piedmont	**290**		**6,147**	**3,928**	**6,050**	**64**	**65**
Moore	65	3	9,772	6,036	8,555	62	71
Cumberland	107	3	6,613	3,948	6,727	60	59
Lenoir	158	2	13,474	10,074	10,931	75	92
Coastal Plain	**330**		**10,489**	**7,215**	**8,847**	**69**	**82**
Chowan	72	2	9,058	7,134	8,242	79	87
Pender	92	4	4,606	2,756	4,576	60	60
Tidewater	**164**		**6,600**	**4,617**	**5,847**	**70**	**79**
State average	**1,057**	**3**	**7,291**	**4,966**	**6,637**	**68**	**75**

TABLE 51—CUMULATIVE FREQUENCY DISTRIBUTION OF THE PERCENTAGE THE ASSESSED VALUE IS OF THE ESTIMATED MARKET VALUE BY SIZE AND PERCENTAGE GROUPS

Percentage Groups	Number Farms Frequency	Cumulative Frequency	Cumulative Frequency
Below 30%	46	46	4.5
30— 39.9	62	108	10.6
40— 49.9	84	192	18.8
50— 59.9	106	298	29.2
60— 69.9	156	454	44.5
70— 79.9	138	592	58.0
80— 89.9	124	716	70.2
90— 99.9	97	813	79.7
100—109.9	73	886	86.9
110—119.9	47	933	91.5
120—129.9	19	952	93.3
130—139.9	17	969	95.0
140—149.9	16	985	96.6
150 and over	35	1,020	100.0
Total	1,020		

Over 100% 20.3%.

TABLE 52—RELATION BETWEEN ASSESSED VALUE AND MARKET VALUE OF FARM REAL ESTATE

Area	Percentage assessed value is of market value	Percentage of farms assessed within 10% of estimated market value	Percentage of farms assessed at less than market value
MOUNTAIN REGION:			
Jackson	60	17	81
McDowell	80	19	77
Ashe	61	14	89
PIEDMONT REGION:			
Cataba	73	17	89
Davidson	50	3	99
Person	77	19	73
COASTAL PLAIN:			
Moore	71	15	78
Cumberland	59	19	79
Lenoir	92	27	60
TIDEWATER REGION:			
Pender	61	12	96
Chowan	87	17	57
State Average	75	17	80

TABLE 53—COEFFICIENT OF DISPERSION OF THE RATIO OF ASSESSED VALUE TO THE ESTIMATED MARKET VALUE BY AREAS. 1,020 FARMS.
(Arithmetic averages used in calculation)

Areas	Coefficient of Dispersion	Number of Farms
Jackson	.300	110
McDowell	.335	53
Ashe	.278	92
Catawba	.193	96
Davidson	.298	106
Person	.336	81
Moore	.298	65
Cumberland	.329	107
Lenoir	.376	149
Pender	.267	92
Chowan	.330	69
State*	.292	1,020

*Coefficient of Dispersion of 1,020 farms from the arithmetic mean for the state, (arithmetic mean is 77.9).

Coefficient of Dispersion of the 11 areas from the arithmetic mean of the areas .158. (arithmetic mean is 69.8, weighted average for the state is 74.8).

TABLE 54—DOUBLE FREQUENCY TABLE SHOWING THE RELATION BETWEEN ASSESSED AND MARKET VALUE OF FARM PROPERTY

(1,020 farms)

ESTIMATED MARKET VALUE

Percentage Assessed Value is of Estimated Market Value	I 0—2,999			II 3,000—5,999			III 6,000—8,999			IV 9,000—11,999			V 12,000—14,999			VI 15,000—17,999			VII 18,000 and Over			Total*		
	Freq.	Cum. Freq.	Cum. Perct	Freq.	Cum. Freq.	Cum. Perct	Freq.	Cum. Freq.	Cum. Perct	Freq.	Cum. Freq.	Cum. Perct	Freq.	Cum. Freq.	Cum. Perct	Freq.	Cum. Freq.	Cum. Perct	Freq.	Cum. Freq.	Cum. Perct	Freq.	Cum. Freq.	Cum. Perct
Below 30	9	9	3.0	16	16	4.4	10	10	5.6	6	6	8.7	1	1	2.9	2	2	6.9	2	2	4.5	43	46	4.5
30— 39.9	15	24	7.9	25	41	11.4	12	22	12.3	3	9	13.0	4	5	14.7	2	4	13.8	1	3	6.8	62	108	10.6
40— 49.9	28	52	17.0	23	64	17.8	19	41	22.9	7	16	23.2	-----	-----	-----	2	6	20.7	5	8	18.2	84	192	18.8
50— 59.9	32	84	27.5	37	101	28.0	21	62	34.6	8	24	34.8	3	8	23.5	2	8	27.6	3	11	25.0	106	298	29.2
60— 69.9	50	134	43.9	57	158	43.9	27	29	49.7	8	32	46.4	5	13	38.2	5	13	44.8	4	15	34.1	156	454	44.5
70— 79.9	34	168	55.1	51	209	58.0	23	112	62.6	9	41	59.4	7	20	58.2	5	18	62.1	9	24	54.5	138	592	58.0
80— 89.9	34	202	66.2	50	259	71.9	14	123	70.4	10	51	73.9	5	25	73.5	4	22	75.9	7	31	70.5	124	716	70.2
90— 99.9	28	230	75.4	35	294	81.7	18	144	80.5	6	57	82.6	5	30	88.2	1	23	79.3	4	35	79.5	97	813	79.7
100—109.9	25	255	83.6	28	322	89.4	7	151	84.4	4	61	88.4	3	33	97.1	2	25	86.2	4	39	88.6	73	886	86.9
110—119.9	15	270	88.5	12	334	92.8	13	164	91.6	2	63	91.3	1	34	10.0	1	23	89.6	3	42	95.5	47	933	91.5
120—129.9	7	277	90.8	9	343	95.3	2	166	92.7	-----	-----	-----	-----	-----	-----	1	27	93.1	-----	-----	-----	19	952	93.3
130—139.9	10	287	94.1	2	345	95.8	3	169	94.4	1	64	92.8	-----	-----	-----	1	28	96.6	-----	-----	-----	17	969	95.0
140—149.9	4	291	95.4	3	348	96.7	6	175	97.8	3	67	97.1	-----	-----	-----	-----	-----	-----	-----	-----	-----	16	985	96.6
150 and over	14	305	100	12	360	100	4	179	100	2	69	100	-----	100	-----	1	29	100	2	44	100	35	1,020	100.0
Total	305			360			179			69			34			29			44			1,020		
Per cent in Size groups	29.9			35.2			17.5			6.8			3.3			2.8			4.3					

STATE

TABLE 55—ASSESSED VALUATION AND APPROXIMATE TAX LEVY PER $1,000 OF ESTIMATED MARKET VALUE OF FARM REAL ESTATE; AND EXCESS TAX LEVY ON $1,000 ESTIMATED MARKET VALUE, AND ON THE AVERAGE FARM BECAUSE OF DIFFERENCES IN THE RATE OF ASSESSMENT

Group No	Size	Number of Farms	Assessed Valuation Per $1,000 of Estimated Market Value	Tax Levy on $1,000 at .0168 per Dollar of Assessed Value*	Tax Levy Above or Below Average Per $1,000 of of Estimated Market Value	Estimated Market Value of the Average Farm	Excess Tax on Account of Differences in Rate of Assessment on the Average Farm
	Weighted Average of all Groups	1,020	$ 767.570	$ 12.895	----------	$ 6,431	----------
I	Below $4,000	434	$ 776.142	$ 13.039	.144	$ 2,387	.34
II	$ 4,000 to $ 7,999	371	765.881	12.867	−.028	5,612	−.16
III	8,000 to 11,999	109	754.170	12.670	−.225	9,727	−2.19
IV	12,000 to 15,999	43	709.930	11.927	−.968	14,040	−13.59
V	16,000 to 19,999	26	828.456	13.918	1.023	17,538	17.94
VI	20,000 and above	37	779.597	13.097	.202	35,679	7.21

TABLE 56—MOUNTAIN REGION

	Weighted Average of all Groups	255	$ 702.00	$ 11.794	----------	$ 5,005	----------
I	Below $4,000	138	$ 734.08	$ 12.333	.539	$ 1,991	$ 1.073
II	$ 4,000 to $ 7,999	78	693.22	11.646	−.148	5,682	−.841
III	8,000 to 11,999	19	665.73	11.184	−.610	9,669	−5.898
IV	12,000 to 15,999	10	703.66	11.821	.027	13,975	.377
V	16,000 to 19,999	6	844.87	14.194	2.400	18,029	43.269
VI	20,000 and above	4	593.92	9.978	−1.816	31,684	−57.538

TABLE 57—PIEDMONT REGION

	Weighted Average of all Groups	287	$ 662.20	$ 11.125	----------	$ 5,703	----------
I	Below $4,000	104	$ 708.39	$ 11.901	.776	$ 2,813	$ 2.183
II	$ 4,000 to $ 7,999	126	663.90	11.154	.029	5,680	.165
III	8,000 to 11,999	37	615.11	10.334	−.791	9,849	−7.791
IV	12,000 to 15,999	8	742.89	12.481	1.356	13,768	18.669
V	16,000 to 19,999	4	550.00	9.24	−1.885	16,945	−31.941
VI	20,000 and above	4	675.46	11.348	.223	21,541	.48

TABLE 58—COASTAL PLAIN REGION

	Weighted Average of all Groups	321	$ 837.02	$ 14.062	----------	$ 8,623	----------
I	Below $4,000	103	$ 924.80	$ 15.537	$ 1.475	$ 2,554	$ 3.77
II	$ 4,000 to $ 7,999	125	872.45	14.657	.595	5,509	3.28
III	8,000 to 11,999	40	906.01	15.221	1.159	9,556	1.11
IV	12,000 to 15,999	18	686.08	11.526	−2.536	14,236	−36.10
V	16,000 to 19,999	9	868.75	14.595	.533	17,384	9.27
VI	20,000 and above	26	797.64	13.400	−.662	39,219	−25.96

TABLE 59—TIDEWATER REGION

	Weighted Average of all Groups	161	$ 840.46	$ 14.120	----------	$ 5,459	----------
I	Below $4,000	89	$ 738.58	$ 12.408	$ −1.712	$ 2,311	$ −3.956
II	$ 4,000 to $ 7,999	42	901.35	15.143	1.023	5,588	5.717
III	8,000 to 11,999	13	822.53	13.819	−.301	9,991	−3.007
IV	12,000 to 15,999	7	744.30	12.504	−1.616	13,938	−22.514
V	16,000 to 19,999	7	918.18	15.425	1.305	17,656	23.041
VI	20,000 and above	3	940.63	15.803	1.683	29,180	49.109

*The tax levy per dollar of assessed valuation (.0168) is the average rate in 1927 on all property outside of cities in the 11 areas from which records were obtained. The average rate for the state outside cities in 1927 was .0163 or $1.63 per $100.)

TABLE 60—VALUATIONS OF FARM REAL ESTATE PER ACRE

Area	Owner's Value		Total Owner's Value per Acre of Real Estate	Estimated Market Value per Acre	Assessed Value per Acre
	Value of Land per Acre	Value of Buildings per Acre			
Jackson	$26.66	$9.00	$35.66	$46.15	$23.76
McDowell	26.99	9.10	36.09	29.83	20.35
Ashe	37.25	13.55	50.80	56.86	34.38
Mountain	**30.74**	**10.79**	**41.53**	**45.93**	**26.90**
Catawba	39.64	18.94	58.58	56.21	39.28
Davidson	43.26	19.23	62.49	69.33	33.72
Person	29.81	20.01	49.82	43.46	35.64
Piedmont	**37.36**	**19.43**	**56.79**	**56.04**	**36.20**
Moore	46.51	17.51	64.02	51.51	39.55
Cumberland	36.30	17.21	53.51	54.94	31.95
Lenoir	58.88	25.51	84.39	68.03	59.10
Coastal Plain	**51.64**	**20.13**	**71.77**	**61.06**	**47.66**
Chowan	48.06	21.69	69.75	63.98	53.30
Pender	17.65	8.38	26.03	25.91	15.58
Tidewater	**28.92**	**13.06**	**41.98**	**39.84**	**29.34**
State	**35.24**	**16.37**	**51.61**	**42.36**	**36.70**

APPENDICES

TO

TAXATION OF AGRICULTURE

I. Statistical Tables
II. Schedules Used in Farm Survey

APPENDIX I

STATISTICAL TABLES

TABLE 61—VARIATION OF FARMS ACCORDING TO SIZE, (TOTAL ACREAGE)
(1,156 owner-operated farms)

Acres per Farm	Mountain Region				Piedmont Region				Coastal Plain Region					Tidewater Region			Total for State
	Jackson	Mc-Dowell	Ashe	Total	Catawba	Davidson	Person	Total	Moore	Moore Peach	Cumberland	Lenoir	Total	Pender	Chowan	Total	
500 and Over	2	1	3	6	1		2	3	1	7	5	4	17	10	1	11	37
260—499	3	9	7	19	4		4	8	6	2	7	5	20	15	9	24	71
175—259	7	6	15	28	8	10	17	35	7	7	5	14	33	10	16	26	122
100—174	33	19	26	78	21	41	35	97	14	16	33	38	101	29	24	53	329
50— 99	34	20	27	81	50	43	27	120	8	7	35	49	99	19	21	40	340
20— 49	34	8	17	59	14	25	5	44	12	2	22	23	59	32	22	54	216
Less than 20	7	1	2	10	1	2	1	4	3		1	2	6	19	2	21	41
Total	120	64	97	281	99	121	91	311	51	41	108	135	335	134	95	229	1,156

TABLE 62—VARIATIONS IN AMOUNT OF CAPITAL PER FARM
(1,156 owner-operated farms)

Capital per Farm																	
Over $40,000			1	1					10		2	4	16		1	1	18
38,000—39,999																	
36,000—37,999									1				1	1		1	2
34,000—35,999											1		1	1		1	2
32,000—33,999		1	1	2	1			1	1		1	1	3		1	1	7
30,000—31,999											2	2	4				4
28,000—29,999									1				1		2	2	3
26,000—27,999												2	2	1	1	2	4
24,000—25,999			1	1		1		1				1	1		1	1	4
22,000—23,999	1			1		1		1				2	2	1	3	4	8
20,000—21,999		2		2		1	2	3	7		1	4	12		3	3	20
18,000—19,999			1	1	2		2	4			1	5	6	2	3	5	16
16,000—17,999	1		4	5	5	1	3	9	1	1	2	6	10	1	7	8	32
14,000—15,999	1		1	2	2	1	2	5	5		2	5	12		2	2	21
12,000—13,999		1	4	5	3	4	3	10	3	1	4	6	14	3	5	8	37
10,000—11,999	2	4	12	18	3	5	11	19	2	7	9	14	32	5	5	10	79
8,000— 9,999	7	5	9	21	16	13	13	42	2	7	14	19	42	6	9	15	120
6,000— 7,999	11	4	9	24	8	22	10	40	3	7	18	17	45	18	15	33	142
4,000— 5,999	21	12	20	53	29	28	27	84	3	12	19	30	64	27	15	42	243
2,000— 3,999	42	21	27	90	26	39	16	81	2	11	24	14	51	38	14	52	274
Under 2,000	34	14	7	55	4	5	2	11		5	8	3	16	30	8	38	120
Total	120	64	97	281	99	121	91	311	41	51	108	135	335	134	95	229	1,156

TABLE 63—VARIATIONS OF NET INCOME
(1,156 owner-operated farms)

Net Income	Mountain Region				Piedmont Region				Coastal Plain Region					Tidewater Region			Total for State
	Jackson	Mc-Dowell	Ashe	Total	Catawba	Davidson	Person	Total	Moore	Moore Peach	Cumberland	Lenoir	Total	Pender	Chowan	Total	
Over $4,000							1	1	11		1	5	17		3	3	21
3,800—3,999											1	1	2	1	1	2	4
3,600—3,799									1			1	2		1	1	3
3,400—3,599									1			1	2		1	1	3
3,200—3,399							1	1									1
3,000—3,199												2	2	1		1	3
2,800—2,999		1		1							1		1		2	2	4
2,600—2,799							1	1	2	1	1	1	5				6
2,400—2,599							1	1	1		1		2	1		1	4
2,200—2,399									1		1	3	5				5
2,000—2,199							1	1				3	3		3	3	7
1,800—1,999							2	2	1		3	3	7		1	1	10
1,600—1,799										2	1	1	4	2	3	5	9
1,400—1,599							9	9	1	2	1	10	14		2	2	25
1,200—1,399					2	2	4	8	4	2	2	2	10	2	2	4	22
1,000—1,199						1	5	6	1	2	4	9	16	2	5	7	29
800— 999			1	1	4	1	5	10	3		3	12	18	4	7	11	40
600— 799	2		1	3		3	19	22		5	3	10	18	3	7	10	53
400— 599	2	2	4	8	3	10	12	25	1	6	6	17	30	8	3	11	74
200— 399	4	3	4	11	7	7	13	27	2	4	9	14	29	15	11	26	93
0— 199	19	10	12	41	18	12	5	35	3	6	19	18	46	25	19	44	166
−1 to −199	39	13	23	75	35	38	9	82	1	11	19	15	44	32	14	46	247
−200 to −399	37	17	22	76	17	23	2	42	2	7	22	6	37	31	4	25	180
−400 to −599	10	12	19	41	9	15	1	25	2	2	5	1	10	8	2	10	86
−600 to −799	7	5	6	18	2	8		10	1	1	2	2	6	7	1	8	42
−800 to −999		1	3	4	1			1			1		1	2	2	4	10
−1,000 to −1,199					1			1	1		1		2				3
−1,200 to −1,399						1		1							1	1	2
−1,400 to −1,599			1	1							1		1				2
Over −1,600			1	1					1				1				2
Total	120	64	97	281	99	121	91	311	41	51	108	135	335	134	95	229	1,156

TABLE 64—VARIATIONS IN PER CENT RETURN TO CAPITAL
(1,156 owner operated farms)

Per Cent Return to Capital	Mountain Region				Piedmont Region				Coastal Plain Region					Tidewater Region			Total for State
	Jackson	Mc-Dowell	Ashe	Total	Catawba	Davidson	Person	Total	Moore	Moore Peach	Cumberland	Lenoir	Total	Pender	Chowan	Total	
30% and over							7	7	10	1	1	2	14	4		4	25
27—29.9							3	3	1	2		2	5		1	1	9
24—26.9							3	3			3	1	4	6	2	8	15
21—23.9		1		1			7	7	1	2	1	2	6	1	1	2	16
18—20.9	2		1	3			6	6	1	2	4	6	13	6	4	10	32
15—17.9	1	1	1	3	2	2	10	14	2	1	2	9	14	2	2	4	35
12—14.9	3			3	1	2	3	6	2	3	5	12	22	5	8	13	44
9—11.9	3		2	5	2	4	9	15	4	3	7	22	36	6	12	18	74
6— 8.9	4	4	5	13	5	7	8	20	3	4	4	16	27	8	9	17	77
3— 5.9	7	4	4	15	5	10	16	31	2	7	14	23	46	13	12	25	117
0— 2.9	12	6	10	28	20	12	7	39	7	8	17	21	53	15	22	37	157
−1 to −2.9	16	8	17	41	28	21	7	56	2	4	17	11	34	18	13	31	162
−3 to −5.9	17	10	23	50	13	19	2	34	3	6	15	5	29	12	2	14	127
−6 to −8.9	18	10	15	43	14	14	1	29	1	5	6	1	13	11	1	12	97
−9 to −11.9	12	5	8	25	4	13	1	18		1	4	1	6	8	3	11	60
−12 to 14.9	10	5	3	18	2	9		11	1		4		5	7	1	8	42
−15 to −17.9	9	5	5	19	1	5		6		1	1		2	3		3	30
−18 to −20.9	3	1	1	5					1		1	1	3	1		1	9
−21 to −23.9	3		2	5	1			1		1			1	3	1	4	11
−24% and over		4		4		1		1			1		1	4	1	5	11
Total	120	64	97	281	98	119	90	307	41	51	107	135	334	133	95	228	1,150

*On 6 farms the expenses exactly balanced the receipts; therefore, the return to capital was zero; on 549 farms the expenses were greater than the receipts resulting in a minus income or a loss on the capital invested.

TABLE 65—VARIATION IN CASH INCOME FROM THE FARM* (1,156 owner-operated farms)

Cash Income per Farm	Mountain Region				Piedmont Region				Coastal Plain Region					Tidewater Region			Total for State
	Jackson	Mc-Dowell	Ashe	Total	Catawba	Davidson	Person	Total	Moore	Moore Peach	Cumberland	Lenoir	Total	Pender	Chowan	Total	
Over $4,000			1	1			1	1	13		1	8	22	1	5	6	30
3,800—3,999												2	2		2	2	4
3,600—3,799							1	1									1
3,400—3,599							1	1	1		2	1	4				5
3,200—3,399												1	1				1
3,000—3,199		1		1			1	1	1		1	2	4				6
2,800—2,999									2				2	1		1	3
2,600—2,799												3	3		2	2	5
2,400—2,599							2	2		1	1	2	4		1	1	7
2,200—2,399							3	3	2	3	1		6	2	2	4	13
2,000—2,199							5	5	2	1	1	6	10		2	2	17
1,800—1,999					1	1	5	7	1	1	2	5	9	1	4	5	21
1,600—1,799							4	4	3	1	1	4	9	1	3	4	17
1,400—1,599					1	3	4	8	3		2	9	14	3	2	5	27
1,200—1,399					5	2	10	17		2	2	14	18	2	5	7	42
1,000—1,199	2		2	4	2	3	13	18	2	6	5	11	23	6	6	12	58
800— 999	2		1	4	4	5	10	20		4	7	10	21	5	5	10	55
600— 799	5	3	5	12	11	9	13	33	2	2	10	12	26	14	10	24	95
400— 599	5	1	9	15	10	15	7	32	1	4	14	18	37	15	16	31	115
200— 399	15	8	13	37	29	22	4	55		7	12	10	29	17	13	30	151
0— 199	45	20	21	87	21	32	3	56	1	8	19	9	37	30	9	39	219
−1 to −199	36	23	21	79	9	20		29	5	4	16	2	27	21	3	24	159
−200 to −399	7	7	13	26	3	7		10		3	6	2	11	10	2	12	59
−400 to −599	1		5	6	3	1		4		1	2		3	4	1	5	18
−600 to −799			2	2						1	2	2	5		1	1	8
−800 to −999	2	1	1	4		1	1	1	1			2	3	1	1	2	10
−1,000 to −1,199																	
−1,200 to −1,399			2	2							1		1				3
−1,400 to −1,599							1	1	1	1			2				3
−1,600 and over			1	1			2	2		1			1				4
Total	120	64	97	281	99	121	91	311	41	51	108	135	335	134	95	229	1,156

*Cash income equals cash receipts minus cash expenses.

TABLE 66—VARIATION IN PER CENT TAXES ARE OF CAPITAL
(1,156 owner-operated farms)

Per Cent Taxes are of Capital	Mountain Region				Piedmont Region				Coastal Plain Region					Tidewater Region			Total for State
	Jackson	Mc-Dowell	Ashe	Total	Catawba	Davidson	Person	Total	Moore	Moore Peach	Cumberland	Lenoir	Total	Pender	Chowan	Total	
5% and over	1	1		2		1		1									3
4—4.9			1	1										2	2	4	5
3—3.9	3			3	1	1	2	4		1	1	4	6	3	2	5	18
2—2.9	33	5	18	56	4	7	3	14	2	6	19	17	44	47	16	63	177
1—1.9	74	32	62	168	55	50	47	152	24	26	71	92	213	63	57	120	653
Less than 1%?	9	26	16	51	39	62	39	140	15	18	17	22	72	19	18	37	300
Total	120	64	97	281	99	121	91	311	41	51	108	135	335	134	95	229	1,156

TABLE 67—VARIATION IN PER CENT TAXES ARE OF CAPITAL
(416 Rented Farms)

	Cash Rented Farms	Share Rented Farms	Total Rented Farms
5% and over	5	1	6
4—4.9	3	3	6
3—3.9	13	12	25
2—2.9	35	64	99
1—1.9	89	134	223
Less than 1%	28	29	57
Total	173	243	416

TABLE 68—VARIATION IN PER CENT TAXES ARE OF NET INCOME (BEFORE TAXES)
(1,156 owner-operated farms)*

Per Cent Taxes are of Net Income	Mountain Region				Piedmont Region				Coastal Plain Region					Tidewater Region			Total for State
	Jackson	Mc-Dowell	Ashe	Total	Catawba	Davidson	Person	Total	Moore	Moore Peach	Cumberland	Lenoir	Total	Pender	Chowan	Total	
100% and over	11	5	12	28	12	8	4	24	1	1	9	7	18	9	5	14	84
95—99.9	-------	-------	-------	-------	-------	-------	-------	-------	-------	-------	1	-------	1	1	-------	1	2
90—94.9	-------	-------	-------	-------	-------	1	-------	1	-------	-------	-------	1	1	1	-------	1	3
85—89.9	2	-------	-------	2	-------	-------	1	1	-------	-------	3	2	5	1	-------	1	9
80—84.9	-------	-------	2	2	-------	1	-------	1	-------	-------	1	-------	1	1	-------	1	5
75—79.9	-------	-------	2	2	-------	-------	-------	-------	-------	1	2	-------	3	1	1	2	7
70—74.9	-------	-------	-------	-------	1	-------	-------	1	1	-------	-------	2	3	5	-------	5	9
65—69.9	1	-------	-------	1	2	1	-------	3	-------	1	1	-------	2	1	2	3	9
60—64.9	3	-------	-------	3	1	1	-------	2	-------	1	-------	2	3	1	1	2	10
55—59.9	1	-------	4	5	1	1	-------	2	1	-------	1	3	5	1	3	4	16
50—54.9	-------	-------	-------	-------	1	1	1	3	-------	2	1	2	5	-------	3	3	11
45—49.9	2	-------	-------	2	2	1	-------	3	1	-------	3	2	6	1	1	2	13
40—44.9	-------	-------	-------	-------	1	-------	1	2	1	-------	1	2	4	-------	3	3	9
35—39.9	3	1	-------	4	5	1	2	8	-------	2	3	3	8	-------	6	6	26
30—34.9	3	1	2	6	4	-------	2	6	1	1	1	3	6	3	3	6	24
25—29.9	2	2	3	7	3	3	4	10	-------	2	4	6	12	2	2	4	33
20—24.9	2	1	2	5	1	3	4	8	1	1	4	11	17	8	2	10	40
15—19.9	5	-------	4	9	4	2	10	16	1	4	5	22	32	8	10	18	75
10—14.9	4	3	1	8	2	9	8	19	7	7	11	22	47	12	15	27	101
5— 9.9	4	2	4	10	6	8	23	37	7	6	8	28	49	14	18	32	128
Less than 5%	-------	3	-------	3	1	2	23	26	13	4	7	4	28	5	2	7	64
Total	43	18	36	97	47	43	83	173	35	33	66	122	256	75	77	152	678

*478 farms had minus net incomes.

TABLE 69—VARIATION IN PER CENT TAXES ARE OF CASH INCOME (BEFORE TAXES)
(*1,156 owner-operated farms)

Per Cent Taxes are of Net Income	Mountain Region				Piedmont Region				Coastal Plain Region					Tidewater Region			Total for State
	Jackson	Mc-Dowell	Ashe	Total	Catawba	Davidson	Person	Total	Moore	Moore Peach	Cumberland	Lenoir	Total	Pender	Chowan	Total	
100% and over	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
95—99.9	...	1	...	1	1	...	...	1	...	...	...	1	1	...	...	...	3
90—94.9	3	...	...	3	1	...	...	1	...	...	1	...	1	1	...	1	6
85—89.9	2	1	...	3	...	...	...	...	...	...	1	1	2	...	...	...	5
80—84.9	2	...	...	2	1	...	...	1	...	...	...	...	...	...	1	1	4
75—79.9	1	1	...	2	...	...	...	...	...	...	1	...	1	...	...	...	3
70—74.9	1	...	1	2	1	...	...	1	...	...	...	...	...	...	...	...	3
65—69.9	1	2	...	3	1	1	...	2	...	...	3	...	3	3	...	3	11
60—64.9	3	...	1	4	...	...	...	...	...	...	...	...	...	1	...	1	5
55—59.9	3	...	4	7	...	2	...	2	...	...	3	2	5	1	1	2	16
50—54.9	4	...	1	5	1	...	...	1	...	1	1	...	2	2	2	4	12
45—49.9	3	1	1	5	3	4	...	7	...	1	4	...	5	3	...	3	20
40—44.9	4	1	4	9	1	2	...	3	...	3	4	1	8	2	1	3	23
35—39.9	3	3	1	7	4	3	...	7	...	...	2	2	4	3	...	3	21
30—34.9	2	3	4	9	3	4	3	10	...	...	2	1	3	3	4	7	29
25—29.9	3	...	4	7	7	5	2	14	1	1	4	6	12	6	3	9	42
20—24.9	7	1	4	12	6	7	2	15	1	4	5	9	19	8	7	15	61
15—19.9	10	5	8	23	14	15	7	36	3	6	8	17	34	10	3	13	106
10—14.9	3	3	4	10	11	10	13	34	4	5	11	31	51	16	20	36	131
5— 9.9	12	6	13	31	21	27	17	65	9	13	24	39	85	27	35	62	243
Less than 5%	7	5	2	14	8	12	43	63	16	6	7	17	46	12	10	22	145
Total	74	33	52	159	84	92	87	263	34	40	81	127	282	98	87	185	889

*The cash income was minus for 267 farms, i.e. the cash expenses were greater than the cash receipts.

TABLE 70—VARIATION IN PER CENT TAXES ARE OF NET RENT BEFORE TAXES
(416 Rented Farms)

Per Cent Taxes are of Net Rent	Cash Rented Farms	Share Rented Farms	Total Rented Farms
150 and over	5	13	18
140—149.9	1	1	2
130—139.9	----	2	2
120—129.9	4	2	6
110—119.9	3	1	4
100—109.9	6	2	8
90— 99.9	7	1	8
80— 89.9	3	3	6
70— 79.9	5	1	6
60— 69.9	7	3	10
50— 59.9	9	11	20
40— 49.9	17	11	28
30— 39.9	25	16	41
20— 29.9	31	35	66
10— 19.9	15	65	80
Less than 10%	32	52	84
Total	170*	219*	389*

*3 farms had zero incomes.
24 farms had minus incomes therefore per cent taxes are of net rent could not be calculated.
389+3+24=416 total rented farms.

TABLE 71—VARIATION IN AMOUNT OF TAXES PER FARM
(416 rented farms)

Amount of Taxes per Farm	Mountain Region	Piedmont Region	Coastal Plain	Tidewater	State
Over $1,000	----	----	7	----	7
900—999	----	----	1	----	1
800—899	----	----	5	----	5
700—799	----	----	4	2	6
600—699	----	----	6	----	6
500—599	----	----	6	----	6
475—499	----	----	2	----	2
450—474	----	1	6	1	7
425—449	----	1	3	----	4
400—424	----	----	----	----	----
375—399	----	----	2	----	2
350—374	----	----	9	----	9
325—349	----	2	6	----	8
300—324	----	1	9	1	11
275—299	----	----	7	----	7
250—274	1	1	8	1	11
225—249	1	1	8	1	11
200—224	----	1	11	----	12
175—199	----	1	13	1	15
150—174	1	6	10	1	18
125—149	2	4	21	----	27
100—124	----	10	25	1	36
75— 99	2	15	29	7	53
50— 74	4	17	42	7	70
25— 49	5	21	24	9	59
1— 24	2	8	12	1	23
Total	18	89	276	33	416

TABLE 72—DOUBLE FREQUENCY TABLE—TOTAL FARM ACREAGE AND TAXES
(1,156 owner-operated farms)

Acres per Farm	Total Number Farms	TAXES PER FARM												Total Taxes
		$1–$24	25–49	50–74	75–99	100–124	125–149	150–174	175–199	200–224	225–249	250–299	Over 300	
Less than 20	39	22	14	1	2	-------	-------	-------	-------	-------	-------	-------	-------	$ 1,066
20— 39	149	35	76	30	6	2	-------	-------	-------	-------	-------	-------	-------	5,737
40— 59	144	20	70	28	17	3	1	4	1	-------	-------	-------	-------	7,342
60— 79	149	16	54	46	18	5	5	4			1	-------	-------	8,894
80— 99	113	5	26	31	29	14	5	1	-------	-------	1	1	-------	8,258
100—119	131	3	25	33	27	15	8	6	4	3	1	3	3	12,471
120—139	80	1	8	22	17	10	9	6	1	2	3.	1	-------	8,100
140—159	81	3	8	21	17	5	11	5	3	2	1	3	2	8,811
160—179	51	2	2	4	9	7	6	10	3	5	-------	1	2	6,608
180—199	36	-------	1	6	5	6	3	4	2	2	3	2	2	5,438
200—219	29	-------	-------	2	7	3	5	4	1	-------	-------	1	6	5,046
220—239	26	-------	-------	1	4	8	3	2	2	-------	1	2	3	4,203
240—259	21	-------	-------	1	4	2	3	3	-------	1	3	1	3	4,397
260—279	9	-------	-------	-------	1	-------	-------	1	-------	3	1	2	1	2,117
280—299	9	-------	-------	1	1	-------	1	1	-------	1	-------	2	2	1,955
300—349	21	-------	-------	2	3	1	2	2	1	4	1	2	3	4,732
350—399	14	-------	-------	-------	1	-------	1	1	1	3	2	2	2	3,268
400—449	12	-------	-------	-------	2	1	-------	-------	1	1	2	-------	5	3,118
450—499	5	-------	-------	-------	-------	-------	-------	1	1	-------	1	2	-------	1,125
Over 500	37	-------	-------	-------	1	1	1	-------	1	1	2	10	21	16,100
Total	1,156	107	284	229	171	83	64	55	22	28	23	35	55	118,786

TABLE 73—VARIATION IN PER CENT ASSESSED VALUE IS OF ESTIMATED MARKET VALUE (INDEPENDENT ESTIMATES INCLUDING OWNER'S VALUE)

(1,020 farms)

Per Cent Assessed Value is of Market Value	Mountain Region				Piedmont Region				Coastal Plain Region				Tidewater Region			Total for State
	Jackson	Mc-Dowell	Ashe	Total	Catawba	David-son	Person	Total	Moore	Cumber-land	Lenoir	Total	Pender	Chowan	Total	
150% and over	1	--------	--------	1	--------	--------	3	3	4	2	14	20	--------	10	10	34
140—149.9	--------	1	1	2	1	--------	1	2	1	--------	8	9	--------	3	3	16
130—139.9	3	2	--------	5	--------	--------	1	1	3	1	6	10	--------	2	2	18
120—129.9	2	2	1	5	2	--------	3	5	--------	2	4	6	1	3	4	20
110—119.9	4	4	2	10	3	--------	5	8	3	7	11	21	--------	6	6	45
100—109.9	11	3	6	20	5	1	9	15	3	10	16	29	3	6	9	73
90— 99.9	8	7	7	22	11	2	7	20	7	10	24	41	8	6	14	97
80— 89.9	19	4	9	32	13	4	10	27	8	14	21	43	14	10	24	126
70— 79.9	11	6	18	35	22	5	13	40	15	9	19	43	14	5	19	137
60— 69.9	18	6	16	40	23	20	14	57	9	11	10	30	19	8	27	154
50— 59.9	15	5	8	28	12	21	5	38	5	15	8	28	11	3	14	108
40— 49.9	8	6	14	28	2	18	1	21	4	17	4	25	9	2	11	85
30— 39.9	4	6	5	15	2	25	5	32	--------	6	3	9	9	2	11	67
Less than 30%	6	1	5	12	--------	10	4	14	3	3	1	7	4	3	7	40
Total	110	53	92	255	96	106	81	283	107	65	149	321	92	69	161	1,020

TABLE 74—VARIATIONS IN PER CENT THE ASSESSED VALUE IS OF THE ESTIMATED MARKET VALUE BY SIZE GROUPS

Areas	Below $2,000	$2,000–3,999	$4,000–5,999	$6,000–7,999	$8,000–9,999	$10,000–11,999	$12,000–13,999	$14,000–15,999	$16,000–17,999	$18,000–19,999	$20,000 and over	Average
Jackson	84.2	73.0	72.1	61.1	53.4	55.2	37.5	62.4	69.6	----------	32.0	59.5
McDowell	75.6	66.8	82.7	82.8	143.1	92.8	----------	88.0	116.4	----------	----------	79.9
Ashe	72.7	69.8	64.3	67.1	57.9	55.4	71.5	78.5	45.8	91.0	65.3	60.6
Mountain	79.3	70.6	71.3	67.1	65.1	67.9	65.7	76.5	77.3	91.0	59.4	64.5
Catawba	81.9	78.5	79.3	72.4	69.8	59.7	81.4	97.5	53.6	----------	67.9	72.8
Davidson	57.9	53.9	51.3	45.4	37.3	43.1	50.6	57.2	21.2	----------	51.6	49.6
Person	90.0	74.8	93.1	75.5	66.8	88.1	--------	112.5	89.3	----------	81.8	77.2
Piedmont	78.7	70.1	71.2	61.7	66.1	56.7	66.1	81.2	55.0	----------	67.5	64.9
Moore	91.5	67.3	90.9	95.9	96.7	----------	112.7	60.1	138.1	----------	70.3	70.6
Cumberland	90.9	91.2	76.8	61.2	48.8	102.8	23,6	58.6	64.3	70.7	46.2	58.7
Lenoir	170.9	102.0	100.7	90.6	88.9	120.7	87.8	72.0	86.0	78.9	87.9	92.2
Coastal Plain	102.6	90.1	90.2	82.9	77.5	117.3	80.5	64.6	90.6	74.7	79.8	81.6
Pender	56.1	64.7	77.1	71.4	69.2	87.2	72.3	48.5	68.2	----------	23.4	86.6
Chowan	111.2	104.9	86.8	107.2	72.4	80.5	85.6	79.7	97.1	94.3	126.5	60.2
Tidewater	68.4	75.5	81.7	100.7	80.5	83.5	78.9	69.2	89.7	94.3	94.1	79.0
State	81.4	76.6	79.3	73.4	72.3	79.0	72.5	70.0	80.3	88.3	78.0	74.8

TABLE 75—VARIATION IN ASSESSED VALUE OF FARM PROPERTY IN SPECIFIED AREAS AND THE PERCENTAGE OF ALL ASSESSMENTS EXAMINED IN EACH AREA FALLING INTO VARIOUS CLASSIFICATIONS RANGING FROM 30 TO 150 PER CENT (for 1,057 farms)

Area	Ratio of Assessed Value to Estimated Market Value	Percentage Ratio of Assessed Value to Estimated Market Value																
		Below 30	30—39.9	40—49.9	50—59.9	60—69.9	70—79.9	80—89.9	90—99.9	100—109.9	110—119.9	120—129.9	130—139.9	140—149.9	150 and Over	Total	Below 100% of Market Value	Above 100% of Market Value
Mountain Region																		
Jackson	59.5	5.445	3.636	7.273	13.636	16.364	10.000	17.273	7.273	10.000	3.636	1.818	2.727	------	.919	100.0	81	19
McDowell	79.9	1.887	11.321	11.321	9.434	11.321	11.321	7.547	13.208	5.660	7.547	3.774	3,774	1.887	------	100.0	77	23
Ashe	60.6	5.435	5.435	15.217	8.696	17.390	19.565	9.783	7.609	6.522	2.174	1.087	------	1.087	------	100.0	89	11
Piedmont Region																		
Catawba	72.8	--------	2.083	2.083	12.500	23.958	22.917	13.542	11.458	5.209	3.125	2.083	------	1.042	------	100.0	89	11
Davidson	49.6	9.434	23.585	16.981	19.811	18.868	4.717	3.774	1.887	.943	------	------	------	------	------	100.0	99	1
Person	77.2	4.938	6.173	1.235	6.173	17.284	16.049	12.346	8.640	11.111	6.173	3.704	1.235	1.235	3.704	100.0	73	17
Coastal Plain Region																		
Moore	70.6	4.615	--------	6.154	7.692	13.846	23.077	12.308	10.769	4.615	4.615	------	4.615	1.558	6.145	100.0	78	22
Cumberland	58.7	2.804	5.607	15.888	14.019	10.280	8.411	13.084	9.346	9.346	6.542	1.869	.935	------	1.869	100.0	79	21
Lenoir	92.2	.671	2.013	2.685	5.369	6.711	12.752	14.094	16.107	10.738	7.383	2.685	4.027	5.396	9.396	100.0	60	40
Tidewater Region																		
Pender	60.2	4.348	9.783	9.783	11.957	20.651	15.217	15.217	8.696	3.261	------	1.087	------	------	------	100.0	96	4
Chowan	86.6	4.348	2.898	2.898	4.348	11.594	17.246	14.493	8.696	8.696	8.69	64.348	2.898	4.348	14.493	100.0	57	43
State	74.8	3.922	6.569	8.333	10.588	15.098	13.431	12.353	9.510	7.157	4.412	1.960	1.765	1.569	3.333	100.0	80	20

*The table shows in column 1 the weighted average ratio of the assessed value of farm property to the estimated market value thereof, and also in columns 2 to 15 inclusive the percentage of all assessments examined in each area falling into the classification indicated 30—150%.

In the classification assessments which are less than 30% of the market value fall into the first class, those from 30—39.9 into the second class, each class having a range of 10% until 150% is reached.

Column 17 shows the percentage of assessment below 100% of market value while column 18 gives the percentage above 100% of market value.

APPENDIX II

EXHIBIT A-FIELD SCHEDULE USED IN SURVEY OF OWNER-OPERATED FARMS

For Use in Southern States

U. S. DEPARTMENT OF AGRICULTURE
FARM MANAGEMENT

No. 1

State.................... County.......................... Township.......................... Farm year beginning.............., 19...

Operator.................................. Age.........
P. O. Address..
Landlord.................................. Age.........
P. O. Address..
Location...
Miles from market..
Soil types...
Topography...

Acres owned....................
Acres cash rented..............
Acres share rented.............
Total..........................
Acres rented out...............
Acres operated.................

Acres in crops.....................................
Acres in tillable land lying out...................
Acres in rotation pasture..........................
Acres in permanent pasture tillable................
Acres in open pasture not tillable.................
Acres in woods pastured............................
Acres in woods not pastured........................
Acres in waste land, roads, etc....................

CROP RECORD

Crops	Acres	Yield		Operator's Sales			Landlord's Sales			Family Use	
		Per acre	Total	Amount	Price	Value	Amount	Price	Value	Amount	Value
Cotton, wages											
Cotton, croppers(No.)											
Cotton seed, wages											
Cotton seed, croppers											
Corn for grain, wages											
Corn for grain, croppers											
Corn fodder, wages											
Corn fodder, croppers											
Corn for silage											
Other corn											

CROP RECORD—*Continued*

No. 2

CROPS	ACRES	YIELD		OPERATOR'S SALES			LANDLORD'S SALES			FAMILY USE	
		Per acre	Total	Amount	Price	Value	Amount	Price	Value	Amount	Value
Wheat											
Rye											
Oats											
Cowpea seed											
Straw											
Cowpea hay											
Soy Bean hay											
Crab grass hay											
Millet hay											
Peanuts, wages											
Peanuts, croppers											
Chufas											
Velvet beans											
Tobaccos, wages											
Tobacco, croppers											
Rice											
Sugar cane											
Sorghum											
Irish potatoes											
Sweet potatoes											

CROP RECORD—*Continued*

No. 3

Crops	Acres	Yield		Operator's Sales			Landlord's Sales			Family Use	
		Per acre	Total	Amount	Price	Value	Amount	Price	Value	Amount	Value
Watermelons											
Cantaloupes											
Tomatoes											
Cabbage											
Onions											
String Beans											
Cucumbers											
Apples											
Peaches											
Grapefruit											
Oranges											
Tangerines											
Berries											
Garden											
CROPS HELD FOR SALE											

SHARE-CROPPER OR SHARE-HAND LABOR

CROPPER'S PROPORTIONATE SHARE OF FARM PRODUCTS AND EXPENSES 2A

	TOTAL PRODUCTION	FERTILIZER	SEED AND PLANTS	GINNING	CONTAINERS	STORAGE	
Cotton							
Cottonseed							
Corn							
Corn fodder							

VALUE OF CROPPER'S SHARE OF FARM PRODUCTS AND EXPENSES

	TOTAL PRODUCTION	CROPPER'S SHARE		
	Amount	Amount	Price	Value
Cotton				
Cottonseed				
Corn				
Corn fodder				
Total value of cropper's share of farm products				

	TOTAL EXPENSE	CROPPER'S SHARE		
	Amount	Amount	Price	Value
Fertilizer				
Seed and plants				
Ginning				
Total value of cropper's share of expenses				

Cost of cropper's labor*________ (________Mo.)________

*Value of cropper's share of farm products less value of cropper's share of expense.

OPERATOR'S LIVE STOCK RECORD[1]

No. 4

Kind	Beginning of Year			End of Year			Sales			Purchases			Died	Family Use	
	No.	Price	Value	No.	Price	Value	No.	Price	Value	No.	Price	Value	No. and value	No.	Value
Horses															
Mules															
Colts[2] ( )															
Cows															
Heifers															
Calves[2] ( )															
Bulls															
Steers															
Ewes															
Lambs[2] ( )															
Brood sows															
Otherhogs															
Pigs[2](S___F___)															
Chickens															

[1]Numbers, values, and weights are important. [2]Record number calves, colts, lambs, and spring and fall pigs born during the year.
Use letters to represent dates of sales and purchases: A, Jan.; B, Feb.; C, Mar.; D, Apr.; E, May; F, June; G, July; H, Aug.; I, Sept.; J ,Oct.; K, Nov.; L, Dec.

LIVE-STOCK PRODUCTS

4A

ITEMS	Sales				Family Use	
	Amount	Price	Operator	Landlord	Amount	Value
Butter						
Butterfat, cream						
Market milk						
Buttermilk						
Cheese						
Eggs						
Meat						
Wool						
Breeding fees						
Hides						

OTHER SOURCES OF INCOME

ITEMS	Receipts				Family Use	
	Amount	Price	Operator	Landlord	Amount	Value
Man labor						
Man and team labor						
Machine work						
Ginning						
Cash rent						
Cotton rent						
Rent of buildings						
Bees and honey						
Lumber, wood, etc.						

No. 5

T–TENANT
L–LANDLORD

FEED AND SUPPLIES

ITEMS	Beginning of Year			End of Year		
	Amount	Price	Value	Amount	Price	Value
Hay						
Fodder						
Corn						
Wheat						
Oats						
Cotton seed						
Cowpea seed						
Peanuts						
Seed cane						
Total: Operator						
Total: Landlord						

T–TENANT
L–LANDLORD

FEED BOUGHT

ITEMS	Amount	Price	Value
Hay			
Straw			
Fodder			
Total Roughage: Landlord ---------- Operator ----------			
Corn			
Oats			
Cottonseed meal			
Chicken feed			
Total Grain, Etc.: Landlord ---------- Operator ----------			

SEED BOUGHT

ITEMS	Amount	Price	Operator	Landlord
Total				

FERTILIZER, LIME, AND MANURE BOUGHT

ITEMS	Amount	Price	Operator	Landlord
Total				

CURRENT EXPENSES 5A

ITEMS	OPERATOR	LANDLORD	NOTES
Wage hands (---mo.)			
Rations (---mo.)			
Board (mo.)			
Cotton chopping (---mo.)			
Cotton picking (---mo.)			
Contract labor (---mo.)			
Miscellaneous labor (---mo.)			
Cropper labor (p. 2A) (---mo.)			
Hired manager (---mo.)			
Repairs, machinery (p. 6A)			
Repairs, dwelling (p. 7)			
Repairs, tenant houses (p. 7)			
Repairs, other buildings (p. 7)			
Repairs, gin and equipment (p. 7)			
Repairs, fences (p. 7)			
Repairs, drains, terraces (p. 7)			
Feed: roughage (p. 5)			
Feed: grain, etc. (p. 5)			
Pasture (---acres)			
Bedding			
Feed grinding			
Silo filling			
Corn shredding			
Milk hauling			
Cow testing			
Ice			
Horseshoeing			
Veteriniary, medicine, dips			
Breeding fees			
Registry fees			

CURRENT EXPENSES—*Continued*

ITEMS	OPERATOR	LANDLORD	NOTES
Seeds (p. 5)			
Plants			
Trees			
Fertilizer, wage land (____T)			
Fertilizer, cropper land (____T)			
Lime (____T)			
Manure (____T)			
Spray material			
Twine			
Thrashing			
Baling and wire			
Ginning, etc.			
Other machine work hired			
Fuel and oil for farm work			
Auto for farm use			
Telephone			
Bags, cans, crates, barrels, etc.			
Storage			
Freight			
Commission			
Advertising			
Auctions			
Insurance			
Taxes			
Cash rent			

T–TENANT
L–LANDLORD

MACHINERY AND EQUIPMENT 6A

No.	ITEMS	Value at beginning of year	Value of purchases during year	Value of machinery sold or salvaged during year	Value at end of year	Depreciation Charges		Value of repairs made during year
						Per cent	Amount	
	Wagons, beds, racks							
	Buggies, carriages							
	Stalk cutters							
	Breaking plows, walking							
	Breaking plows, sulky or gang							
	Middle busters							
	Harrows, spike or spring tooth							
	Harrows, disk							
	Rollers, plankers							
	Corn, cotton planter							
	Grain drills, seeders							
	Plant setters							
	Plow stocks and sweeps							
	Cultivators, weeders							
	Corn binders							
	Grain binders							
	Mowers							
	Tedders							
	Hay rakes							
	Hay loaders, stackers							
	Hay baler							
	Manure spreader							
	Lime, fert. distributors							
	Thrasher, hullers, etc.							
	Corn huskers, silage cutters							
	Grain cleaners							
	Feed grinders							
	Sirup and sugar equipment							
	Sprayers							
	Potato equipment							
	Orchard equipment							
	Engines							
	Tractors							
	Auto trucks							
	Work harness, plow-gears							
	Driving harness							
	Dipping vat							
	Dairy equipment							
	Poultry equipment							
	Small tools							
	TOTAL: Operator							
	TOTAL: Landlord							

T–TENANT
L–LANDLORD

REAL ESTATE AND IMPROVEMENTS

ITEMS	Value Beginning of Year	Value Improvements Made During Year	Value Property Sold or Salvaged During Year	Value End of Year	Depreciation Charges: Percent	Depreciation Charges: Amount	Repair Expenses: During Yr.	Repair Expenses: Normal
Dwellings								
Tenant houses								
Other buildings								
Gin and equipment								
Fences								
Drains, terraces, irrigation								
Land clearing, etc.	——		——	——	——	——	——	——
Total, Operator								
Total, Landlord								

	Beginning of Year	Bought During Year	Sold During Year	End of Year
Value operator's real estate				
Value landlord's real estate				

Cash to Run Farm

Operator
Landlord

NOTES

Borrowed working capital — Mo. — Int., $
Operator's mortgage — Interest rate, %
Price paid for farm — Year

What will the farm rent for?
Value unpaid family labor — Months
Value operator's labor — Months
Value landlord's labor — Months

No. in family on farm — Under 16 years

Grade — Date
Investigator

EXHIBIT B—SCHEDULE USED IN RENTED FARM SURVEY

THE TAX COMMISSION No 1.

FARM INCOME STUDY

LANDLORD SCHEDULE

Owner's Name................................P. O. Address..........................
Tenant's Name...............................P. O. Address..........................
County....................Township....................School District............
Legal Description.............................Acres Farm year Beginning January 1, 1927

A FARM PROPERTY

	1927	1926	1925
1. Owner's valuation of land and buildings			
a. Actual sales or purchases of this farm			
b. Offers made to owner for this farm			
C. Sales of similar adjacent property			
Acres sold			
Price per acre			
2. Owner's valuation of improvements:			
a. Fences			
b. Buildings			
c. Other			
3. Value of livestock furnished by landlord:			
Cattle			
Hogs			
Poultry			
Sheep			
4. Value of machinery furnished by landlord			
5. Assessed value of:			
a. Land			
b. Buildings			
c. Equipment and other personal property*			
Total assessed value (1)			

*. Include only personal property which is strictly farm property.

No.________________

				1927	1926	1925
6. Taxes Levied:	Rate					
	1927	1926	1925			
a. Countrywide						
b. Township						
c. School district						
d. Special tax						
Total taxes (2)						

B INCOME

1. Value of share rent received, sold or held for sale (i.e. ½, ¼ etc. in each case.)

	Amount produced 1927	Land-lord's share	Land-lord's sales	Held for sale by Landlord	Total Value Land-lord's Equity		
					1927	1926	1925
Cotton							
Peanuts							
Tobacco							
Corn							
Wheat							
Other small grain							
Grain Sorghums							
Annual hay							
Hay							
Tree fruits							
Small fruits							
Potatoes							
Sweet potatoes							
Truck							
Livestock (net)							
Livestock product							
Livestock product							

		1927	1926	1925
		1927	1926	1925
2. Cash rent received				
2. Cash rent received				
Total Rent (Cash and Share)	(3)			
3. Value of farm products received	(3)			
3. Value of farm products received				
Total receipts from farm	(4)			
Total receipts from farm	(4)			

C DEDUCTIONS

No.

	Amount	Price	1927	1926	1925
1. Current outlay of landlord for farm:					
a. Feed					
b. Seed					
c. Fertilizer					
d. Labor					
e. Fuel and oil					
f. Other					
Total current outlay	(5)				
2. Depreciations of:					
a. Building $	Rate				
b. Machinery and Equipment $	Rate				
3. Other $	Rate				
Net Rent	(6)				

D ESTIMATED TRUE VALUE OF THIS FARM

	Landlord's Valuation 1927			Other People's Valuation					
	No. Acres	Price per Acre	Value	1	2	3	4	5	Average
In crops									
In tillable land lying out									
In rotation pasture									
In permanent pasture tillable									
In open pasture not tillable									
In woods pasture									
In woods not pastured									
In waste land, roads, etc.									
Total land									
Improvements									
Buildings									
Total value of farm									

EXHIBIT C—SCHEDULE USED IN SECURING INDEPENDENT ESTIMATE OF TRUE VALUE OF FARMS SURVEYED

THE TAX COMMISSION

FARM TAX STUDY
(Land Value Schedule)

No.................

Date........................

Name of Owner............................P. O. Address........................
Location of farm..
County....................Township........................School District...........
Type of road................................Distance from market....................

Classification of Land	Number Acres	Estimated Value per Acre*	Total Value	Remarks
Crops..................				
Tillable land lying out......				
Rotation pasture...........				
Permanent pasture tillable....				
Open pasture not tillable.....				
Woods pastured............				
Woods not pastured.........				
Waste land, roads, etc.......				
Total................				

Classification of Buildings	Number	Estimated Value*	Total Value	Remarks
Dwelling...............				
Tenant houses...........				
Barns..................				
Tobacco barns...........				
Other buildings..........				
Total...............				
Total value of land and buildings............				

*NOTE.—The estimator may estimate in detail if this is more convenient or make one estimate of the value of the land and buildings.

THE TAXATION OF CITY REAL PROPERTY

SUMMARY

The Tax Commission desired to know (1) at what percentage of true value city property is assessed for taxation, and (2) how much of the net income of city property is absorbed in property taxes. By personal interviews with owners of property and with others intimately acquainted with local conditions in 36 cities of the state, together with assessed valuations taken from county records, the following conclusions have been reached:

City property throughout the state, on the average, is assessed at 58.6 per cent of fair market value.

Business property is assessed at 57.6 per cent, and residence property at 63.1 per cent of fair value.

In the Tidewater region the percentage is 73.0, in the Coastal Plain 59.9, in the Piedmont 58.9, and in the Mountain region 50.7.

In the smaller cities (roughly those under 7,000) the percentage is 58.5, in the medium sized cities (7,000 to 35,000) it is 63.8, and in the large cities 56.6.

Cheap property (market value under $4,000) is assessed at 66.5 per cent, lower middle-class property ($4,001 to $10,000) at 64.1 per cent, upper middle class ($10,001 to $50,000) at 60.6 per cent, and high priced property (over $50,000) at 56.7 per cent.

In 1927 city property was taxed at the average rate of $1.51 per $100 of fair market value. This represents the true tax burden. The corresponding figure for classes of cities and regions is as follows:

Small cities	$1.80
Medium cities	1.76
Large cities	1.35
Tidewater region	2.02
Coastal Plain	1.76
Piedmont region	1.37
Mountain region	1.40

Rented property in general had 29.5 per cent of its net rent before deduction of taxes, taken in taxes. Business property had 28.6 per cent so taken, residence property had 34.5 per cent.

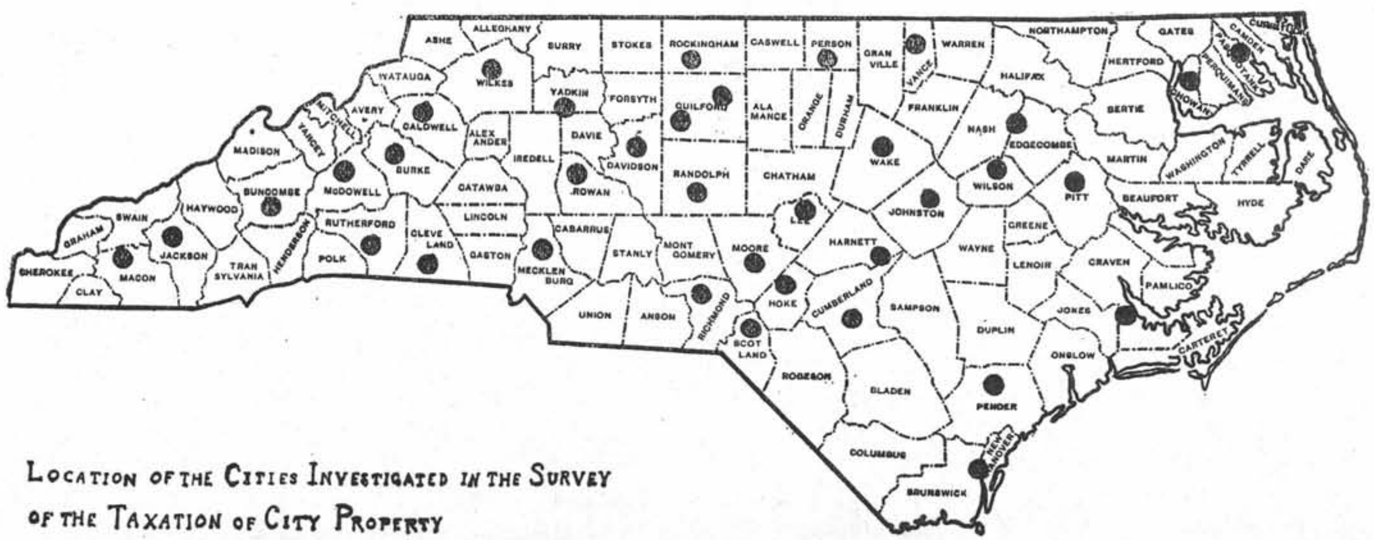
After expenses, including depreciation and taxes, were deducted, business property showed a net return of 3.9 per cent on fair market value, residence property of 3.2 per cent, and both averaged together showed a net return of 3.8 per cent.

By regions, taxes took 38.5 per cent of the net rent in the Tidewater, 31.5 in the Coastal Plain, 26.9 in the Piedmont, and 32.2 in the Mountain.

The percentage earned on market value was 3.3 in the Tidewater, 3.8 in the Coastal Plain, 3.9 in the Piedmont, and 3.3 in the Mountain region.

Properties under $4,000 in value had 47.7 per cent of their net rent taken in taxes while that worth from $4,001 to $10,000 had 39.4 per cent so taken, that from $10,001 to $50,000 had 30.3 per cent and that over $50,000 had 27.4 per cent.

After expenses, depreciation, and taxes, property of the first class (under $4,000) earned 2.2 per cent on its market value, that in the second class ($4,001 to $10,000) earned 2.9 per cent, that in the third class ($10,001 to $50,000) earned 3.9 per cent, as did also property over $50,000.



LOCATION OF THE CITIES INVESTIGATED IN THE SURVEY OF THE TAXATION OF CITY PROPERTY

FIGURE 12

CHAPTER VIII

THE TAXATION OF CITY REAL PROPERTY

The Problem. So much complaint is heard over the burdensomeness of the property tax that the Commission felt impelled to investigate the subject somewhat thoroughly. Accordingly, a survey of the tax burden on agriculture was set up and a survey of the tax burden on city property. The field survey to determine the tax burden on city real property was made under the direction of the Tax Commission by Dr. Albert S. Keister, professor of economics, North Carolina College for Women, assisted by Dr. Paul W. Wager, assistant professor of rural-social economics, the University of North Carolina, and W. W. Leinster of the staff of the Commission. The field work was begun about the middle of July, 1928, and was practically completed by August 25.

In the study of the taxation of city property the main questions to be answered were:

> 1. *At what percentage of true value is city property assessed for taxation?* The answer to this question should throw light on whether or not the assessment of city real estate is just and fair as between city and country, as between different cities, as between residence and business property, and as between low-priced and high-priced properties within cities.
>
> 2. *How much of the net income from city property is absorbed in taxes?* The answer to this question should help us to compare the burden of property taxes on city owners with that on other owners and also reveal something of the profitability or unprofitability of the ownership of city real estate.

Preliminary Questions to Be Settled. Before the investigation was begun certain questions had to be answered, in order that the results might be considered reliable, and in order that the different field workers could proceed in exactly the same way. The chief preliminary questions and the answers given to them are as follows:

How many cities should be investigated? In view of the time and expense involved, it was clearly impossible to visit even a majority of the towns and cities in the state. The goal was set at between 30 and 40. The number actually investigated turned out to be 36.

How should these cities be chosen? In order to be representative, it was agreed that the cities chosen should be of various sizes and located in all sections of the state. Roughly, the number and value of properties taken in small cities compared to all properties taken should be in proportion to the amount of small city property compared to total city property in the state. Likewise with medium sized cities and large cities. So with the different regions of the state. Conveniences of routing, hotel accommodations, and economy of travel played a part in the choice of cities. See Figure 12 for the location of the cities chosen.

What cities were chosen? The cities investigated, arranged by size and by regions, are as follows:

Small Cities—21	*Medium-Sized Cities—10*	*Large Cities—5*
Franklin	Reidsville	Asheville
Sylva	High Point	Charlotte*
Rutherfordton	Lexington	Greensboro
Shelby	Salisbury	Raleigh
Marion	Fayetteville	Wilmington
Lenoir	Rocky Mount	
Morganton	Wilson	
North Wilkesboro	Greenville	
Yadkinville	Elizabeth City	
Asheboro	New Bern	
Roxboro		
Henderson		
Smithfield		
Sanford		
Dunn		
Raeford		
Carthage		
Rockingham		
Laurinburg		
Burgaw		
Edenton		

*Revaluation for tax purposes made throughout the state generally in 1927 was not completed in Charlotte at the time of the investigation in August, 1928. The old assessment figures were, therefore, used. Revaluation, since completed, has raised assessed values considerably.

Tidewater Region 5	*Coastal Plain Region—14*	*Piedmont Region 11*	*Mountain Region 7*
Elizabeth City	Greenville	Roxboro	North Wilkesboro
Edenton	Wilson	Reidsville	Lenoir
New Bern	Rocky Mount	Yadkinville	Morganton
Burgaw	Smithfield	Greensboro	Marion
Wilmington	Henderson	High Point	Asheville
	Raleigh	Lexington	Sylva
	Sanford	Salisbury	Franklin
	Dunn	Asheboro	
	Raeford	Rutherfordton	
	Fayetteville	Shelby	
	Carthage	Charlotte*	
	Rockingham		
	Laurinburg		

What facts regarding the property should be obtained? In view of the fact that the objectives of the investigation were to discover the percentage of assessed to true value and the proportion of the net rent absorbed in taxes, the blanks used were so worked out as to record the information necessary for these inquiries. (For a sample of these blanks see pp. 210-211.) To get the percentage of assessed to true value it was desirable to take all kinds of property, including vacant as well as improved, mercantile, residential, and industrial; and property occupied by the owner as well as rented property. To get the proportion of net rent taken in taxes it was necessary to take only rented property, business and residential.

The facts needed to determine the first inquiry were the true value and the assessed value of the property. To work out the second question it was necessary to obtain the gross rent for a year, the depreciation, insurance, repairs, and such miscellaneous expenses as commissions for collecting rent, janitor service, water, lights, and heat, if the owner had to pay these out of his gross rent. Subtracting these expenses from the gross rent gave the net rent before taxes. The taxes were, of course, recorded, permitting an analysis of the ratio of taxes to net rent. Having obtained estimates of the fair value of the property it was possible, finally, to show how much the owner was making on the fair value, after all expenses. Since the investigation was made in the summer of 1928, the most recent complete year available was 1927; hence the figures for that year were taken.

It was foreseen that the owner or manager of the property could answer with reasonable accuracy the questions regarding gross rent, operating expenses, and taxes. Accordingly, these figures were obtained from the owner or manager of the property. But the question, "What is the fair value of the property?" does not submit to an easy answer. If the property were recently bought or built, under normal circumstances, the cost price could be taken as the fair value. Otherwise, it would be a matter of estimate. In estimating the value of real estate it is well known that no two men give exactly the same weight to the different elements making up the value. One may consider value as a thing more or less detached from the use to which the property is put. Another may say that value depends largely on what the property is to be used for. One man may value the land and building separately; another may consider them as inseparable parts of a total value. One may arrive at true value by capitalizing the net income, another by taking cost of replacement figures. If a bona fide sale has occurred in the vicinity of the property in question, one man may consider the sale price decisive as to values in that vicinity, whereas another estimator may give such a sale comparatively little weight. How then was the fair or true value of each piece of property to be found? It was decided that an average of several estimates would be better than any one estimate. It was also thought that the owner's estimate of value should be given more weight than any other estimate. Accordingly, the plan was adopted of securing as many independent or non-owner estimates as practicable (in most cases from one to four were obtained), averaging the independent estimates, then giving equal weight to this average and to the owner's estimate. For example, if the owner estimated the fair value of his property at $20,000 and three independent estimators placed values of $18,000, $21,000 and $24,000 on it, the average of the independent estimates ($21,000) was considered of equal weight to the owner's estimate ($20,000), and the final figure of fair value used was the average of these two ($20,500). It should be borne in mind that this fair market value rarely, if ever, represents the amount actually invested by the present owner. Accordingly, computations in our tables showing the percentage earned on market value do not show what the owner is making on his investment.

Could trustworthy estimates of expenses be obtained? All expenses of operating property, with the exception of depreciation, involve cash outlays. It was foreseen, therefore, that if the owner kept careful records, these expenses could be accurately obtained. Some owners were able to furnish a statement of expenses accurate to the cent. Many were not able to do so. Some kept records for all their properties mixed together. In these cases it was necessary to allocate the items for each property. Some kept few or no

OWNER'S ESTIMATE OF PROPERTY IN CITY OF ________, COUNTY OF ________, DATE ________

PROPERTY NUMBER	Property Identified					Owner's Fair Value of Property			Cost or Purchase Price and Rate		Taxes			Gross Rent 1927	Expenses, Not Including Taxes and Interest					Net Rent Before Taxes Gross Rent Less Expenses	
	Name of Owner	Location	Size of Lot	Nature of Property e.g. Mercantile, Residence	Character Building e.g. 2 Story Brick, Modern	Land	Building	Total	Cost or Purchase Price	Date	Assessed Valuation 1927	Tax Rate 1927	Taxes Paid 1927		Depreciation	Insurance	Repairs	Miscellaneous	Total		

Date__________

INDEPENDENT OWNER'S ESTIMATE OF PROPERTY IN CITY OF__________, COUNTY OF__________

Property Number	PROPERTY IDENTIFIED								
	Name of Owner	Location	Size of Lot	Nature of Property, e. g. Mercantile Residence	Character of Building, e. g. 2 Story Brick, Modern				

records. In these cases the owner was asked to recall as best he could the amount spent for repairs and miscellaneous items, and the other expenses (insurance, depreciation, and taxes) were worked out independently. This was done, in the case of insurance, by assuming that the building was insured to three-fourths of its value, the rate being obtained from an insurance agency on the street. Depreciation was worked out at standard rates, as explained below, while taxes in all cases were computed by multiplying the assessed value by the tax rate. No deductions for interest were taken. It is not claimed that the final figures obtained are 100 per cent accurate. It is believed, however, that they are substantially accurate and that, with 859 separate properties studied, the overestimates and underestimates largely cancel each other.

What rate of depreciation should be allowed? As suggested above, depreciation is the one item of expense not paid in cash. It represents in every case an estimate. A high estimate would lower the net income, whereas a low estimate would raise the net income from the property. Engineers and accountants, though not in complete agreement, have established certain standard rates of depreciation for different types of buildings. The Federal income tax authorities, following these standards, allow depreciation at certain rates. These standards were followed in this investigation, the rate allowed on brick buildings being 3 per cent of the owner's estimate of the value of the building, the rate on frame buildings being 5 per cent. It should be noted that depreciation was allowed not as on the value of the property as a whole but only on the building. Furthermore the allowance for depreciation covers not only depreciation but also obsolescence. With business property in the heart of a growing city, a property often becomes obsolete long before it is physically worn out. A depreciation rate of 3 per cent means a life of approximately 33 years for the building. Many business buildings become obsolete and have to be torn down or thoroughly remodeled before this period has elapsed. For such buildings a 3 per cent rate is too low. On the other hand, it is common knowledge that some brick buildings over 33 years old are still in use. Perhaps even more common are the instances in which frame buildings have outlived their 20-year period of theoretical existence, based on a 5 per cent depreciation rate. Rates of depreciation represent at best a rough average.

Some may contend that no depreciation should be allowed on city property because the land is appreciating in value as rapidly as the building is depreciating. When such a statement is made it is usually city *business* property that is thought of rather than residence property. Doubtless it is true that in rapidly growing cities appreciation of land does offset depreciation, including obsolescence, of many business structures. Of others, notably in the poorer sections of the city, appreciation is slower than depreciation. With city residence property it is probably the rule that depreciation of the building exceeds appreciation of the land. No hard and fast rule can be laid down for all city property.

Should special assessments be included in taxes? Special assessments levied against city property for street paving and other improvements are, in a sense, taxes. They are levied by public authority, become a lien on the property if unpaid, and are paid ordinarily out of the revenues from the property. However, it was deemed advisable not to include special assessments in taxes, because special assessments are supposed to pay for themselves by increasing the value of the property, hence are not taxes in the ordinary sense of the word. Furthermore, some properties studied would be paying special assessments while others would not. Preferably, only expenses common to all properties should be included.

Could the year 1927 be regarded as typical for city real estate? This is a difficult question to answer. The city real estate market, including the trend of rents, selling prices and turnover of property is never stable for any considerable period of time. It is either going up or going down. Generally speaking, when rents and selling prices are tending downward, sales of property fall off and the market is dull. When prices are rising, the market is active. For several years preceding 1926, the market was active in most cities of the state. In some there was a veritable boom in real estate. Beginning in 1926, recession set in, a process which continued through 1927 and 1928. Both rents and selling prices are lower, on the average, than three years ago. The year 1927 represents, therefore, a period of generally declining values, combined with a rather dull real estate market. Vacancies were increasing and collections were slow as compared with those of three or four preceding years. The supply of new buildings, both business and residential, overtook the demand. Some cities found themselves overbuilt. A slowing down of activity was the result.

Whether 1927 will have proved to be better or worse in real estate than the years 1928 to 1930, time alone can tell. It is impossible to say, therefore, whether 1927 is representative or misrepresentative of real estate conditions over a period of eight or ten years. Compared with a boom period it was misrepresentative. Compared with years of standstill or of slow, gradual growth it may have been representative.

How could we insure that owners would give us fair samples of property? The results of the study would be considered reliable to the extent that the properties taken were typical of all city properties. The field workers were put on their guard, therefore, not to allow owners to load the returns by giving only their worst properties. Several methods were used to avoid this possibility. One was, not to take any property that was vacant for the entire year 1927. Unless the property brought some income it was rejected as misrepresentative. Another was to get the complete list of a man's properties in every case in which it was practicable to do so, thereby avoiding any selection of cases by the owner. Still another was to insist that the owner give an equal number of "good" cases, if it was apparent that he was trying to give only "poor" ones. The fact that all cases were obtained by personal interview gave the investigators the opportunity of scanning and discussing with the owner the representative or non-representative character of each piece of property.

In putting on his own property an estimate of fair value, which was an important element in computing the percentage earned on the property, the owner had one incentive to make the estimate high and another incentive to make it low. The higher he made his estimate, the lower would be the percentage earned on that value by the net rent, hence the incentive to make his estimate high. On the other hand, a high estimate of value would make the discrepancy between estimated fair value and assessed value more glaring. In order to make it appear that he was being assessed too high, he would want his estimate of fair value to be low. Caught between these two desires, one to overstate and the other to understate the value, the owner probably gave in most cases about the "right" figure. It may be noted in this connection that for the 859 rented properties taken together, the owners' estmates of value were $17,073.050. whereas the independent estimates were $17,349,914, a difference of less than 2 per cent.

WHAT THE INVESTIGATION SHOWED

Ratio of Assessed to True Value. The first main question to be answered by the investigation is—"At what percentage of true value is city property assessed for taxation?" How the true value was arrived at has already been explained. The assessed value was. of course, obtained from the county tax list. The results for the state as a whole are shown in Table 76.

TABLE 76—RATIO ASSESSED TO FAIR MARKET VALUE OF BUSINESS AND RESIDENCE PROPERTY IN 36 TOWNS AND CITIES

Kind of Property	Number of Properties	Fair Market Value	Assessed Value	Percentage Ratio of Assessed to Fair Value
Business------	352	$ 19,077,319	$ 10,985,995	57.6
Residence----	710	4,217,982	2,661,028	63.1
Total--------	1,062	$ 23,295,301	$ 13,647,023	58.6

According to this sample, city property in North Carolina was assessed at 58.6 per cent of its fair market value in 1927. These 1,062 properties included some vacant lots in both business and residential sections as well as improved property of both kinds. The results do not show an ideal condition of assessments in the state. However, an ideal condition, especially in assessing city property, is not attainable. As every one knows, city property involves complex problems of assessment, presenting all sorts and variations of improvements on lots, which themselves vary in value from block to block. Changing economic conditions affect city real estate values profoundly. Economic conditions in the state have changed rather rapidly since the World War, but in some counties there has been no thorough re-assessment of property since 1919-1920. This has meant that assessed values have gotten considerably out of line with true values, especially in the growing cities. It is not surprising, although it is regrettable, that serious discrepancies are now found in the assessments.

The table shows that in proportion to true value business property is assessed lower than residence property. We may hazard some guesses as to the reasons. Ont is that it is easier to say what a residence is worth than to say what a business property is worth, especially when the business property is a high priced one, say $50,000 and over. Another is that business land values have been appreciating more rapidly than residence land values, hence getting farther from the assessment figures, when assessments remain the same for a number of years. Another possible reason is that business men are often influential in taxation affairs. They are organized and may be depended upon to resist sharp increases in assessments, whereas residence owners are neither organized, nor quick to resist.

It will be generally agreed that underassessing business property as compared with residence property is an undesirable situation from the social viewpoint. In many instances residences represent non-income producing property. For many families, in humble circumstances, trying to acquire their own homes, residence property constitutes their incentive and their outlet for saving. That this property should be taxed more heavily than business property producing a cash income to its owner seems highly unjust. Even where both types of property are rented out, and therefore yield a cash income to their owners, business property yields a higher cash income, on the average, than residence property, according to the Table on page 219. Based on ability to pay, therefore, residence property should be more lightly taxed than business, if any difference is to be made. Equality of assessment treatment is the least that residence property could well insist upon.

Assessed Value in Different Regions of the State. In different regions of the state, assessments show rather marked discrepancies. The results by regions are shown in Table 77.

TABLE 77—RATIO TO FAIR VALUE IN DIFFERENT REGIONS OF THE STATE

Region	Number of Cities	Number of Properties	Fair Market Value	Assessed Value	Percentage Assessed to Fair Value
Tidewater	5	115	$ 1,186,984	$ 866,720	73.0
Coastal Plain	13	398	5,782,759	3,462,913	59.9
Piedmont	11	423	12,681,950	7,468,436	58.9
Mountain	7	126	3,643,608	1,848,954	50.7

If the cities and properties studied are representative of these regions, the Tidewater ranks highest in ratio of assessed to fair market value, namely 73 per cent. The Costal Plain and Piedmont cities are close together, both being slightly under 60 per cent. The Mountain cities appear to be assessing property at only about half it value. This may not be quite fair to all of the cities in the Mountain Region, inasmuch as Asheville properties made up almost 80 per cent of the total for the region in the table.

Assessed Value in Different Sized Cities of the State. On page 208 is found a classification of cities by size. Roughly the lines were drawn as follows: Places under approximately 7,000 population were classed as "Small Cities," from 7,000 to 35,000 as "Medium Cities," and over 35,000 as "Large Cities." Table 78 shows the results.

The number of properties in each group was not greatly different, although the value was much higher in the large cities group, since this group contained

TABLE 78—RATIO OF ASSESSED TO FAIR MARKET VALUE IN DIFFERENT SIZED CITIES OF THE STATE

Size	Number of Cities	Number of Properties	Fair Value	Assessed Value	Percentage Assessed to Fair Value
Small	21	321	$ 3,375,232	$ 1,973,050	58.5
Medium	10	361	5,516,074	3,519,880	63.8
Large	5	380	14,403,995	8,154,093	56.6

a fair proportion of high-priced business property. As the table shows, the medium sized cities assess their property at the highest ratio of any group, while the large cities are lowest. The difference between the highest and lowest, however, is not especially striking.

Assessments of Different Priced Properties. Whether high-priced property is favored in assessment matters as compared with medium and low-priced property is of considerable importance. To analyze this question properties were diveded into four classes. First, properties under $4,000 in market value, which include the great bulk of cheap residences, especially those rented to colored people. Second, properties from $4,001 to $10,000, which include most residence property of the "better sort," together with the cheaper business structures. Third, properties from $10,001 to $50,000, which take in a few high class residences and the majority of business properties. Fourth, properties over $50,000, the large business structures, including most hotels and many apartment houses. Table 79 gives the analysis.

TABLE 79—RATIO OF ASSESSED TO MARKET VALUE OF DIFFERENT PRICED PROPERTIES.

Class of Property	Number of Properties	Fair Market Value	Assessed Value	Percentage Assessed to Fair Value
0 to $ 4,000	473	$ 898,161	$ 597,721	66.5
$4,001 to $10,000	203	1,332,320	853,379	64.1
$10,001 to $50,000	269	6,394,873	3,872,625	60.6
Over $50,000	117	14,662,738	8,318,498	56.7

The feeling commonly held that high-priced property is under-taxed as compared with low-priced property is borne out by this sample of 1,082 cases. The ratio steadily falls as the value increases. A difference of almost 10 points or about 16 per cent exists between the cheap and the expensive classes. The reasons for this discrimination are doubtless the same as those already cited for the difference found between residence and business property. Low-priced properties are easier to evaluate, their land value does not appreciate so rapidly as that underlying expensive structures, and the owners of cheap property perhaps have less influence with assessors than owners of high-priced property.

The True Tax Burden. With the ratio of assessed to market value and the tax rate given, we are in a position to state the tax burden on the market value of city property. It goes without saying that the tax rate on assessed value is almost meaningless, because of wide variations in the assessments themselves. The only valid comparison is one made on the basis of taxes on true value. In Table 80, Column II, the tax rate used is a weighted average, obtained by dividing the taxes actually paid on the properties by the assessed value of the properties studied.

TABLE 80—TAX BURDEN ON THE FAIR MARKET VALUE OF CITY PROPERTY

	Percentage Ratio of Assessed to Fair Value (Column I)	Weighted Average Tax Rate on $100 of Assessed Value (Column II)	Weighted Average Tax Rate on $100 of Fair Market Value I Multiplied by II
All Properties	58.6	$ 2.58	$ 1.51
In Small Cities	58.4	3.08	1.80
In Medium Cities	63.8	2.76	1.76
In Large Cities	56.6	2.38	1.35
In Tidewater Region	73.0	2.77	2.02
In Coastal Plain Region	59.9	2.94	1.76
In Piedmont Region	58.9	2.33	1.37
In Mountain Region	50.7	2.77	1.40

If our sample is representative, the average city property in North Carolina paid $1.51 taxes on the $100 of fair market value in 1927. In other words city property was taxed on the average at 1½ per cent of its true value. Whether or not this is too much to pay for the protection and benefits property receives from government is a matter for individual opinion. Probably most property owners who complain about taxes, if they should pause to analyze the matter, would find that they are complaining not because they feel that government is not worth what it costs them but rather because they are paying more than they did a few years ago, or because they believe they are paying more than someone else is paying. Doubtless they are paying more than they paid a few years ago. So are they paying more for most necessities of life. Then, too, they should remember that they are getting more services and advantages from the government than formerly. What one gets for his taxes should be kept in mind when discussing taxes. Whether they are paying more than someone else is too vague a charge to prove or disprove. As we have seen, there is a tendency to tax residence property more heavily than business property and low-priced property more heavily than high-priced. In these respects the charge seems well-founded.

Table 80 also shows that the tax burden varies as between classes of cities and between regions of the state. Property owners in small cities might compain that they pay on the average $1.80 on true value as against $1.35 in the large cities. The chief reason for this difference probably lies in the fact that the smaler cities insist on having the improvements and conveniences of the larger cities without having as much taxable wealth to support them. So also with the different regions of the state. The Tidewater cities are bearing the highest tax burden, while the Piedmont cities are apparently bearing the lowest. One reason for this is that city improvements and services demanded by all alike rest upon a smaller tax base in the Tidewater cities than in the Piedmont. Another factor to be borne in mind is that the typical practice in the Piedmont cities is to charge street paving and other improvements to the property owners as special assessments; hence they do not appear as taxes. In other parts of the state, notably in the Tidewater, the practice is commonly followed of taxing the entire city for permanent improvements. Such a policy would increase the amount of reported taxes.

Ratio of Taxes to Rent and of Rent to Fair Value. The second main question involved in this investigation concerned the income from city property. How much of the net rent was taken in taxes, and how much did the property earn on its fair value after taxes and other expenses? What was included in expenses and how the amounts were arrived at, has already been explained. The figures for the state as a whole, for business and residence property, are shown in Table 81.

Of these 859 properties, on which figures for rent and expenses were obtained, 275 were business properties and 584 were residences. The business properties brought a gross rent of a little less than 8 per cent of their value, and yielded a net return of 5 per cent not including depreciation, and of sightly less than 4 per cent after all expenses, including depreciation and taxes were allowed for. Residence property did not do so well, for although renting for 9 per cent of value, expenses and taxes took almost 6 of the 9 per cent, leaving sightly over 3 per cent earned on the fair value. Without deducting depreciation the return was 5.5 per cent. Complaint was quite general among property owners interviewed that while neither kind of property was profitable in 1927, residence property was distinctly less profitable than business property. For both types of property vacancy was considerable, rents were tending downward, collections were slow. In residence property the difficulties seemed more serious than in business property. In general an overbuilt condition prevailed in most cities, a phenomenon, by the way, characterizing real estate in many parts of the United States in 1927.

Whether a return of 3.9 per cent on business property and of 3.2 per cent on residence property is a "fair" return depends to a large extent on the return which is available from other investments of a similar degree of risk. If other investments of similar risk are earning, and may be expected to continue to earn, more than 4 per cent on market value, then real estate is not earning a "fair" return, when it gets less than 4 per cent. If all investments comparable to real estate in risk are settling down to a return of between 3 and 4 per cent than such a return must be considered "fair."

TABLE 81—PERCENTAGE OF NET RENT TAKEN IN TAXES AND PERCENTAGES EARNED ON FAIR MARKET VALUE OF CITY PROPERTY IN 1927

Kind of Property I	Number of Properties II	Fair Value III	Gross Rent IV	Expenses Including Deprecia-tion but not Including Taxes V	Net Rent Before Taxes VI (IV − V)	Deprecia-tion VII	Taxes VIII	Net Rent After Taxes and Deprecia-tion IX (VI − VIII)	Percentage of Net Rent Before Taxes Taken in Taxes X (VIII ÷ VI)	Percentage Earned on Fair Value After Ex-penses and Taxes but not count-ing Depre-ciation XI, (IX + VII ÷ III)	Percentage Earned on Fair Value After Ex-penses Taxes and Deprecia-tion XII, (IX ÷ III)
Business	275	$14,410,139	$ 1,120,710	$ 331,315	$ 789,395	$ 160,854	$ 226,206	$ 563,189	28.6	5.0	3.9
Residence	584	2,939,775	267,281	125,096	142,185	67,544	49,033	93,152	34.5	5.5	3.2
Total	859	$17,349,914	$ 1,387,991	$ 456,411	$ 931,580	$ 228,398	$ 275,239	$ 656,341	29.5	5.1	3.8

Assuming that 3.2 per cent earned on residence property, for example, is considered by common consent too low, what can be done about it? Economic theory would say, of course, that capital will avoid investment in that field until the return rises to or above the point which is considered "fair." If people in general made investments in real estate solely on the basis of net return this would probably adjust the matter in due time. But other factors influence residence building besides net return on capital, especially the desire to own one's home. The disproportion may, therefore, remain uncorrected for some time. One thing might, however, be done by tax officials at once, they might correct the unequal assessments existing between business and residence property. (See Table 76.) Such a move would, other things remaining the same, raise the net return on residence property and lower it on business property. If other taxes were gradually substituted for the property tax, a lightening of the tax burden on all real estate would raise the return on property, if rents and expenses remained the same.[1]

Table 81 also shows the percentage of net income before taxes, taken in taxes. This is 27.6 per cent for business property, 34.5 per cent for residence property, and 29.5 per cent for both taken together. These figures may be compared with those for other properties studied by the Commission and discussed elsewhere in the report. For convenience of comparison the figures are brought together here.

TABLE 82—PERCENTAGE OF THE NET INCOME BEFORE TAXES TAKEN IN PROPERTY TAXES OF CERTAIN ENTERPRIZES IN THE STATE IN 1927

Type of Business	Percentage of Net Income Before Taxes Taken in Property Taxes
Class I Railroads (1)	25.2
Electric Light and Power Companies (1)	16.3
State Banks (2)	23.6
National Banks (3)	12.5
Rented Farms (4)	28.9
Rented City Property	29.5

(1) Includes state franchise and income taxes as well as local property taxes. See page 226.
(2) Includes state income tax and local property taxes. See Chapter XVII.
(3) See Chapter XVII.
(4) See page 136.

Variations all the way from 12.5 per cent to 29.5 per cent appear among these businesses. National banks and electric light companies find far less of their income taken in property taxes than farms and city property must

[1]It goes without saying that the return on the fair market value of property is not the same as the return on the owner's investment in the property. The owner's investment may be higher or lower than the present market value.

TABLE 83—RATIO OF TAXES TO NET RENT AND PERCENTAGE EARNED ON FAIR VALUE OF CITY PROPERTY BY REGIONS OF THE STATE

Region I	Number of Properties II	Fair Value III	Gross Rent IV	Expenses Including Depreciation but not Including Taxes V	Net Rent Before Taxes VI (IV−V)	Depreciation VII	Taxes VIII	Net Rent After Taxes and Depreciation IX (VI−VIII)	Percentage of Net Rent Before Taxes Taken in Taxes X (VIII÷VI)	Percentage Earned on Fair Value After Expenses and Taxes but not counting Depreciation XI, (IX+VII÷III)	Percentage Earned on Fair Value After Expenses Taxes and Depreciation XII, (IX÷III)
Tidewater.....	106	$ 987,475	$ 84,809	$ 31,044	$ 53,765	$ 17,937	$ 20,718	$ 33,047	38.5	5.2	3.3
Coastal Plain..	329	4,255,885	373,723	135,144	238,579	75,608	75,273	163,306	31.5	5.6	3.8
Piedmont......	330	9,416,735	715,450	206,408	509,042	103,197	137,241	371,801	26.9	5.0	3.9
Mountain......	94	2,689,819	214,009	83,815	130,194	31,656	42,007	88,187	32.2	4.5	3.3
Total.....	859	$17,349,914	$ 1,387,991	$ 456,411	$ 931,580	$ 228,398	$ 275,239	$ 656,341	29.5	5.1	3.8

TABLE 84—RATIO OF TAXES TO NET RENT AND PERCENTAGE EARNED ON FAIR VALUE BY DIFFERENT PRICED PROPERTIES

Class of Property I	Number of Properties II	Fair Value III	Gross Rent IV	Expenses Including Depreciation but not Including Taxes V	Net Rent Before Taxes VI (IV−V)	Depreciation VII	Taxes VIII	Net Rent After Taxes and Depreciation IX (VI−VIII)	Percentage of Net Rent Before Taxes Taken in Taxes X (VIII÷VI)	Percentage Earned on Fair Value After Expenses and Taxes but not counting Depreciation XI, (IX+VII÷III)	Percentage Earned on Fair Value After Expenses Taxes and Depreciation XII (IX÷III)
0—$ 4,000	416	$ 723,082	$ 66,298	$ 35,268	$ 31,030	$ 21,422	$ 14,793	$ 16,237	47.7	5.2	2.2
$ 4,001—$10,000	164	1,111,690	94,605	41,609	52,996	27,908	20,854	32,142	39.4	5.4	2.9
$10,001—$50,000	187	4,540,043	375,444	119,112	256,332	66,632	77,592	178,740	30.3	5.4	3.9
Over $50,000....	92	10,975,099	851,644	260,422	591,222	112,436	162,000	429,222	27.4	5.0	3.9
Total.......	859	$17,349,914	$ 1,387,991	$ 456,411	$ 931,580	$ 228,398	$ 275,239	$ 656,341	29.5	5.1	3.8

pay. Judging by net income, the burden of property taxes is very unequally distributed.

Taxes and Net Income on Property in the Different Regions of the State. We have already seen that assessment of city property varies in the four regions of the State. So do the percentage of net rent taken in taxes and the percentage earned on the fair value. The facts are shown in Table 83.

Apparently taxes take a much larger proportion of the net rent in the Tidewater cities than in the Piedmont (38.5 per cent in the former, 26.9 per cent in the latter region). The Coastal Plain and Mountain regions fall about half-way between the two extremes in this respect. As to the percentage earned on fair value, less striking differences appear. Leaving out depreciation, the highest return is earned in the Coastal Plain, 5.6 per cent, while the Tidewater and Piedmont cities show around 5 per cent and the Mountain cities 4.5 per cent. After depreciation is deducted the Tidewater and Mountain regions show the same percentage (3.3), the Coastal Plain showed 3.8, and the Piedmont 3.9 per cent. Real estate investments, according to this sample, appear to be more heavily taxed in proportion to their income in the Tidewater section and least heavily taxed in the Piedmont. Such investments appear to pay best, although none too well, in the Piedmont and Coastal Plain cities and are distinctly less profitable in the Mountain and Tidewater cities.

Taxes and Earnings of Properties of Different Value. It is of interest to know whether low-priced, medium-priced, or high-priced property is most heavily taxed in proportion to its income; also which class is paying the lowest, and which the highest, returns on its fair market value. Table 84 reveals the answers to these questions.

This table seems to say that cheap property yields less than 3 per cent net on the fair value. Many persons will question that showing, insisting that cheap tenement houses pay much better than that. It is possible, of course, that the 416 cheap properties studied are not truly representative. But it should be remembered that when people talk about 8 or 10 or 12 per cent being earned on cheap tenements, they are, in many cases, overlooking some of the expenses deducted in these tables. Very often they do not take depreciation, in addition to repairs, into account. Sometimes they base their computation on the assumption that the property will be occupied all of the time and that all of the rent will be collected. The truth is that at least 5 per cent yearly must be deducted for depreciation of such properties, that vacancy is a very serious problem, and that collections are apt to be uncertain and expensive. Over a period of years and especially in bad years, it is a question whether such property pays any better or even as well as higher-priced property. The table shows that if depreciation is not considered the return on the cheap property is higher than on business property.

Considered in relation to income, taxes take a much larger proportion in the case of the cheaper properties than in the more expensive ones. This is due partly to the fact that the cheaper properties are assessed at a higher percentage of true value than the more expensive ones and partly to the fact that expenses other than taxes take a larger proportion of the gross rent in cheap than in high-priced property. This latter fact makes a smaller base on which to calculate the ratio of taxes to net rent in the cheap properties than is found in the others.

THE TAXATION OF PUBLIC SERVICE CORPORATIONS

SUMMARY

Public service corporations, comprising steam railroads, electric light and power companies, telephone, telegraph, express, and similar utilities, represent the largest individual taxpayers in the state. Their aggregate state and local tax payments for 1927 reached a total of $8,371,000, which was approximately 10 per cent of all taxes collected in the state for that year.

Purpose of Investigation. The main purpose of the study presented in the following chapters is to set forth certain facts and figures deemed pertinent to the question of whether the public service corporations of North Carolina are being fairly and adequately taxed. Special significance attaches to this question because of the peculiar position which this class of corporations exercise in relation to the general public. Public service corporations supply certain basic services, the adequate and continuous production of which is vital to the economic welfare of the communities served. To impair the quality of these services through the imposition of excessive and confiscatory rates of taxation would not be desirable. The question is often raised, however, whether, in view of the special legal privileges they are allowed to exercise, public utilities ought not rightly be subjected to a heavier burden of taxation than is imposed on private corporations and individuals.

Standards of Public Utility Taxation. Accepted theories of public utility taxation as set forth by competent students lend scant support to the foregoing view. A survey of these theories is given in Chapter X of the report from which it will be seen that the weight of authoritative opinion leans heavily toward the view that an effectively regulated public utility which is allowed to earn no more than a fair return on its investment devoted to public use should be taxed on a basis of strict equality with other classes of taxpayers. An effectively regulated utility cannot convert its special privileges into a source of private profit. There is, therefore, no justification for making the exercise of such privileges a pretext for special taxation. Unusual circumstances may occasionally justify departures from the strict rule of equality, but the presumption should always be in favor of that rule. Although the taxation of public service corporations on a basis of equality with other classes of taxpayers represents primarily an economic and not a legal rule of fairness, it is within certain limits enforceable at law. This fact is brought out in Chapter XI of the report, which gives a review of the various legal limitations on the taxation of public service corporations as indicated by the decisions of the United States Supreme Court.

System of Taxation. Public Service Corporations in North Carolina are subject to somewhat different forms of taxation and methods of administration from those applicable in the case of other classes of taxpayers. For local purposes they are subject to the general property tax at the prevailing local rates of levy. Their property, however, is for the most part valued by different officials and in accordance with different rules from those employed in the case of ordinary property. The state imposes two kinds of taxes upon them. It subjects them to the general state corporation income tax on the basis of the same rates as those applicable to private corporations. The taxable income of railroads, however, is not determined in the same manner as the taxable income of other corporations. Finally, public service corporations are subject to distinctive state franchise or privilege taxes which differ with each class of corporations to which they apply.

Character of Statistical Data. The fact that public service corporations are taxed in a different manner from other classes of taxpayers makes it extremely difficult to determine whether their present burden of taxation is fair. There is obviously no single statistical yardstick which may be mechanically applied for the purpose of measuring the relative severity of unlike taxes on unlike classes of taxpayers. In the detailed statistical analysis which comprise the bulk of the following report various numerical ratios have been worked out. Although these ratios possess varying degrees of significance for the purpose in view, it is believed that all of them have some value as indicative of the relative adequacy of the tax burdens borne by public corporations in the state. A discussion of the reasons which governed the selection of these ratios and their respective limitations is given in Chapter XII. The actual statistical findings may be summarized as follows:

STEAM RAILROADS.

Two-thirds of all state and local taxes assessed against public service corporations in North Carolina are paid by the steam railroads. In 1927 the total North Caroina tax bill of the railroads amounted to $5,582,000. About 94 per cent of this sum came from seven large interstate roads. One of these roads, the Southern Railway Company, had a tax bill in North Carolina which exceeded two million dollars.

There was a time in the history of the state when certain of the railroads enjoyed special charter exemptions which enabled them to evade their just share of state and local taxation. These special exemptions have long since been withdrawn, and the statistical analysis set forth in Chapter XIII does not indicate that the present railroad tax burden is significantly out of line with the general state average. In the first place, since a public service corporation is theoretically entitled to equal treatment in the matter of taxation only when its earnings are not unreasonably high, the rate of return which the railroads are earning on their investment devoted to public use is important. The Interstate Commerce Commission has tentatively fixed upon 5¾ per cent as a fair rate of return for steam railroads. It will be seen from Chapter XIII that the seven Class I railroads operating in North Carolina earned 5.2 per cent on the book value of their property investment in 1927. On the value of their property as determined by the Interstate Commerce Commission, they earned 6.6 per cent.

Ratio of Taxes to Earnings. The ratio of taxes to gross revenue is at best a crude measure of the relative severity of taxation on different classes of business. Companies having equal gross receipts may have very unequal net incomes. Nevertheless, gross revenue possesses the advantage of definiteness and leaves little room for dispute. Moreover, in the case of some classes of public service corporations, gross receipts represent the only financial fact obtainable without resort to elaborate estimates. For comparative purposes, then, the ratio of taxes to gross revenue possesses a certain degree of value. It will be seen from Table 85 of the present summary that the total amount of state and local taxes paid by the railroads in North Carolina in 1927 represented 6.5 per cent of their gross earnings in this state for that year. It will be further noted from the table that only three classes of public service corporations had a higher ratio of taxes to gross revenue than did the railroads.

TABLE 85—RATIO OF TAXES TO GROSS OPERATING REVENUE, 1927

Class of Utility	Ratio—Per Cent
Steam Railroads	6.5
Electric Light and Power Companies	6.1
Street Railways	7.4
Telephone Companies	7.5
Motor Bus Companies	7.1
Telegraph Companies	2.9
Express Companies	2.2
The Pullman Company	3.1
Water Works Companies	2.2
Ferry, Bridge and Canal Companies	3.4
Private Car Lines	5.0

The ratio of taxes to net income furnishes a much more significant index of relative burdensomeness than does the ratio of taxes to gross revenue. As will be seen from Table 86, the total North Carolina tax bill of the seven Class I railroads operating in this state represented 25.2 per cent of the estimated net income from their North Carolina operations. Table 86 supplies similar tax-income ratios in respect of certain other classes of public service corporations, state and national banks, urban real estate, and farm property. It will be seen that the railroads have a higher tax-income ratio than any of the other classes of public service corporations for which comparable data are obtainable. It will be further seen that the railroads pay out a greater percentage of their net income in taxes than do the state and national banks. However, the railroad tax-income ratio is not as high as the corresponding ratios in respect of urban real estate and farms.

Limitations of Tax-Income Ratio. It is pertinent at this point to call attention to some of the limitations of the tax-income ratio as a means of comparing relative tax burdens. This ratio is probably fairly accurate as long as its use is confined to similar kinds of business or property which have the same taxable situs and are subject to the same forms of taxation. It loses much of its significance, however, when its use is extended to cover dissimilar kinds of business located in different taxing jurisdictions and subject to dissimilar systems of taxation. In the latter case, the validity of the ratio may be marred by at least three different factors:

TABLE 86—RATIO OF TAXES TO INCOME[1] BEFORE TAXES—1927

Class of Business or Property	Ratio—Per ct.
Public Service Corporations	
Steam Railroads	25.2
Electric Light and Power Companies	16.3
Telephone Companies	24.4
The Pullman Company	16.7
Banks	
National	12.5
State	23.6
Urban Real Estate	
Business Property	28.6
Residence Property	34.5
Farm Property	28.9

[1]In the case of all classes except banks *income* means *net income* before the deduction of interest on permanent indebtedness.

In the first place, taxes are higher in some jurisdictions than in others because more governmental functions are carried on, or more expensive kinds of governmental services are supplied. Thus taxes are normally higher in urban than they are in rural districts. The ratio of taxes to net income should, therefore, normally be higher in urban than in rural districts. Since the urban taxpayer presumably gets some value for his additional taxes, however, his higher tax-income ratio is to that extent deceiving.

In the second place, it must be remembered that taxes are not always borne by the taxpayer from whom they are collected in the first instance. They may be passed on or shifted to someone else. Moreover, taxes on certain kinds of property may be capitalized, that is, a new purchaser may buy property at a discount sufficient to allow for future taxes. The possibility of shifting or capitalizing a tax depends not only on the character of the tax but on the character of the business or property upon which it is imposed. Before any conclusions are drawn from tax-income ratios as applied to dissimilar kinds of activities, the possibilities of shifting must, therefore, be taken into account.

Finally, governmental revenues in North Carolina are not raised by a single tax on net income. A variety of taxes and tax bases are employed. Nearly 70 per cent of all state and local revenues, however, are derived from the general property tax. In the long run it is probably true that property values adjust themselves to net income. Nevertheless, over short periods, the net income of a business or piece of property may fluctuate considerably without appreciably affecting its capital value. It must be remembered further, that property values are determined not so much by present earning power as by expected future income. For any given year there is, therefore, no close correlation between the capital value and the net income of different pieces of property. Two pieces of property may have the same market value and may be assessable with the same amount of property taxes; nevertheless, because of the presence of speculative values or because of temporary fluctuations in earnings, the respective ratios of taxes to net income in any particular year may be widely dissimilar. Such differences do not indicate any real inequality in tax burdens. In fact the only way to eliminate them would be to levy all taxes directly on net income.

The foregoing considerations are particularly important in the interpretation of the percentages shown in Table 86. It will be noted that farm property and urban real estate have a higher tax-income ratio than the railroads. However, the only tax levied on real estate is the general property tax; and aside from such factors as differences in taxable situs, speculative values, and temporarily depressed earnings, the only circumstance capable of giving real estate the higher ratio would be the fact that the property of the railroads is being assessed at a lower percentage of its true value than in the case of farm property and city real estate.

TABLE 87—RATIO OF ASSESSED VALUE OF PROPERTY TO ESTIMATED MARKET VALUE—1927

Class of Business or Property	Ratio—Per ct.
Public Service Corporations—	
Steam Railroads	68.8
Electric Light and Power Companies	68.8
Telephone Companies	74.2
The Pullman Company	61.0
Urban Real Estate—	
Business Property	57.6
Residence Property	63.1
Farm Property	75.3

Railroad Assessments. That the railroads are not being assessed at a lower percentage of their true value than other forms of property is indicated by Table 87. It will be seen that the ratio of the assessed value of railroad property to its estimated market value was 74.9 per cent in 1927. The comparable ratios for urban business property and urban residence property were 57.6 per cent and 63.1 per cent respectively. The assessment ratio for farm property was 75.1 per cent. The estimated market value of the railroads was obtained by capitalizing their average net railway operating income for the years 1923 to 1926, inclusive, at 5¾ per cent. Had the property value of the railroads as shown on their books been taken as the true market value, the resulting assessment ratio would have been 74.2 per cent. Had the valuation placed on the railroads by the Interstate Commerce Commission been used, the resulting ratio would have been 114.9 per cent. In other words, the present assessed value of railroad property in North Carolina is nearly 15 per cent greater than the valuation placed on that property for rate-making purposes by the Interstate Commerce Commission.

Comparison with Other States. A final sidelight on the adequacy of present railroad taxes is furnished by a comparison of the relative tax burden on railroads in North Carolina with their burdens in the neighboring states in which they operate. That North Carolina imposes a somewhat heavier burden of taxation on Class 1 railroads operating within its territory is indicated by the data presented in Table 96 of the report. This table shows that the seven railroads in question derive 13.6 per cent of their gross and 12.9 per cent of their net revenue from operations in this state. About 11.4 per cent of their physical assets as valued by the Interstate Commerce Commission, and 16.2 per cent of their road mileage have their taxable situs here. On the other hand, state and local taxes payable in North Carolina amount to 19.2 per cent of the total state and local taxes payable in all states in which the railroads operate.

ELECTRIC LIGHT AND POWER COMPANIES.

Electric light and power companies rank next to the steam railroads with respect to the size of their state and local tax bill. In 1927 these companies paid in taxes some $1,900,000, which represents a fifth of the total collections from all classes of public service enterprises for that year. Over 80 per cent of the above sum was collected from three large companies.

A statistical analysis of the tax payments and operating results of the seven larger electric light and power companies is given in Chapter XIV of the report. This analysis would seem to indicate that the power companies are rather lightly taxed as compared with railroads, telephone companies, and certain other kinds of property. In the absence of an official valuation of the physical property of these utilities it is impossible to ascertain what rates of return they are earning on their investment devoted to public use. Their earnings for 1927, however, represented a return of 13.7 per cent on the assessed value of their property. The corresponding rate of return for the steam railroads was 7 per cent.

Ratio of Taxes To Earnings. As will be seen from Table 85 power company taxes absorbed 6.1 per cent of their gross revenues in 1927. This was lower than the corresponding ratios for railroads, telephone companies, and motor bus companies. The ratio of taxes to net operating income was 16.3 per cent. As indicated by Table 86, this represents a smaller percentage of income absorbed by taxes than in the case of other classes of public service corporations for which data are available and is considerably below the average for state banks, urban real estate, and farm property.

Power Company Assessments. One of the main reasons for the low tax-income ratio of power companies is the low percentage of full going-concern value at which their property is assessed. The average assessed value of the seven largest power companies for the period from 1925 to 1927, inclusive, represents 68.8 per cent of the estimated market value obtained by capitalizing the operating income for those years at 8 per cent. It will be seen from Table 87 that this is a lower assessment ratio than that allowed in the case of railroads, telephone companies, and farm property. Although power company property in general is assessed at a low percentage of its full going concern value, there are some individual exceptions. One power company had an average assessment ratio of 95 per cent in respect of the three years from 1925 to 1927. The property of another company, on the other hand, was assessed at only 20 per cent of its estimated market value over the same period. One of the striking features of power company assessments is, in fact, the wide variation in assessment ratios as between individual companies.

In the text of the report, attention is called to the circumstance that power company assessments represent almost entirely the work of local assessors. This fact is held responsible not only for the low average assessment ratio but also for the glaring inequalities as between individual companies. Local assessors do not possess the technical knowledge necessary for valuing such highly specialized property as that represented by the larger power companies. Moreover, they are incapable of assessing the value of the corporate franchise and those intangible elements of value which inhere in a profitable going concern.

TELEPHONE COMPANIES

Telephone companies rank next to electric power companies as regards the size of their tax payments in North Carolina. Their total state and local taxes amounted to some $539,000 in 1927. Approximately 63 per cent of this sum came from the Southern Bell Telephone and Telegraph Company. The statistics presented in Chapter XV do not indicate that the tax burden on telephone companies is markedly out of alignment with the burden borne by other classes of taxpayers in the state. The ratio of taxes to gross revenue in 1927 was 7.5 per cent, which is somewhat larger than the corresponding ratio for any other class of public service corporation. In the case of the Southern Bell Telephone and Telegraph Company, the ratio of taxes to net income before taxes in respect of the year 1927 was 24.4 per cent. This was only slighter lower than the comparable ratio for the steam railroads.

As shown by Table 105 of the report, the average assessed value of the five largest companies for the years 1924 to 1927, inclusive, represented 74.2 per cent of the estimated market value obtained by capitalizing the average net operating revenues for the years 1923 to 1926, inclusive, at 8 per cent. There was, however, considerable variation in the assessment ratios of individual companies. One company was assessed at 82.6 per cent of its capitalized earnings value. Another company, on the other hand, had an assessment ratio of only 28.9 per cent. Apparently the tax burden imposed on telephone companies in North Carolina is on a basis of substantial parity with the burden imposed in neighboring states. Thus state and local taxes paid by the Southern Bell Telephone and Telegraph Company in North Carolina in 1927 represented 8.8 per cent of its total system state and local tax payments. The company, on the other hand, derived 8.8 per cent of its gross and 8.9 per cent of its net revenues from operations in this state.

MOTOR BUS COMPANIES

Motor bus companies rank fourth among the various classes of public utilities in respect of the amount of their North Carolina tax bill. The aggregate state and local tax payments of these companies in 1927 amounted to approximately $212,000. About 85 per cent of this sum represented the yield of the 6 per cent state franchise tax on bus company gross receipts. As indicated by Table 85, bus company taxes represent about 7.1 per cent of their gross revenues. Although this percentage is well above the average for other classes of public utilities, it must be remembered that motor vehicle carriers operate on a right of way and on a roadbed furnished by the state. Aside from the 6 per cent franchise tax, which may be regarded as a special highway maintenance charge, motor bus companies contribute very little toward the general support of government. It is pointed out in the text of the report that, contrary to the procedure followed in the assessment of most other public service corporations, bus company property is assessed in its entirety by local assessors. This practice is considered objectionable since it prevents bus companies from being assessed upon the value of their franchises.

MISCELLANEOUS UTILITIES

The remaining classes of public utilities merit little attention; they are responsible for less than 2 per cent of the total state and local revenues derived from the entire public service corporation group. Several questions, which may possibly have been raised by the tables presented in this summary, should, however, be touched upon. The financial significance of water works, ferry, bridge, canal, and private car line companies is practically negligible. Telegraph companies, express companies and the Pullman Company, on the other hand, have some revenue yielding possibilities, and the data presented in Table 85 indicate that the tax payments of these companies as related to their gross earnings in this state are considerably below the average for other classes of corporations. All three of the foregoing types of utilities represent corporations whose operations extend over many states; consequently it is impossible to determine the net income ascribable to operations in North Carolina, except on the basis of some method of allocation. In the case of telegraph and express companies no satisfactory method of allocation was available. In the case of the Pullman Company the method prescribed under the state corporation income tax was employed. That method, however, may be criticized as arbitrary. There is accordingly no satisfactory means of measuring the relative tax burden resting on telegraph companies, express companies, and the Pullman Company. It is significant, however, that, as regards telegraph and express companies at least, the tax burden imposed in North Carolina is apparently no lighter than the average burden imposed by the other states in which these companies operate. Thus the total state and local tax payments of telegraph companies in North Carolina represented 1.6 per cent of their corresponding system payments in 1927. Only 1.4 per cent of their total mileage of line, however, is located in this state and according to their figures they derive only 1.3 per cent of their gross revenues from their operations here. Similarly the total North Carolina tax payments of express companies amounted in 1927 to 2.4 per cent of their total system tax payments. According to their reports, however, they derive only 1.3 per cent of their gross receipts from operations in this state.

CHAPTER IX

THE PROBLEM OF PUBLIC UTILITY TAXATION

Public service corporations represent the largest individual taxpayers in the state. A single one of these corporations, the Southern Railway Company, has an annual North Carolina tax bill which exceeds $2,000,000. Public service corporations as a class contributed approximately $8,371,000 toward the support of state and local government in 1927. This represents nearly 10 per cent of the total taxes levied for all purposes by the state and its subdivisions for that year. It is evident from the foregoing facts that public service corporation taxes form an exceedingly important element in the North Carolina system of state and local revenues and that the extensive treatment accorded them in the present report require no further justification.

Preliminary Facts. The term public service corporation is a general designation for companies engaged in the transportation of passengers and freight and in the transmission of light, heat, power, sound, or intelligence. In North Carolina, public service corporations include railroad, street railway, steamboat, canal, express and sleeping car companies, motor vehicle carriers, telegraph and telephone companies, and gas, pipe line, electric light, heat, power, and water supply companies.

As will be seen from Table 85, there were some 400 public service corporations doing business in North Carolina in 1927. These corporations produced utilities and services valued at $132,310,000 in that year. The assessed value of their property located within the state was approximately $319,000,000. As has already been indicated their total tax bill amounted to $8,371,000. Of this sum $6,204,200 or 74 per cent represented payments to counties, towns, cities, school districts, and other local governmental units. The remaining 26 per cent represented taxes paid to the state.

It will be seen, Table 88 and Figure 14, that the various classes of public service corporations are by no means of equal importance as sources of governmental revenue. At the head of the list stand the steam railroads, which as a class contributed $5,582,000 or more than two-thirds of all taxes paid by public service corporations in 1927. Next in importance are the electric light and power companies, whose aggregate tax liability amounted to $1,900,000 or about 23 per cent of the total for all classes of public service corporations. The telephone companies, with a total tax bill of some $539,000, stand third on the list. Motor bus companies, whose combined tax burden amounted to about $212,000 in 1927, rank fourth. The four classes mentioned were together responsible for more than 98 per cent of all taxes collected from public service corporations in 1927. With the possible exception of telegraph companies, express companies, and the Pullman Company, the fiscal significance of the remaining classes of public utilities is practically negligible. See also Figure 13 for a picture of the relative importance of these various classes as producers of government revenue.

TABLE 88—TAXES LEVIED AGAINST PUBLIC SERVICE CORPORATIONS IN NORTH CAROLINA—FISCAL YEAR 1927

Class of Utility	Number of Corporations Assessed	Assessed Valuation 1927	Gross Earnings from Operations in North Carolina 1927	Taxes Assessed			
				State	Local	Total	Per cent of Total
Steam Railroads	56	$ 236,520,000	$ 85,656,000	$ 1,101,000	$ 4,481,000	$ 5,582,000	$ 66.68
Electric Light and Power Companies	82	68,006,000	31,080,000[1]	521,000	1,369,000	1,900,000	22.58
Telephone Companies	130	10,956,000	7,307,000	291,000	248,000	539,000	6.44
Motor Bus Companies	95	Not available	2,987,000	183,000	29,000	212,000	2.53
Telegraph Companies	2	2,127,000	2,124,000	22,000	40,000	62,000	.74
Express Companies	2	337,000	2,045,000	35,000	10,000	45,000	.54
The Pullman Company	1	1,053,000	905,000	11,000	17,000	28,000	.33
Water Works Companies	6	131,000	80,000	1,000	5,000	6,000	.08
Steamboat Companies	6	132,000	19,000	300	2,700	3,000	.04
Ferry, Bridge, Canal and Turnpike Companies	8	54,000	64,000	1,000	1,000	2,000	.02
Private Car Lines	12	72,000	43,000	500	1,500	2,000	.02
Total	400	$319,388,000	$ 132,310,000	$ 2,166,800	$ 6,204,200	$ 8,371,000	100.00

[1]Includes some duplications due to wholesaling of power for resale.

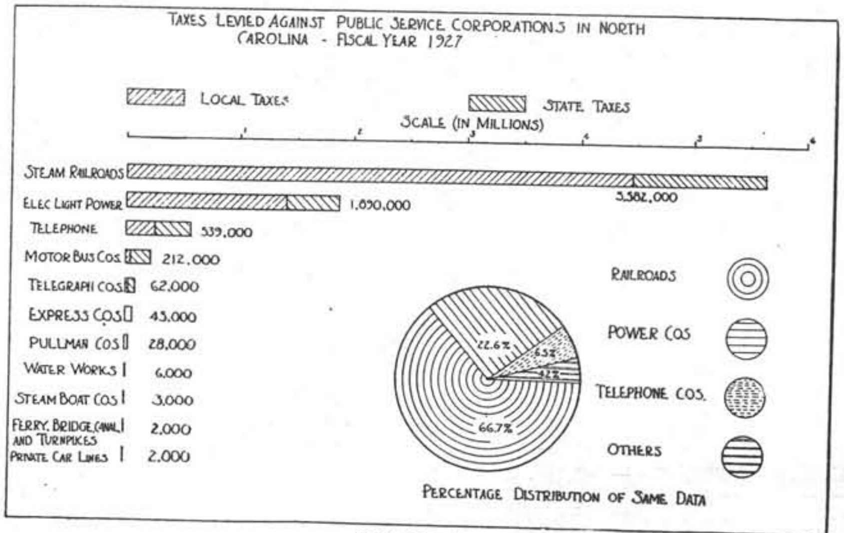


FIGURE 13

Distinctive Characteristics. Public service corporations possess distinctive characteristics which set them apart from the ordinary run of private business enterprises. In the first place they are the media through which the public is supplied with certain basic services, the continuous and uninterrupted production of which is vital to the general economic well-being of the communities served. Because of the fundamental nature of the functions performed, public service corporations are generally allowed to exercise various privileges of a quasi-governmental character. For instance, they ordinarily enjoy the right of eminent domain and may use the streets and highways in a manner not permitted to the general public. As much because of the peculiar nature of the services they perform as because they have been granted exclusive franchises, public service corporations frequently possess monopolistic advantages. At least they are not subject to the usual restraint which competition imposes on other classes of business activity. In the absence of competition, some other means of safeguarding the interests of the public is required and this is supplied in the public utility field by governmental regulation and control.

All classes of public service corporations doing business in North Carolina are subject to the general control and supervision of the State Corporation Commission.[1] The commission has power to require transportation and transmission companies to establish and maintain all such public service facilities and conveniences as may be reasonable and just.[2] It is also charged with the duty of prescribing just and reasonable rates and charges for services rendered to the public.[3]

It must be remembered, however, that interstate transportation and transmission companies are subject to the control of the Interstate Commerce Commission as regards their interstate operations. The jurisdiction of

[1]*Consolidated Statutes of North Carolina*, Chapter 21, Article 2.
[2]*Ibid.*, Article 3, Section 1038.
[3]*Ibid.*, Article 4, Section 1066.

the Corporation Commission covers only the purely local or intrastate business of such companies. Even here, however, the regulatory powers of the state commission are subject to restriction, a number of recent decisions of the Supreme Court having established a degree of national control over local commerce where such control is necessary as a means of protecting and promoting interstate operations.[1]

System of Taxation. Public service corporations in North Carolina are, generally speaking, subject to four kinds of taxes, namely, (1) local general property taxes, (2) local license taxes, (3) the general state corporation income tax, and (4) state franchise or privilege taxes. Local license taxes may be imposed only on certain classes of corporations, notably express companies, telegraph companies, and electric light, power, and street railway companies. The other three kinds of taxes, however, are applicable to all classes of public service corporations without any exceptions.

Table 89 gives a distribution of the 1927 tax bill of North Carolina public service corporations by specific kinds of taxes. It will be seen that their liability under the state corporation income tax amounted to about $1,002,000, which represented 12 per cent of their total tax payments. Amounts due under the various franchise or privilege taxes levied by the state aggregated $1,164,000 and were responsible for 13.9 per cent of the total tax bill. Local taxes amounted to $6,204,000 or 74.1 per cent of the total. It is not possible to secure a separation of local taxes as between amounts collected under the general property tax and collections under local license taxes. It is safe to assume, however, that fully 98 per cent of all local taxes assessed against public service corporations represent taxes on property which are by all odds the heaviest taxes which they are called upon to bear.

TABLE 89—YIELD OF SPECIFIC TAXES ON PUBLIC SERVICE CORPORATIONS, 1927

	Amount	Per cent of Total
State Taxes—		
Income	$1,002,000	12.0
Franchise	1,164,800	13.9
Total State	$2,166,800	25.9
Local Taxes	$6,204,200	74.1
Grand Total	$8,371,000	100.0

Scope of Investigation. The investigation of the subject of public utility taxation in North Carolina has been limited to a single question of paramount importance to the citizens of the state. Are the public service corporations operating in North Carolina bearing their fair share of the general tax burden? This is a perennial issue, and the desirability of assembling facts and figures which will help to resolve it scarcely needs to be stressed. Periodically the complaint is heard that public service corporations, individually or as a class, contribute less to the support of state and local government than can be justified on the basis of their wealth, their earnings, and the value of the privileges and franchises which they are per-

[1]Cushman, *Leading Constitutional Decisions*, page 235.

mitted to enjoy. The records of tax litigation, on the other hand, bear ample testimony to the fact that the public utilities themselves are by no means inclined to accept this view. As indicated by the records, they have not infrequently considered themselves sufficiently discriminated against in the matter of taxation to warrant an appeal to the courts for relief. The major portion of the Commission's investigation has accordingly been directed toward a consideration of the adequacy and fairness of the existing burden of state and local taxes upon this class of corporations.

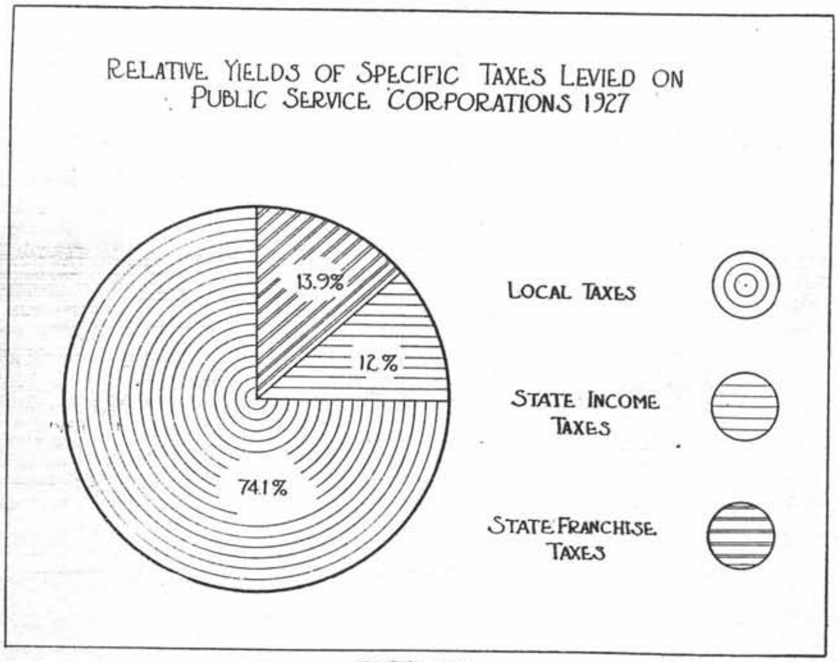


FIGURE 14

CHAPTER X

STANDARDS OF FAIRNESS IN PUBLIC UTILITY TAXATION

How much should public service corporations doing business in North Carolina be fairly expected to contribute toward the support of state and local government? To what extent, if at all, does the existing tax burden borne by these corporations depart from that norm? It is not the purpose of the present report to furnish ready-made answers to the above question; its scope is limited to the assembling of facts and figures deemed pertinent to an unbiased consideration of the problem. In order to determine what facts and figures are pertinent, however, it is necessary, first of all, to review at some length the several criteria of fairness which, in the opinion of various authorities, are properly applicable to the taxation of public service corporations.

Ability vs. Benefit. In the field of public finance at large, two bases of apportioning the costs of government are, within their respective spheres, generally recognized as valid. These are the principle of ability to pay and the principle of benefit received. In the apportionment of the costs of those functions of government which confer a common benefit to all and in respect of which any special benefits accruing to particular individuals are merely incidental and incapable of separate measurement, the principle of ability is commonly held to apply. This means that persons and corporations possessing equal economic ability are expected to contribute equally to the support of the activities in question altogether apart from any consideration of how they may be individually affected by those activities. Ability may be measured by property owned, by income received, by personal expenditure, or by a variety of other external signs. There may be, and frequently is, considerable difference of opinion as to what is a proper measure of ability. The principle itself, however, is widely accepted as a fair and just basis for apportioning the bulk of the ordinary expenses of government.

Although most of the functions of government are for the common good of all and should be supported by each citizen in accordance with his ability, nevertheless, certain governmental acts confer measurable special benefits on particular individuals or groups. The state may grant various privileges, franchises, and concessions having an ascertainable pecuniary value to their individual or corporate recipients. Again it may burden itself with expenditures which result in separable benefits to particular persons or groups. In respect of such acts of government, the principle of benefit is held to apply. The recipients of special governmental favors, it is held, should not only contribute to the general costs of government in accordance with their respective abilities, but also—in the interest of justice—they should be subject to further charges adjusted in some proportion to the value or cost of the special benefits received.

Theory of Supertaxation. It is often contended that the principle of benefit applies with peculiar force to the taxation of public service corporations and that the requirements of justice can be satisfied only by subjecting these enterprises to heavier taxation than other classes of business and property. Public service corporations, it is said, have been accorded special privileges for which special payments should be made. They are allowed to exercise the right of eminent domain and enjoy the privilege of using streets and highways in a manner not permitted to the general public. The state has given them exclusive franchises which generally carry with them monopolistic advantages. They have been the recipients of other governmental favors. As is well-known, the State of North Carolina subscribed heavily to the stock of some of the earlier railroads constructed in the state. In certain instances it guaranteed their bonds and gave them substantial aid in various other ways. Moreover the charters of most of these pioneer roads contained provisions exempting them wholly or in part from taxation. History indicates that public service corporations have, upon occasion, taken advantage of the monopolistic powers conferred upon them for the purpose of mulcting the public. Specially heavy taxation is accordingly held to be necessary as a corrective of such abuses and as a means of returning to the public a part, at least, of the illegitimate gains.

Significance of Regulation. The argument enunciated above may have possessed considerable validity in the past. It overlooks, however, a very important characteristic of present day public service corporations: the fact that they are no longer unregulated monopolies. As previously pointed out, public service corporations in North Carolina are subject to the supervision and control of the State Corporation Commission, which is empowered to prescribe such rates and charges for services rendered as may be considered just and reasonable. Effective rate regulation precludes the possibility of extortionate profits. It implies the fixing of service charges at a level just high enough to allow for all necessary expenses of operation including a profit to the investors no greater than the minimum needed to attract new capital into the field for future extensions and improvements.

From the standpoint of taxation, rate regulation has two important consequences. In the first place, an effectively regulated public utility is debarred from deriving any pecuniary advantage from the franchises and privileges which the state permits it to exercise. By definition its investors are allowed no greater profits from their property than they would be able to obtain in private enterprises involving a like degree of risk. Secondly, under conditions of effective regulation, the final burden of taxes on public service corporations rests, not on the corporate owners, but on the users of the utility services. This latter statement scarcely requires demonstration. Supposing a utility to be earning no more than a fair return, any increase in its taxes will have to be passed on to its patrons in the shape of higher service rates. Otherwise, the services rendered will deteriorate or, the investors being denied a fair return, it will be difficult to secure new capital for needed extensions and betterments. Similarly any reduction in taxes will ultimately inure to the benefit of the patrons, since effective regulation implies that any drop in operating costs be promptly met by a corresponding drop in service rates.

Recognition of the fact that perfect regulation shifts the incidence of public utility taxation from the utilities themselves to their customers does not by any means settle the question of how heavy a burden of taxation should be imposed on these corporations in the first instance. The premise of regulation is, in fact, responsible for no less than three divergent proposals. One group of extremists urge that regulated public utilities be exempted from taxation altogether. This policy, it is said, will benefit the public by keeping service charges low. At the opposite extreme are those who hold that public service corporations may quite properly be subjected to specially heavy taxation. This discrimination is defended not on the ground that public utilities have been accorded special privileges but on the totally different ground that public utility taxation is merely a convenient method of taxing the general public, with the utility acting in the capacity of tax collector. This species of indirect taxation, it is said, has much to recommend it, since the services taxed are of wide-spread use and the cost of collecting the tax is comparatively low.

Exemption vs. Supertaxation. Before considering the remaining proposal, it will be well to examine at closer range the character of the reasoning brought forward in support of the diametrically opposite views enunciated above. In support of the first policy, that public service corporations be entirely exempt from taxation, it is claimed that such exemption would confer a general public benefit by allowing services to be sold at the lowest possible rates. This argument possesses a certain degree of plausibility which under closer scrutiny speedily disappears. In the first place, if public service corporations are to be relieved from the payment of all taxes, it simply means the transfer of their burden to other classes of taxpayers and other subjects of taxation. As long as the revenue requirements of the government remain the same, the public at large will be neither better nor worse off as the result of this transfer. To the extent that taxes are reflected in prices, they may be regarded as one of the overhead costs of production. There would appear to be no valid reason for exempting the consumers of utility services from their proportionate share of this overhead at the expense of the consumers of other services and commodities. Under existing conditions, at any rate, it is difficult to see how any public purpose would be subserved by this form of favoritism, especially in view of the fact that the use of transportation, communication, heat, light, and power facilities by the general public is by no means universal or equal.

The proposal to subject public service corporations to especially heavy taxation on the theory that these taxes will have a wide diffusion among the general body of citizens seems equally untenable when further analyzed. The immediate burden in this case will actually fall, not upon the general public, but upon the users of utility services. A certain class of consumers will thus be singled out for especially heavy taxation. There would appear to be no justification for making a discrimination of this kind, inasmuch as to the extent to which public utilities are utilized by various individuals does not constitute a fair measure of their tax-paying ability. Moreover, the utilities supplied by public service enterprises are generally necessities, and their use as a measure of tax obligation imposes a burden which increases in relative severity as incomes approach the subsistence minimum. Finally, the policy of taxing public utilities more heavily than other classes of business or property may prove unfair to the corporation as well as to its patrons. Permission to charge high service rates does not necessarily carry with it the power to shift heavy taxes. If rates are already as high as the traffic will bear, increased taxation may deprive a utility of a fair return on its investment.

The Principle of Equality. It may be concluded from the above that where utilities are effectively regulated, so as to allow the investors no more than a fair return, both unusually heavy and unusually light taxation are equally improper. This leaves only one remaining basis for the taxation of public service corporations: that of equality with other classes of taxpayers. The principle of equality finds strong support among tax administrators and economists. Thus in a report made to the National Tax Association at its 1922 conference, the committee on the taxation of public utilities expressed itself as follows:

"The general principle of equality in taxation will be questioned by few. It has had repeated support at these conferences. A heavy burden of proof rests upon him who advocates a departure from the principle of equality in any particular case. The committee fails to find any valid argument for departure from this principle in the case of the taxation of public utilities."[1]

Among the other important authorities found ranged on the side of the equality principle as applied to public utility taxation, may be mentioned the California Commission on Revenue and Taxation, which reported in 1906[2]; the Connecticut Special Commission on Taxation of Corporations, which reported in 1913[3]; the Virginia Joint Committee on Taxation of Public Service Corporations which reported in 1914[4]; and the Committee on Taxation of Public Service Corporations, which reported to the National Tax Conference of 1913[5].

QUALIFICATIONS TO THE EQUALITY THEORY

Assuming that public utilities are allowed to earn no more than a fair return on their investment, it is not difficult to give theoretical assent to the proposition that they should be taxed on a basis of strict equality with other classes of business and property. Moreover, in view of the overwhelming weight of authority in favor of the equality principle, it may well be accepted as a general rule of taxation from which no deviation ought to be permitted without ample justification. It must not be forgotten, however, that this rule assumes an ideal set of conditions such as is seldom encountered in actual practice. In order to obtain a rule of taxation which will suit the situation as it actually exists, several factors which may modify and even partially supersede the principle of equality, must be taken under advisement.

In the first place the equality theory assumes that public service corporations will never be permitted to earn more than a fair return on their property investment. It is not humanly possible, however, for a regulatory body to fix upon a schedule of service rates which will perfectly achieve this object. Service rates are obviously not the only factor regulating net

[1]National Tax Association, *Proceedings of Fifteenth National Conference*, 1922, page 167.

[2]*Report of the Commission on Revenue and Taxation of the State of California*, 1906, page 93.

[3]State of Connecticut, *Report of the Special Commission on Taxation of Corporations Paying Taxes to the State*, 1913, page 8.

[4]*Report of Joint Committee on Tax Revision*, Virginia, 1914, page 131.

[5]National Tax Association, *Proceedings, Seventh Conference*, pp. 372-383.

profits. Equally as important are the volume of business obtainable under a given scale of charges and the necessary expenses of operation. These latter elements are extremely variable and uncertain. Two competing railroads, for instance, may operate under the same schedule of rates, but such variables as strategic position, managerial efficiency, character and density of traffic, favorable connections with other roads, and lack of grades, bridges, and tunnels may result in very unequal rates of return on the respective capital investments.

Taxation As a Supplement to Regulation. It is not practicable to prescribe individual scales of charges so adjusted as to allow each individual corporation to earn a fair return on its investment. Moreover, even if it were possible for each corporation to have its own schedule of rates, the earning power of those rates would necessarily vary with changes in economic conditions. Rate schedules must accordingly be adjusted to the necessities of the average public service enterprise operating under normal conditions. Under rates so determined the more favorably situated enterprise will frequently earn more than a fair return on its property, while in times of unusual prosperity all of the regulated enterprises may earn higher profits than were contemplated. It may therefore be concluded that, until the technique of regulation has reached a much higher state of perfection than has thus far been attained, regulation alone will not suffice to limit the earnings of all public service corporations at all times to a reasonable return. Under these circumstances there is excellent authority for the view that recourse should be had to taxation to recapture for the public a part of the excess earnings.[1] In other words, to the extent that taxation is necessary as a supplement to regulation, some departure from the equality rule is justified.

The above consideration is particularly pertinent in relation to the taxation of franchise or going-concern value. The good will or going-concern value of an unincorporated business is not ordinarily subject to taxation in North Carolina. The going-concern value of a private corporation is taxed only under certain conditions. Public service corporations, on the other hand, are invariably taxed on their franchise or going-concern value. At first blush this would seem to represent a gross violation of the principle of equality. As has already been indicated, however, a perfectly regulated public utility would have no franchise value to tax. The aggregate value of its stocks and bonds or the capitalized value of its net earnings could not exceed the value of the property actually contributed by the investors, since effective regulation implies that the return of utility investors be limited to what would be considered a reasonable return in private undertakings involving a comparable risk. The fact that the actual value of a public service corporation, as indicated by the market value of its securities or the capitalization of its earnings, is greater than the value of its physical assets is prima facie evidence that earnings, present or prospective, are in excess of a reasonable return. Taxation of the franchise value of public service corporations is, therefore, entirely justifiable as a supplement to regulation.

Reimbursement for Special Expense. It has been seen that the state may confer measurable special benefits on individuals and corporations in two

[1]National Tax Association, Report of Committee on Taxation of Public Utilities and Upon the Interstate Apportionment of the Tax. *Proceedings of the Fifteenth National Conference*, 1922, page 170.

ways. It may grant them franchises and privileges having an ascertainable money value, or it may incur special expense in their behalf. An effectively regulated public service corporation is under no obligation to reimburse the state for the privileges which it is permitted to exercise, since it is not allowed to convert these privileges into a source of private profit. If, however, public utilities occasion special expense to the government, such expense is properly speaking part of the cost of producing utility services and should be paid for by the utility users. A convenient way of accomplishing this result is for the state to assess the amount of its expenditure against the utilities and to allow the latter to recoup themselves through an appropriate adjustment of their service rates. Practically all public utilities in North Carolina are a source of some special governmental expense. The bulk of the cost of the State Corporation Commission, to mention only one item, may be classified under this head. Additional taxation to the extent necessary to reimburse the state for expenditures properly chargeable to the cost of producing utility services may therefore be set down as a second justifiable exception to the strict rule of equality.

Need for Parity with Other States. A further important limitation to the equality principle applies in the case of interstate transportation and transmission companies. It has already been pointed out that taxes levied against regulated public service corporations are in effect taxes on the consumer. In other words, taxes are part of the necessary expenses of operation, which, together with the value of the investment devoted to public use, determine the level at which service rates shall be fixed. Interstate rate schedules, however, are prescribed by the Interstate Commerce Commission and are not ordinarily determined with reference to state lines. Taxes in general are a factor to which weight is given in fixing the scale of charges for a given region or district, but the aggregate amount of taxes levied against the carriers in any particular state does not constitute a special addition to the rates charged for services performed in that state. The taxes levied in any particular state are a charge against the earnings of the entire system and are collected, in the final analysis, from all of the patrons of the utility. It will thus be seen that the degree of taxation imposed on an interstate carrier by any one state cannot be a matter of indifference to patrons of the carrier residing in other states through which it operates. A state can in effect levy tribute upon its neighbors by imposing a heavier burden of taxation on the property and business of the interstate carriers crossing its borders than is imposed on the same carriers in other states. This leads to another rule in the taxation of public service corporations which may conflict with the rule of equality, namely, that a state should, as a measure of self-protection, impose as heavy a burden of taxation on interstate carriers crossing its borders as the average for other states through which the carriers pass.

CHAPTER XI

LEGAL RESTRICTIONS ON THE TAXATION OF PUBLIC SERVICE CORPORATIONS

GENERAL CONSTITUTIONAL LIMITATIONS

Thus far the various standards of fairness in public utility taxation have been considered solely from the standpoint of economics. In the matter of adjusting tax burdens, however, what is economically desirable must necessarily yield place to what is legally permissible. The state legislature does not possess complete freedom to enact whatever tax measures it may deem to be proper. Its taxing power is to some extent limited both by the Constitution of North Carolina and by the Constitution of the United States. An understanding of the character and effect of these constitutional restrictions is necessary for the purpose of ascertaining how far the economic principles developed in the preceding section may legally be followed. A brief sketch of the general nature of the restrictions in question, followed by a discussion of their application to particular methods and forms of utility taxation, is accordingly interposed at this point.

The Uniformity Clause. By the Constitution of North Carolina taxation of real and personal property must be uniform and ad valorem according to its true value in money.[1] This provision is commonly referred to as the uniformity clause. It will be noted that the clause in question relates only to the general property tax. As applied to public service corporations, it means that the property of these enterprises must not be subjected to a heavier burden under the general property tax than the property of other classes of taxpayers. Since the uniformity clause applies only to property taxation, it does not, as is sometimes mistakenly assumed, preclude the imposition of additional and, as regards the general body of taxpayers, unequal taxes on special occupations and industries.[2] In addition to the taxation of property and polls, the State Constitution specifically empowers the general assembly to tax "trades, professions, franchises and incomes."[3] This provision permits public service corporations as a whole or special classes of public service corporations to be singled out for the payment of special license or privilege taxes from which other classes of taxpayers may be wholly exempt. Such taxes may be levied with reference to a variety of criteria. They may even be measured by the value of property already subjected to the general property tax, since it has been held that the use of such a measure does not change the essential nature of a privilege tax.[4]

Due Process and Equal Protection. The Fourteenth Amendment to the Constitution of the United States provides that no state shall deprive any person of property without due process of law or deny any person within its jurisdiction the equal protection of the laws. Both the due process and

[1]Constitution of the State of North Carolina, Article V, Section 3.
[2]State v. Worth, 21 S. E. 204; Gatlin v. Tarboro, 78 N. C. 79.
[3]Constitution of the State of North Carolina, Article V, Section 3.
[4]Southern Ry. Co. v. Watts, 260 U. S. 530.

the equal protection clauses play an important part in the field of state taxation. The former stands as a bulwark against any attempt of a state to assert its taxing power in respect of a subject over which it has no jurisdiction, such as property located beyond its borders. The latter requires that there shall be no discrimination in the administration of tax laws as between members of the respective classes to which the laws apply. Certain forms of tax discrimination which have been held to be invalid under the due process and equal protection clauses will be discussed further on. It is important to notice here, however, that the equality rule of the Fourteenth Amendment does not require the equal taxation of all occupations or forms of industry. The legislature is left perfectly free to tax some kinds of business while leaving others exempt. It may even differentiate between enterprises of the same general class provided the basis of differentiation is reasonable, founded on a real distinction and not merely arbitrary and capricious.[1] The Supreme Court's interpretation of the equality rule has been succinctly stated by Justice McKenna in the following language:

> "That rule does not require, as we have seen, exact equality of taxation. It only requires that the law imposing it shall operate on all alike under the same circumstances. All license laws and all specific taxes have in them an element of inequality; nevertheless they are universally imposed and their legality has never been questioned. (Clarke v. Titusville, 184 U. S. 333).

The segregation of public service corporations into a special class for purposes of taxation is not considered arbitrary and it has been held again and again that the imposition of additional license or privilege taxes on such corporations does not constitute a violation of the Fourteenth Amendment.[2]

Interstate Commerce Clause. Section 8 of Article I of the Federal Constitution gives Congress power to regulate commerce among the several states. Pursuant to this grant of authority, it has become a well established principle that a state may not impose a tax which would act as a restraint or burden upon interstate commerce or which would constitute an invasion of the federal regulatory power.[3] As is pointed out elsewhere in this report, fully 75 per cent of all taxes collected from public service corporations in North Carolina are derived from interstate transportation and transmission companies. With respect to the most important classes of public service corporations in the state, therefore, the interstate commerce clause represents a third form of restriction on the taxing power of the General Assembly. The interstate commerce clause does not, of course, prohibit all state and local taxation of interstate utilities. In interpreting the meaning of this provision, the Supreme Court has given its sanction to certain forms and methods of taxation and has definitely rejected others. A detailed discussion of what is and what is not permissible under the commerce clause may, however, be most conveniently handled in connection with the consideration of the constitutional status of specific taxes and methods of administration which immediately follows.

[1]Armour Packing Co. v. Lacy, 200 U. S. 226; Connolly v. Union Sewer Pipe Company, 184 U. S. 540; Clarke v. Titusville, U. S. 329; Southern Ry. Co. v. Watts, 260 U. S. 519; Southern Ry. Co. v. Greene, 216 U. S. 400.

[2]Bell's Gap R R. Co. v. Pennsylvania, 134 U. S. 232, 237; Southern Ry. Co. v, Watts, 260 U. S. 330, 338.

[3]Pullman Co. v. Richardson, 261 U. S. 330, 338.

Judicial Interpretations. In order to understand the real effect of the several constitutional restrictions set forth above, it is necessary to know how the Supreme Court has interpreted them in relation to specific types of taxes, particular methods of assessment and actual administrative practices. In the discussion which follows, an attempt is made to set forth the attitude of the court with regard to some of the more important of the above points. For the sake of brevity, the discussion is confined to considerations pertinent to the taxation of public service corporations engaged in interstate commerce. It is to be understood, however, that all restrictions and prohibitions except those having their origin in the commerce clause are equally applicable to utilities of a strictly intrastate character.

The General Property Tax. A distinction must be made at the outset between general taxes and special or exclusive taxes. By general taxes are meant impositions such as the general property tax to which public service corporations are subject only as members of some larger class. By special or exclusive taxes are meant taxes applying exclusively to certain occupations or forms of business enterprise, such as the franchise, license, or privilege taxes imposed solely on public service corporations or special classes thereof. In so far as public service corporations are subject to the payment of general taxes, they are entitled to the protection of the equality rule. In other words, there must be no discrimination against them as compared with other taxpayers amenable to the same general laws. The equality rule, as has been seen, does not preclude the imposition of special license or privilege taxes. In the case of corporations doing an interstate business, however, such license taxes are subject to a special set of legal restrictions arising out of the interstate commerce clause. The two classes of taxes must, therefore, be considered separately.

The most onerous of the general taxes imposed on public service corporations is the general property tax. As has already been pointed out, this tax was responsible for about 70 per cent of the total amount collected from the public service corporations of North Carolina in 1927. It is of considerable importance, therefore, to know what legal rules the Supreme Court has laid down with regard to the taxation of property owned by interstate utilities.

Going Concern or Franchise Value. It is a well established principle that property used in interstate commerce may be taxed by the state within whose limits such property is permanently located or commonly used.[1] Moreover in assessing the property for purposes of taxation it is legitimate to value it as part of a going concern. The court has stated this rule in the following language:

"And, if the property be part of a system and have an augmented value by reason of a connected operation of the whole, it may be taxed according to its value as part of the system although the other parts be outside the state;—in other words, the tax may be made to cover the enhanced value which comes to the property in the state through its organic relation to the system."[2]

[1]Pullman Co. v. Richardson, 261 U. S. 330. See also State Railroad Tax Cases 92 U. S. 608; Western Union Telegraph Co. v. Massachusetts 125 U. S. 530; Cudahy Packing Co. v. Minnesota 246 U. S. 450, 453; Wells Fargo and Co. v. Nevada, 245 U. S. 165, 167; Union Tank Line Co. v. Wright, 249 U. S. 275, 282; Southern Ry. Co. v. Kentucky, 47 S. Ct. 542, 544.

[2]Pullman Co. v. Richardson, 261 U. S. 330, 338.

To tax the property of a public service corporation on the basis of the enhanced value which attaches to it as part of a going concern is equivalent to including in the assessment the value of the franchise under which it operates. The Court has explicitly recognized the right of states to tax such franchise values as property. Thus in the case of Postal Telegraph Co. v. Adams, 155 U. S. 696, it said:

"As pointed out by Mr. Justice Field in Horn Silver Mining Co. v. New York, 143 U. S. 305, the right of a state to tax the franchise or privilege of being a corporation as personal property has been repeatedly recognized by this court, and this whether the corporation be a domestic or foreign corporation doing business by its permission with the state."

Meaning of Equality. The taxation of property in North Carolina is subject not only to the uniformity clause of the State Constitution but to the equal protection provision of the Federal Constitution as well. In Greene v. L. and J. R. R. Co., 244 U. S. 499, the Court said, quoting from Exchange v. Hines, 3 Ohio St. 115:

"Uniformity in taxing implies equality in the burden of taxation, and this equality of burden cannot exist without uniformity in the mode of assessment as well as of the rate of taxation."

Differences in the machinery for assessment and equalization as between public service corporations and other classes of taxpayers are not, however, considered inconsistent with the equality rule.[1] Thus, although property in general is assessed by local assessors, it is perfectly legitimate for the legislature to direct that the property of public service corporations be assessed in whole or in part by a central state board.[2] Moreover, the method of allocating the tax between the state and its political subdivisions is within the competency of the legislature.[3] For instance, all or certain elements of public utility property may be segregated for exclusive state taxation.[4] Again the property of a public service corporation may be assessed by a central state board and, for purposes of local taxation, may be distributed among the various local taxing jurisdictions on the basis of mileage of line within each.[5]

Relation of Assessed to True Values. Whatever the differences in administrative procedure, the property of public service corporations must be assessed on a basis of substantial equality with the property of other classes of taxpayers. It cannot, for instance, be assessed at its true value when property in general is systematically assessed at less than true value.[6] This prohibition holds even though, as in North Carolina, the State Constitution directs that all property be assessed at its true value in money.[7] In other words, after the true value of the property and franchises of a public service corporation has been obtained, it must be equalized to make it conform to the prevailing degree of under assessment practiced in respect of

[1]New York State v. Barker 179 U. S. 279; Southern Ry. Co. v. Watts, 260 U. S. 519; Baker v. Druesdow, 263 U. S. 140.
[2]Kentucky Railroad Tax Cases, 115 U. S. 321; Pittsburgh, Cincinnati, Chicago and St. Louis Railway Co. v. Backus, 154 U. S. 425.
[3]General American Tank Car Corp. v. Day, 270 U. S. 367.
[4]See Pullman Co. v. Richardson, supra.
[5]State Railroad Tax Cases, 92 U. S. 608.
[6]Baker v. Druesdow 263 U. S. 142.
[7]Greene v. Louisville and Interurban R. R. Co. 244 U. S. 499, 516; Sioux City Bridge Co. v. Dakota County, 260 U. S. 441.

other kinds of property. The attitude of the Supreme Court has been succinctly stated by Justice Brandeis in the case of Southern Ry. Co. v. Watts, 260 U. S. 526.

"The rule is well settled that a taxpayer although assessed on no more than full value may be unlawfully discriminated against by undervaluation of property of the same class belonging to others. Raymond v. Chicago Union Traction Co., 207 U. S. 20. This may be true although the discrimination is practiced through the action of different officials. Greene v. Louisville Interurban R. R. Co., 244 U. S. 499. But unless it is shown that the undervaluation is intentional and systematic, unequal assessment will not be held to violate the equality clause. Sunday Lake Iron Co. v. Wakefield, 274 U. S. 350; Sioux City Bridge Co. v. Dakota County, 260 U. S. 441 . . . mere errors of judgment are not subject to review in these proceedings. Pittsburgh, Cincinnati, Chicago and St. Louis Ry. Co. v. Backus, 154 U. S. 421; Brooklyn City R. R. Co. v. New York, 199 U. S. 48, 52."

Valuation by the Unit Rule. In valuing the property and franchise of an interstate public service corporation operating within its borders, a state may use the so-called unit rule.[1] That is it may first proceed to value the utility as an entire system regardless of whether all of the utility's property is situated within the state. The total system value may then be used as a basis for determining the value properly taxable within the state through the application of some method of apportionment. The unit rule, however, cannot be used as a pretext for extra-territorial taxation.[2] As stated by Justice Holmes in the case of Wallace v. Hines, 253 U. S. 66, 69:

"The purpose is not to expose the heel of the system to a mortal dart—not, in other words, to open to taxation what is not within the state. Therefore no property of such an interstate road situated elsewhere can be taken into account unless it can be seen in some plain and fairly intelligible way that it adds to the value of the road and the rights exercised in the state."

The Supreme Court has not laid down any definite rules as to the precise manner in which the total system value of an interstate public service corporation is to be obtained. The Court has said, in fact, that the ascertainment of value is not a matter of formulas but involves a reasonable judgment having its basis in a proper consideration of all relevant facts.[3]

The decisions of the Court on concrete cases, however, have not left the question of valuation entirely untouched. In the case of Brooklyn City R. R. Co. v. New York, 192 U. S. 52, it was held that, in valuing the property of a public utility as a totality, it is unnecessary to disintegrate the various elements which enter into the assessment and ascribe to each its separate fraction of value. In Southern Ry. Co. v. Commonwealth of Kentucky, 47 S. Ct. 544, Justice Butler made the following observations anent criteria of value:

"The value of the physical elements of a railroad—whether that value be deemed actual cost, cost of reproduction new, cost of reproduction less depreciation or some other figure—is not the sole measure of or guide to its

[1]State Railroad Tax Cases, 92 U. S. 575; Kentucky Railroad Tax Cases, 115 U. S. 321; Western Union Telegraph Co. v. Massachusetts, 125 U. S. 530; Adams Express Co. v. Ohio 165 U. S. 220, 226; Southern Ry. Co. v. Commonwealth of Ky., 47 S. Ct. 542.

[2]See Southern Ry. Co. v. Commonwealth of Kentucky 47 S. Ct. 542.

[3]Minnesota Rate Cases, 230 U. S. 352. Referred to by Justice Brandeis in Southern Ry. Co. v. Watts, supra.

value in operation. Smyth v. Ames, 169 U. S. 466, 547. Much weight is to be given to present and prospective earning capacity at rates that are reasonable, having regard to traffic available and competitive and other conditions prevailing in the territory served. No intangible element of substantial amount over and above the value of its physical parts inheres in a railroad that cannot earn a reasonable rate of return on its bare bones—as the mere tangible elements properly may be called. See Omaha v. Omaha Water Co. 218, U. S. 180, 202."

Although refusing to commit itself to any specific formulae, the Supreme Court has necessarily had to pass upon the soundness of particular methods of valuation when such methods were an issue in concrete cases brought before it. In the case of Louisville and Nashville R. R. Co. v. Greene, 244 U. S. 522, 540, the Court went so far as to say that in the absence of specific statutory instructions, there were at least two recognized methods of valuation—the stock-and-bond plan and the capitalization-of-income plan. It will be noted that both of these methods arrive at results which reflect present and prospective earning capacity rather than costs; and this is as it should be, if a utility is to be valued as a going concern.

The Stock-and-Bond Plan. According to the stock-and-bond plan, the total system value of a public service corporation is obtained by adding together the current cash value of its outstanding capital stock and the current cash value of the outstanding funded debt. In the State Railroad Tax Cases, 92 U. S. 575,605, Justice Miller commented on that method as follows:

"When you have ascertained the current cash value of the whole funded debt, and the current cash value of the entire number of shares, you have by the action of those who, above others, can best estimate it, ascertained the true value of the road, all its property, its capital stock, and its franchises; for these are all represented by the value of its bonded debt and of the shares of its capital stock."

This statement was reiterated with approval by Justice Brewer in Pittsburgh, etc. Railway v. Backus, 154 U. S. 421, 425, 429; and by Justice Gray in Western Union Telegraph Co. v. Taggart, 163 U. S. 1, 21.

In the case of Adams Express Co. v. Ohio, 166 U. S. 225, Justice Brewer said in part:

"The value which property bears in the market, the amount for which its stock can be bought and sold, is the real value.. . . ."

"In conclusion, let us say that this is eminently a practical age; that courts must recognize things as they are and as possessing a value which is accorded to them in the markets of the world."

The Capitalization-of-Income Plan. It is apparent, however, that the stock-and-bond plan affords a practical method of valuation only when the securities of the utility have a broad market and are frequently bought and sold. When this condition does not obtain, other methods must be relied upon. The capitalization-of-income plan offers the advantage of ease and simplicity of calculation. In the case of Illinois Central R. R. Co. v. Greene, 244 U. S. 555, 562, the Court held that no fundamentally wrong principle was involved in adopting the capitalization-of-income rather than the stock-and-bond plan for valuing a railroad system. In a more recent case involving an assessment primarily based on a capitalization of earnings, the Court took no exception to that method.[1]

The capitalization-of-income plan by no means eliminates the element of human judgment. The results obtained will vary widely depending on the rate of interest used, the number of years' earnings which are averaged, and the method used in determining the net income for any given year. Decision upon these points is left to the sound discretion of the assessing body, and it has been held that in the absence of fraud the valuations made are not judicially examinable unless resulting from some principle which is fundamentally wrong.[2]

Allocation of State Values. Having determined the total system value of a public service corporation, the assessing body must next determine what proportion of that value is properly taxable within its jurisdiction. This step is generally accomplished through some method of proration. As in the case of valuation formulas, the Supreme Court has refrained from prescribing any definite rule of apportionment. It has, however, said that the rule adopted must not be made a means of unlawfully taxing property situated without the boundaries of the state.[3] In the case of transportation and transmission companies the so-called mileage method of apportionment is commonly used; that is, the value of the property located within the state is estimated on the basis of the ratio which the mileage of line within the state bears to the total mileage for the entire system. The Supreme Court has sanctioned this method in certain cases[4] where it could be assumed that the different parts of the lines assessed were substantially equal in value.[5] In other cases where this condition did not obtain, that is, where the location of valuable depots and terminals, double trackage, or traffic conditions made different parts of the line of very unequal value, the mileage method of apportionment has been rejected on the ground that it resulted in extra-territorial taxation.[6]

The attitude of the Court on the question of proper bases of apportionment is probably fairly expressed by Justice McReynolds in the case of Union Tank Line v. Wright, 39 S. Ct. 278:

"We have accordingly sustained methods of apportionment producing results approximately correct—for example the mileage basis in the case of a telegraph company (W. U. Tel. Co. v. Mass.) and the average amount of property habitually brought in and carried out by a car company (American Refrigerator Transit Co. v. Hall). But if the plan pursued is arbitrary and the consequent valuation grossly excessive, it must be condemned because of conflict with the commerce clause of the Fourteenth Amendment or both."

If the above pronouncement may safely be taken as a guide, it would appear that the share of the total system value of an interstate utility properly allocatable to any given state might be obtained on the basis of any one or of a combination of several factors. Among these might be

[1] Southern Ry. Co. v. Kentucky, 47 S. Ct. 543.
[2] Illinois Central R. R. v. Greene, 244 U. S. 555.
[3] Fargo v. Hart, 193 U. S. 499.
[4] Western Union Telegraph Co. v. Massachusetts, 125 U. S. 530; Pullman's Palace Car Co. v. Pennsylvania, 141 U. S. 18; Maine v. Grand Trunk Railway, 142 U. S. 386; Western Union Telegraph Co. v. Taggart, 163 U. S. 21.
[5] Fargo v. Hart, supra.
[6] Pittsburgh etc., Railway Co. v. Backus, 154 U. S. 421; Fargo v. Hart, supra; Union Tank Line v. Wright 39 S. Ct. 276; Wallace v. Hines, 253 U. S. 66; Southern Ry. Co. v. Kentucky, 47 S. Ct. 542.

mentioned the ratio of state to system totals of mileage of line, car miles, ton miles, gross receipts, net earnings, and the value of the physical property devoted to the public use. The legitimacy of any given basis would, however, depend upon the fairness of the results obtained in the particular case to which it was applied.

The constitutional status of property taxation as applied to interstate public service corporations may now be summarized roughly as follows:

A state has the right to tax all of the property of a public utility located within its borders including its going-concern and franchise values. As a means of arriving at the full going-concern value of the property located within its jurisdiction, it may proceed first to obtain the total system value of the utility even though that system extend over several states. No definite formula for obtaining the system valuation has been prescribed. It is a matter of judgment involving a consideration of all relevant facts. Such bases as the aggregate market value of the outstanding stock and bonds and the capitalized value of the net earnings have, however, received recognition.

After the total system value has been ascertained, the proportion properly allocatable to the state may be obtained on the basis of whatever method of apportionment is productive of approximately correct results. For purposes of taxation, however, the true value of the utility property within the state must next be equalized to make it conform to the prevailing degree of under-assessment practiced in respect of other kinds of property subject to the same tax laws. Differences in the machinery for assessment and equalization as between public service corporations and other classes of taxpayers are permissible.

THE GENERAL INCOME TAX

Aside from the general property tax, the only other tax of general application to individuals and corporations in North Carolina is the income tax. State income taxation in its present form is still a comparatively recent fiscal device. The handful of cases thus far passed upon by the Supreme Court does not, therefore, afford much of a basis for rigidly delimiting the powers of state legislatures in relation to this characteristically modern method of taxation. The Court has, however, made a number of decisions which are germane to the present inquiry since they cast some light upon the constitutionality of state income taxes as applied to public service corporations engaged in interstate commerce. In considering the significance of these decisions, it is important to bear in mind that all of the cases cited relate to income taxes which are general in their application at least to the extent of applying uniformly to all corporations doing business within the state, whether residents or non-residents and whether engaged in interstate commerce or carrying on a purely intrastate business.

The right of a state to tax the income of a domestic public service corporation doing a strictly intrastate business has never been in doubt. There is no question here of interfering with commerce between the states. Neither is the subject of the tax beyond the territorial jurisdiction of the state. The application of state income taxes to other classes of public service corporations, however, gives rise to several interesting constitutional questions. Has a state the right to tax any part of the income of foreign corporations doing business within its territory? If so, how much of the total corporate income may be taxed and by what system of allocation is the amount of this taxable portion to be determined? Has the state the right to tax any income either of a foreign or domestic corporation which is partly derived from interstate commerce? Finally, may a state tax the income of any corporation which is engaged exclusively in interstate commerce?

Income of Non-Residents. The right of a state to tax income from all property located within its borders and from all gainful activities carried on therein, even though the property be owned and the activities be carried on by non-residents, was established in the case of Shaffer v. Carter, 252 U. S. 37, 50, 53. The following excerpts from the opinion of the Court in that case are significant: ". . . . That the State, from whose laws property and business and industry derive the protection and security without which production and gainful occupation would be impossible, is debarred from exacting a share of those gains in the form of income taxes for the support of the government, is a proposition so wholly inconsistent with fundamental principles as to be refuted by its mere statement. . . .

"That a state, consistently with the Federal Constitution, may not prohibit the citizens of other states from carrying on legitimate business within its borders like its own citizens, of course is taken for granted; but it does not follow that the business of non-residents may not be required to make a ratable contribution in taxes for the support of the government. On the contrary, the very fact that a citizen of one state has the right to hold property or carry on an occupation or business in another is a very reasonable ground for subjecting such non-resident, although not personally, yet to the extent of his property held, or his occupation therein, to a duty to pay taxes not more onerous in effect than those imposed under like cricumstances upon citizens of the latter State. . . ."

The principle enunciated in Shaffer v. Carter was reaffirmed in the case of Travis v. Yale and Towne Mfg. Co., 252 U. S. 60. Both of these cases related to the taxation of the income of non-resident individuals. In the came of Underwood Typewriter Company v. Chamberlain, 254 U. S. 113, on the other hand, it was held that a state may levy a tax upon the proportion of the net profits of a non-resident corporation earned by operations conducted within its borders. In the case of Atlantic Coast Line Railroad Company v. Doughton, 262 U. S. 413, the legitimacy of a tax on a proportion of the net income of a non-resident railroad corporation was upheld. This latter case established the validity of North Carolina's present income tax as applied to non-resident public service corporations. It also established the legitimacy of taxing the income or yield of the property, itself considered as a separate entity, distinguished from the income of the owners of the property. In other words, it validated North Carolina's practice of applying the state income tax to a proportion of the net operating income of railroads rather than to a proportion of their net corporate income.

Income From Interstate Commerce. The question of taxing the income of non-residents is closely bound up with the taxation of income derived in part from interstate commerce, since usually, when a corporation does business in a foreign state, part of that business, at least, is of an interstate nature. In consequence of this relationship, it happens that in several of the cases already cited, dealing with the right of states to tax the income of non-residents, the right to tax income derived in part from interstate commerce is also an issue.

That a state in levying a general income tax upon the gains and profits of a domestic corporation may include in the computation the net income derived from transactions in interstate commerce, without contravening the commerce clause of the Federal Constitution, was established in the leading case of United States Glue Co. v. Oak Creek, 247 U. S. 326. In its opinion on that case the Court felt impelled to reconcile the above ruling with the long line of cases in which it had held that a tax on gross receipts derived from interstate commerce was invalid as imposing a direct and immediate burden on such commerce.[1] In distinguishing between a tax on gross receipts and a tax on net income, Justice Pitney said in part:[2]

"A tax on gross receipts affects each transaction in proportion to its magnitude and irrespective of whether it is profitable or otherwise. Conceivably it may be sufficient to make the difference between profit or loss or to so diminish the profit as to impede or discourage the conduct of the commerce. A tax upon the net profits has not the same deterrent effect since it does not arise at all unless a gain is shown over and above the expenses and losses and the tax cannot be heavy unless the profits are large. Such a tax when imposed upon net incomes from whatever source arising is but a method of distributing the cost of government, like a tax upon property, or upon franchises treated as property; and if there be no discrimination against interstate commerce, either in the admeasurement of the tax or in the means adopted for enforcing it, it constitutes one of the ordinary and general burdens of government from which persons and corporations, otherwise subject to the jurisdiction of the states, are not exempted by the Federal Constitution because they happen to be engaged in commerce among the States."

The case of U. S. Glue Co. v. Oak Creek involved a domestic corporation. The rule laid down in that case, however, was validated as regards income arising from property and gainful activity of a non-resident individual in the case of Shaffer v. Carter, supra, and as regards a non-resident corporation in the case of Underwood Typewriter Company v. Chamberlain, supra. Finally, the right of a state to tax a proportion of the net income of a non-resident railroad corporation, derived in part from interstate commerce, was established in the case of Atlantic Coast Line Railroad Company v. Doughton, previously cited.

Allocation of Income to State. The above cases make it plain that a state may not only tax the income of non-resident individuals and corporations but that it may also tax income derived in part from interstate transactions. However, only so much of such income may be taxed as is legitimately attributable to property owned or activities pursued within the taxing state. The accounts of individuals and corporations are not ordinarily kept in such a manner as to show the amount of net income arising from each separate piece of property or specific economic activity. The aggregate net income of a corporation in several states is a composite figure which reflects the results of both the interstate and the intrastate transactions in all of the different

[1]See Crew Levick Co. v. Pennsylvania 245 U. S. 292.
[2]U. S. Glue Co. v. Oak Creek, 247 U. S. 329.

taxing jurisdictions in which the corporation operates. In order to determine the proportion of the total profits properly allocatable to any one state, it is, therefore, generally necessary to resort to some method of proration.

The Supreme Court has not prescribed any definite method for apportioning net income between different states. It may be inferred, however, from the remarks of Justice Brandeis in the case of Underwood Typewriter Co. v. Chamberlain 254 U. S. 120 that any method will be accepted provided it is not inherently arbitrary and provided it does not produce unreasonable results in the particular case to which it is applied. The findings of the Court in the cases already cited lend color to this view. In the case of U. S. Glue Co. v. Oak Creek, the proportion of the total corporate income taxable in Wisconsin was determined on the basis of a fraction whose numerator was the gross business in dollars of the corporation in Wisconsin added to the value in dollars of its property in that state and whose denominator was the total gross business in dollars both within and without the state added to the value in dollars of the entire property within and without the state. The Court found no fault with this method as applied to the particular case before the bar.

In the case of Underwood Typewriter Co. v. Chamberlain, supra, the proportion of the appelant's net income taxable in Connecticut was determined on the basis of the ratio which the fair cash value of the real and tangible personal property in Connecticut bore to the fair cash value of the company's real and tangible personal property both within and without the state. The Court took no exception to this method as applied to the case under review, although it was careful to state that there had been no occasion to consider whether the rule prescribed, if applied under different conditions, might not be obnoxious to the Constitution.

The method employed by North Carolina in apportioning the net income of an interstate public service corporation is, in certain respects, unique. This method requires that the gross operating revenue of the corporation earned within the state be first ascertained, gross operating revenue within the state being defined to include not only the receipts from intrastate operations but also an equal mileage proportion of the total receipts from interstate business. The net operating income within the state is then obtained by applying to the gross operating revenues within the state the average ratio of net operating to gross operating revenue for the system as a whole. The Supreme Court had an opportunity to pass on this system of apportionment in the case of Atlantic Coast Line Railroad Company v. Doughton, supra, and apparently did not consider it an unreasonable method, since it sustained the tax levy arrived at through its use.

Corporations Exclusively Interstate. All of the cases so far cited, dealing with the right of states to tax net income arising from interstate commerce, refer to individuals or corporations doing intrastate as well as interstate business. The question still remains to be answered whether a state may tax any part of the income of a non-resident individual or corporation engaged in interstate commerce exclusively. There is only one case in point, that of Alpha Portland Cement Company v. Massachusetts, 268 U. S. 208. This case involved the validity of a general excise tax on corporations measured by a combination of two factors: the proportion of the total value of capital shares attributed to transactions within the state, and the proportion of net income attributed to such transactions. The particular tax described was held unconstitutional as applied to a foreign corporation engaged solely in interstate commerce. It would doubtless be unsafe to conclude from this one isolated case that any taxation of the net income of a non-resident whose sole business transactions within the state are of an interstate nature would be illegal, especially since the tax passed upon in the Alpha Cement Company case was a combination of two taxes, one on capital stock and the other on net income. Nevertheless the constitutional status of a state tax on the net income of a corporation engaged in interstate commerce exclusively must be classified as extremely doubtful.

SPECIAL LICENSE OR PRIVILEGE TAXES

The taxes so far considered are general taxes in the sense that they are not imposed exclusively on public service corporations. In addition to general taxes on property and incomes, however, the Constitution of North Carolina authorizes special and exclusive taxes on trades, professions, and franchises. Pursuant to this provision of the state constitution, the several classes of public service corporations in North Carolina are subject to special license or privilege taxes, the nature of which has already been described.

As previously pointed out, special license or privilege taxes which result in the imposition of unequal burdens as between various classes of gainful activities are not necessarily in conflict with the equal protection clause of the Federal Constitution. The restrictions of the Federal Constitution, however, allow state legislatures considerably less leeway in the matter of making such special exactions than is allowed in the field of general property or income taxation. This observation applies with peculiar force to special license taxes on public service corporations engaged in interstate commerce.

General Restrictions. As was indicated above, the Supreme Court has ruled that classification of business activities and the imposition of unequal tax burdens on the respective classes is not inconsistent with the federal equality clause. The application of that clause to the field of license taxation is, however, by no means thereby nullified. It has been seen that the Constitution still requires that the tax laws apply alike to all in the same class or situation.[1] Moreover the classification used as a basis for the imposition of special license taxes must be reasonable and not arbitrary. To quote Justice Day in the case of Southern Railway Co. v. Greene, 216 U. S. 417:

> While reasonable classification is permitted, without doing violence to the equal protection of the laws, such classification must be based upon some real and substantial distinction having a reasonable and just relation to the things in respect to which such classification is imposed; and classification cannot be arbitrarily made without any substantial basis. Arbitrary selection, it has been said, cannot be justified by calling it classification.

As in the case of all other taxes, state license taxes may be imposed only on a subject within the jurisdiction of the taxing state. Such taxes may not be employed as a device for reaching property or business beyond its territorial boundaries. Neither may a state impose an excise tax on a right or privilege which is not within its power to confer and over which it has no

[1]Southern Railway Co. v. Greene, 216, U. S. 412.

control.[1] It is an elementary proposition that the power of a state to tax is limited to persons, property, and business within its borders.[2] A state is thus perfectly free to impose a license tax on all strictly intrastate business transacted within its confines.

Interstate Commerce. The case is entirely different as regards interstate commerce. The right to engage in such commerce is something over which the individual states may exercise no control. As stated by Chief Justice Fuller in Lyng v. Michigan, 135 U. S. 161, 166:

"We have repeatedly held that no state has the right to lay a tax on interstate commerce in any form, whether by way of duties laid on the transportation of the subject of that commerce, or on the receipts derived from that transportation, or on the occupation or business of carrying it on, for the reason that taxation is a burden on that commerce and amounts to a regulation of it which belongs solely to congress."

The prohibition against state taxation of interstate commerce raises some difficulty in the case of corporations combining interstate with intrastate business. State license or privilege taxes on this class of corporations have been held valid by the Supreme Court, but only to the extent that they could be justified as a charge for the privilege of conducting the local business.[3] If, however, a license tax purporting to be levied solely with respect to the local business is of such a nature as actually to impose a burden on the interstate business, either directly, or by its necessary operation, the tax will be held invalid.[4] When a license tax is to be imposed on corporations engaged in interstate commerce, both its form and aggregate burdensomeness are, therefore, important considerations. In the words of a federal judge—"To escape the charge that it is an unwarranted burden upon interstate commerce or a tax upon property without the jurisdiction of the state, it should bear some reasonable relation to the extent of the intrastate business and the value of the right to transact such business, and, when available a standard should be adopted in harmony with that idea."[5]

The power of a state to impose a license tax in respect of intrastate business on corporations engaged in both local and interstate commerce is subject to one further constitutional restriction. Payment of the tax must not be made a condition precedent to granting the corporation the right to enter the state for the purpose of carrying on its interstate business.[6] The reason for this restriction is obvious. The states have no jurisdiction over interstate commerce and may not impose conditions on or prevent the entry of a corporation for the purpose of carrying on that commerce. Indeed, when the connection between the local and the interstate operations is such that the former cannot be abandoned without necessitating the abandonment of the latter, a license tax imposed as a condition precedent to the privilege of carrying on the purely local business may be declared invalid.[7]

[1] Louisville & J. Ferry Co. v. Kentucky, 188 U. S. 385-396.
[2] Shaffer v. Carter, 252 U. S. 37, 52. Case of the State Freight Tax, 15 Wall, 232, 277.
[3] Rattermon v. W. U. Tel. Co., 127 U. S. 411; Pacific Express Co. v. Seibert, 142 U. S. 339; Osborne v. Florida, 164 U. S. 650; Ohio Tax Cases, 232 U. S. 576, 593; Southern Ry. Co. v. Watts, 260 U. S. 519, 530.
[4] Western Union Telegraph Co. v. Kansas 216 U. S. 127.
[5] Cudahy Packing Co. v. Hinkle 24 F (2d) 124, 132. See also Air-Way Electrical Appliance Corp. v. Day, 266 U. S. 71, 83.
[6] Leloup v. Port of Mobile, 127 U. S. 640.
[7] Allen v. Pullman's Palace Car Company, 191 U. S. 171.

Classes of Corporations Taxable. The various constitutional requirements necessary to the validity of state license or privilege taxes have so far been discussed in general terms. These requirements, however, impose certain specific limitations both as to the manner in which public service corporations may be classified for the purpose of special taxation, and as to the particular bases and measures of taxation which may be utilized for that purpose. Attention will first be directed to the matter of classification.

That public service corporations, as a class, differ in such significant respects from other classes of corporations as to justify their subjection to special privilege taxes over and above the taxes which constitute a common burden on all is, from the legal point of view, no longer open to question. Not only may public service corporations, as such, be singled out for special taxation, but they may be divided into sub-groups and a different kind of privilege tax may be made applicable in each group. In other words the system of privilege taxation applied to public service corporations in North Carolina and described in another section of this report is, from a constitutional standpoint, perfectly valid.

Foreign Corporations. An important question relating to classification is whether a state may group foreign corporations doing business within its borders into a distinct class and subject them to special taxes which are not applicable to domestic corporations engaged in the same kind of business. In order to answer this question it is necessary to distinguish between foreign corporations whose business within the taxing state is confined solely to interstate commerce, foreign corporations which combine interstate operations with local business, and foreign corporations whose business within the taxing state is purely local. When a foreign corporation has no local business, in other words when all of its operations partake of the nature of interstate commerce, the Supreme Court has held that no form of license tax on such a corporation is permissible, even though domestic corporations of the same class are subject to the tax.[1] It had already been seen that foreign corporations engaged solely in interstate commerce may not be taxed on their income. In fact the only species of state taxation to which such corporations may be amenable are the ordinary property taxes applicable generally to all forms of wealth having its taxable situs within the state.

When a foreign corporation enters a state for the purpose of conducting local as well as interstate operations, the state is not estopped from imposing a special license tax on such corporations with respect to their purely local business. The tax in question must, however, apply equally to domestice corporations engaged in the same kind of business. In other words, the foreign corporations may not be placed in a special classification. Thus in the leading case of Southern Ry. Co. v. Greene 216 U. S. 400, 417, the court said:

> We hold, therefore, that to tax the foreign corporations for carrying on business under the circumstances shown, by a different and more onerous rule than is used in taxing domestic corporations for the same privilege, is a denial of the equal protection of the laws, and the plaintiff being in position to invoke the protection of the Fourteenth Amendment, that such attempted taxation under a statute of the state does violence to the Federal Constitution.

[1]Gloucester Ferry Co. v. Pennsylvania. 114 U. S. 196; McCall v. California. 136 U. S. 104; Texas Transport Co. v. New Orleans, 264 U. S. 150; Ozark Pipe Line Corporation v. Monier, 266 U. S. 555.

As regards foreign corporations whose business is either wholly or partially interstate, it is clear that any attempt to place them in a separate class and to subject them to special tax burdens not imposed upon domestic corporations engaged in the same kind of operations would be considered an unconstitutional discrimination. The case is not so clear as regards foreign corporations entering the state for the purpose of carrying on purely local business. According to one line of decisions, the segregation of such corporations into a special class for purposes of taxation is perfectly permissible.[1] These decisions rest on the theory that a state has the right to exclude foreign corporations altogether, if it so wills. Having the powers to exclude, it has the right to prescribe the conditions under which entry may be made. The so-called exclusion doctrine, however, has latterly been considerably emasculated by the doctrine of unconstitutional conditions, according to which a state may not exact as a condition precedent to the grant of permission to do business within its borders the sacrifice of some right protected by the Federal Constitution.[2]

Is a state prescribing an unconstitutional condition when it allows a foreign corporation to do business within its borders only on the condition that it consent to a heavier burden of taxation than is imposed on its own citizens engaged in the same class of business? In other words are foreign corporations protected by the equality clause of the Fourteenth Amendment? As regards foreign corporations engaged in part in interstate commerce, the Supreme Court answered this question affirmatively in the case of Southern Railway Company v. Greene. This decision still left the status of foreign corporations doing an exclusively local business in doubt.

That doubt has seemingly been dispelled by a very recent decision of the court in the case of Quaker City Cab Company v. Pennsylvania, which involved a foreign corporation whose operations were strictly local. In extending the protection of the equality clause to this type of corporations, the court went even further than it did in the case of Southern Railway Company v. Greene. In the latter case, it was held merely that the foreign corporation should be subject to no greater burdens than were imposed on domestic corporations engaged in the same business. In the more recent case, however, the court observed that the equal protection clause extends to and safeguards to foreign corporations within a state the same protection of equal laws that natural persons have a right to demand under like circumstances. On this ground an excise tax, which applied alike to domestic and foreign corporations and which was based on gross receipts received from passengers transported wholly within the state, was declared invalid as regards a foreign corporation, because the tax in question did not apply to individuals and partnerships engaged in the same kind of business. If the Supreme Court abides by this decision, it may be laid down as a general rule that no classification of corporations based merely on the fact of foreign domicile will henceforth be permissible.

Corporations Combining Local with Interstate Business. Another important question relating to classifiication is whether corporations doing both

[1]Paul v. Virginia, 8 Wall. 168, 178, 180-182; Home Ins. Co. v. Morse, 20 Wall. 445; Philadelphia Fire Ass'n v. New York, 119 U. S. 110, 119, 120; Pembina Consol. Silver Min. and Mill. Co. v. Pa., 123 U. S. 181, 188-190; Horn Silver Mining Co. v. N. Y., 143 U. S. 305; Southern Ry. Co. v. Greene, 216 U. S. 400, 416.

[2]See Henderson The Position of Foreign Corporations in American Constitutional Law, Chapters VI and VIII.

local and interstate business may be placed in a separate class and taxed more severely than corporations of like kind whose operations are purely local. In the case of Osborne v. Mobile, 16 Wall, 479, the Supreme Court sustained an ordinance of a city requiring every express company, or railroad company doing business in that city, and having a business extending beyond the limits of the state, to pay an annual license of $500. If the business was confined within the limits of the state, the license fee was only $100. This decision, however, was subsequently overruled in the case of Leloup v. Mobile, 127 U. S. 640, 644-648, and the course of later decisions plainly indicates that no form of taxation discriminating against corporations engaged in interstate commerce would now be tolerated by the Supreme Court.

Rules Governing Classification. The various rules governing classification may for convenience be summarized as follows: Public utilities as a whole or particular kinds of public utilities, such as railroads, express companies, telephone and telegraph companies, etc., may be singled out for special license taxation without doing violence to the principle of reasonable classification. However, classifications which discriminate against foreign corporations in favor of domestic ones, or in favor of corporations whose business is local as against those whose business is partly interstate, are invalid. Since corporations engaged solely in interstate commerce are taxable only in respect of their property, any classification of such corporations for the purpose of special taxation is ruled out as a matter of course. Finally, the decision of the Supreme Court in the Quaker City Cab Company case seems to indicate that classifications which discriminate against corporations and in favor of private individuals and partnerships engaged in the same kind of business are invalid in so far as concerns their application to foreign corporations.

Subject and Measure of Tax Distinguished. Having indicated what are proper and what are improper bases of classification, it is next in order to consider the specific kinds of license or privilege taxes which a state may legitimately employ. It is here necessary to distinguish between the subject of the tax and what is sometimes called the measure of the tax, that is, the numerical factor or criterion with reference to which its amount is computed. If it is desired to reach both foreign and domestic corporations, there can be only one valid subject for a state license tax, namely, the privilege of conducting the local or intrastate business. The charge exacted for the exercise of this privilege may, however, be measured in many different ways. It may, for instance, take the form of a percentage tax. In this case there are innumerable bases to which the percentage might conceivably be applied. To mention only a few possibilities, the base selected might be the value of the property owned, or it might be the value of the capital stock, either the amount authorized or the amount outstanding, and computed on a basis of either par or market value. Again the case selected might be the amount of the gross earnings, which might be computed in various ways, or the tax might be measured by net income. The base finally chosen might refer to the total operations of the company no matter what their nature or where carried on. On the other hand, the base might be subjected to various adjustments with a view to making it conform more closely to the value of the local business transacted within the state.

Valid Measures of Taxation. As indicated by the decisions of the Supreme Court, not all measures of a license or privilege tax are equally good. A tax purporting to be no more than a charge for the privilege of conducting the intrastate business may be rendered unconstitutional by virtue of the fact that in its computation reference is made to a measure which results in extra-territorial taxation, or which unduly burdens or discriminates against interstate commerce. As has already been pointed out, a valid measure should bear some reasonable relation to the extent of the intrastate business and the value of the right to transact such business.[1] Naturally the court has not passed upon the legal soundness of all of the many possible bases which might conceivably be used to measure the amount of a license tax. Certain of the more commonly used bases have, however, come up for judicial scrutiny, and it is important to know just which of these bases have been considered proper and which of them have been considered repugnant to the constitution. Since it is only in respect of foreign corporations doing interstate as well as local business that the selection of a proper measure of taxation is important, the discussion will be limited to this class of corporations.

Property as a Measure. A simple and obvious measure for an excise or privilege tax, is the value of the property owned within the taxing state. This is the measure used by North Carolina in assessing its so-called franchise tax on steam railroads. The tax in question amounts to one-fifth of one per cent of the value of the total property, tangible and intangible, as assessed for ad valorem taxation. This tax is not a property tax on the value of railroad franchises. As has been seen, North Carolina taxes such franchise values under the general property tax. The franchise tax is purely an excise, levied in addition to the general property tax, and is merely measured by the value of the property. The validity of this measure was put to test in the case of Southern Railway Company v. Watts, 260 U. S. 519 in which the constitutionality of the North Carolina tax was assailed. The Supreme Court upheld the tax and thereby presumably gave its sanction to property as a basis of measurement.[2]

Capital Stock as a Measure. A more commonly used measure for a state license tax is capital stock. From an economic point of view, the capital stock of a corporation represents nothing more than evidences of ownership in its property. It is not strange, therefore, that the Supreme Court should adopt much the same attitude toward the taxation of capital stock that it holds toward the taxation of property. For a state to tax all of the property of a corporation doing an interstate business is held to be invalid as involving the taxation of extra-territorial values. Similarly the Supreme Court has repeatedly ruled, that a license tax measured by total capital stock is improper when applied to a foreign corporation engaged in part in interstate commerce.[3]

The prohibition against the use of total capital stock is, however, subject to one important exception. License taxes based on this measure have been

[1] See Air-Way Elec. Appliance Corp. v. Day, 266 U. S. 71, 83.

[2] See also observations of Justice Pitney in St. Louis, Southwestern Railway Co. v. Arkansas, 235 U. S. 351.

[3] Western Union Telegraph Co. v. Kansas, 216 U. S. 1; Pullman Co. v. Kansas, 216 U. S. 56; Ludwig v. Western Union Telegraph Co., 216 U. S. 146; Atchison, T. & S. F. R. Co. v. O'Connor, 223 U. S. 280; Looney v. Crane, 245 U. S. 178; International Paper Co. v. Mass., 246 U. S. 135; Air Way Elec. Appliance Corp. v. Day, 266 U. S. 71.

sustained where the Legislature places a maximum limit on the amount which may be levied. Thus an act of Massachusetts imposed an excise tax on corporations measured as a certain percentage of their total capital stock with the provision that the maximum sum chargeable against any individual corporation be limited to two thousand dollars. The constitutionality of this act was several times subject to legal attack, but the Supreme Court sustained it as long as it contained the limiting feature.[1] The court has given no rule for determining the exact amount of the allowable maximum charge. It is to be inferred, however, from the general principles already discussed that this maximum must bear some reasonable relationship to the magnitude and value of the intrastate business.[2]

Total capital stock is obviously not a good measure for a state excise tax, since it furnishes no clue to the value of the intrastate business. The device of establishing a maximum limit above which the exaction cannot go merely serves to confine, but does not eliminate, the possible inequalities inherent in the use of such a measure. It has been seen that, as regards property taxation, a state is allowed to levy on such proportion of the total system value as may be legitimately allocated to the state on the basis of some reasonable method of apportionment. That the Supreme Court is of the opinion that the same principles should apply as regards an excise tax based on capital stock is evident from its decision in the case of St. Louis S. W. Railway Co., v. Arkansas, 235 U. S. 350 in which a state franchise tax, fixed at a definite percentage of a proportion of the outstanding capital stock represented by property owned and business transacted within the state, was upheld. It may, accordingly, be concluded that although total capital stock is not a legitimate measure for an excise tax, unless the tax is subject to a maximum limitation, the use of a proportion of the total determined on the basis of the property owned and business transacted within the state is unobjectionable.

Specific Taxes. The levy of specific excise taxes on designated classes of corporations is a fiscal device of long standing. These specific levies may take the form of flat sums chargeable alike against all corporations coming within the designated class; or they may be computed on the basis of a specified sum per mile of line, per office maintained, per instrument used, or some other physical criterion. A considerable number of cases might be cited in which various kinds of specific taxes imposed on foreign corporations engaged in part in interstate commerce have been sustained by the Supreme Court.[3] These cases indicate that to be constitutionally valid, a specific tax must be imposed in terms on the local business, or at least the tax statute must be capable of being thus construed. Moreover, the tax must be reasonable in amount, having regard to the purpose for which it may be lawfully imposed.[4] A specific tax on the privilege of engaging in local business is not, however, necessarily invalid because during any specified period the local business is conducted at a loss.[5]

[1]Baltic Mining Co. v. Mass. and White Mfg. Co. v. Mass., 231 U. S. 68; Cheney Bros. Co. v. Mass., 264 U. S. 147.
[2]See General Railway Signal Co v. Virginia, 246 U. S. 500.
[3]Osborne v. Florida, 164 U. S. 650; Postal Tel. Cable Co. v. Charleston, 153 U. S. 692; Kehrer v. Stewart, 197 U. S. 60; Armour Packing Co. v. Lacy, 200 U. S. 226; Watters v. Michigan 248 U. S. 65; Browning v. Way-Crass, 233 U. S. 16; Postal Tel. Cable Co. v. Fremont, 255 U. S. 124. See also, Thomas Reed Powell, Business Taxes and the Federal Constitution, Proceedings of the National Tax Association, 1925, p. 168, note 19 also Proceedings, 1919, p. 247.
[4]Postal Tel. Cable Co. v. Fremont supra.
[5]Williams v. Talladega, 226 U. S. 404.

Excise Taxes Measured by Income. Since it is desirable that the measure of a state excise tax bear some relationship to the value of the privilege granted, the net income attributable to property owned and business transacted within the state, might reasonably be put forward as furnishing an ideal base. It has already been seen that a general state tax levied directly upon net income is valid as regards a foreign corporation engaged in part in interstate commerce, if the tax is confined to such proportion of the total net income of the corporation as may legitimately be imputed to property owned and business transacted within the state. In the case of Underwood Typewriter Company v. Chamberlain, 254 U. S. 113 the point at issue concerned the constitutionality of a Connecticut corporation income tax as applied to a proportion of the net income of a foreign corporation which, in addition to its local business in Connecticut, was engaged in interstate commerce.

The tax in question was held to be valid, and in considering whether it violated the due process clause, Justice Brandeis said:

"In considering this question we may lay on one side the question whether this is an excise tax purporting to be measured by income accruing from business within the state or a direct tax upon that income; for the argument upon analysis resolves itself into a mere question of definitions and has no definite bearing upon any question raised under the Federal Constitution."[1]

The above statement would seem to leave no doubt as to the propriety of using net income as a measure for an excise tax.

Excise Taxes on Gross Receipts. Still one other measure of taxation remains to be discussed. This measure is gross receipts, the employment of which as a tax base has given rise to more than its proportionate share of litigation. It is necessary to draw a line at the outset between strictly intrastate receipts, that is receipts accruing from operations and transactions originating and terminating wholly within the state, and mixed receipts, which include in part the earnings from interstate commerce. As to the constitutional validity of an excise tax measured by intrastate receipts, there is no doubt whatever. In several of the states public utilities are subject to a tax of this kind and the tax has been sustained by the Supreme Court.[2] It is only as regards the taxation of gross receipts which include in part earnings from interstate commerce that constitutional obstacles are encountered.

The Supreme Court has placed a definite prohibition upon the use of one class of taxes on gross interstate receipts but it has left another method of taxation open. In order to understand the basis for this distinction, attention must be called again to the meaning attached to the term *license* or *excise* tax in the present discussion. As here used, a license tax is not a tax on property. Neither is it a tax on the value of the corporate franchise considered as property; nor is it a tax on property measured or computed on the basis of some other factor. It is assumed that both the physical and franchise values of the corporation have already been fully taxed under the general system of ad valorem taxation. The license tax is a charge exacted in addition to the full taxes on property, tangible and intangible, in consideration of the right to do business within the state.

[1]Underwood Typewriter Co. v. Chamberlain, supra, p. 120.
[2]Ratterman v. Western Union Tel. Co., 127 U. S. 411; Pacific Express Co. v. Seibert, 142 U. S. 339; Ohio Tax Cases, 232 U. S. 576.

Although it may be measured by property, income, gross receipts, or any of a number of other criteria, the actual subject of taxation is *the privilege of doing business within the state.*

As thus defined, it may be said categorically that any license tax which is based on gross receipts derived wholly or in part from interstate commerce is unconstitutional.[1] It is unnecessary to delve deeply into the reasoning which lies behind this ruling of the Supreme Court. In the cases cited below the court took the position that a tax on gross receipts derived in part from interstate commerce imposed a direct burden on interstate commerce which was a subject beyond the power of a state to tax. But even if the subject of taxation were in fact the local business, a tax measured by gross receipts including interstate earnings might well be condemned on the ground that the measure used bears no necessary relation to the value of the local privilege granted. The question may be raised as to why a tax on gross receipts derived in part from interstate commerce is considered improper while a tax on net income derived from the same source is considered perfectly valid. The answer to this question is to be found in the opinion of Justice Pitney in the case of U. S. Glue Co., v. Oak Creek, and, since the considerations involved have already been presented in connection with the discussion of the constitutional status of taxes on net income, they need not be repeated here.

The foregoing discussion of the various measures of license taxation may be summarized roughly as follows: License taxes may take the form of specific taxes provided they are not too high. They may be measured by property owned within the state or by a proportion of the capital stock represented by property owned and business transacted within the state. They may be measured by net income accruing from business carried on within the state or by gross intrastate receipts. They may not be measured by total capital stock, unless the amount of the tax is subject to a maximum limitation, and they may not be measured by gross receipts which contain any admixture of earnings derived from interstate commerce.

Excessive License Taxes. In concluding the subject of excise taxation, it is pertinent to inquire whether a tax, though imposed on a valid subject and computed with reference to a valid measure, may nevertheless be rendered unconstitutional by virtue of its excessive amount. There are grounds for believing that the court will take this view when the excise tax, taken in conjunction with the other taxes to which the corporation is subject, produces a combined burden which clearly operates to obstruct interstate commerce. Thus in the case of Southern Railway Co., v. Watts, supra, p. 530, in which the constitutionality of North Carolina's privilege tax on steam railroads was upheld, the court, after pointing out that the tax appeared to be on the privilege of doing an intrastate business, and that its payment was not made a condition precedent to granting a railroad permission to do intrastate business, felt constrained to add:

"And there is no basis for the contention that the aggregate burden imposed by the property tax, the franchise tax and the income tax operates to obstruct interstate commerce."

[1]Phila. & S. Mail Steamship Co. v. Pennsylvania, 122 U. S. 326; Galveston, H. & S. A. Ry. Co. v. Texas, 210 U. S. 217; Oklahoma v. Wells Fargo & Co., 223 U. S. 335; Crew Levick Co. v. Pennsylvania, 245 U. S. 292.

Taxation of Interstate Receipts in Lieu of Property. The consideration of special license or privilege taxes may be terminated at this point; but something still remains to be said concerning the taxation of gross interstate receipts. As has already been intimated the way to the taxation of such receipts is not entirely closed. Gross receipts derived in part from interstate commerce may not be used as a measure for a license or privilege tax but the Supreme Court has ruled that they may be employed as a measure of a tax on property. In other words a state tax on gross receipts is constitutionally valid if it can be shown to be in lieu or in commutation of a property tax which the state might otherwise legitimately impose.[1] It goes without saying that the receipts which may be taxed for this purpose are limited to the intrastate receipts plus such proportion of the total interstate receipts as may be properly attributed to operations carried on within the state.

In Lieu of All Other Taxes. The doctrine of the Supreme Court is concisely stated in the case of Pullman Company v. Richardson, in which a gross receipt tax levied by the State of California upon interstate carriers in lieu of all other taxes upon their property was sustained. After pointing out the undoubted right of a state to tax the property of interstate carriers within its borders at full going-concern value, the court continued:

"In taxing property so situated and used a state may select and employ any appropriate means of reaching its actual or full value as part of a going concern—such as treating the gross receipts from its use in both intrastate and interstate commerce as an index or measure of its value—and if the means do not involve any discrimination against interstate commerce, and the tax amounts to no more than would be legitimate as an ordinary tax upon the property, valued with reference to its use, the tax is not open to attack as restraining or burdening such commerce. Cudahy Packing Company v. Minnesota, 246, U. S. 450; St. Louis Southwestern Railway Company v. Arkansas, 235 U. S. 350, 367; United States Express Co. v. Minnesota, 223, U. S. 335; Galveston, Harrisburg and San Antonio Railway Company v. Wright, 249, U. S. 275, 282."

In Lieu of Tax on Franchise Value. In the case of Pullman v. Richardson the question at issue concerned the legitimacy of a sole tax on gross receipts in lieu of all taxes upon property. Several states, however, tax the physical property of their interstate carriers under the ordinary system of property taxation but refrain from assessing going concern and other intangible values, levying, in lieu thereof, a tax on gross receipts. Whether a gross receipts tax to be absolutely impeccable must be in lieu of all property taxes or whether it is still to be considered valid although forming part of a system in which some elements of property are taxed on an ad valorem basis, is a question on which there has as yet been no direct decision.

In the case of Galveston, Harrisburg, and San Antonio Railway Company v. Texas, supra, a tax equal to one per cent of the gross receipts of a railroad was declared invalid, not merely because its property was already taxed but because the tax was on a valuation of the railroad taken as a going concern. The inference seems to be that, if the property tax

[1]Galveston, H. & S. A. Ry. Co. v. Texas, 210 U. S. 217; United States Express Co. v. Minnesota, 223 U. S. 335; Pullman Co. v. Richardson, 261 U. S. 300.

had not been based on the full value of the railroad as a going concern but on something less than this, for instance, its physical value, the gross receipts tax might not have been considered a burden on interstate commerce.

The inference that a tax on gross interstate receipts may be valid even if combined with an ad valorem tax is strengthened by certain comments which the court in the Galveston case made upon an earlier decision, that of Maine v. Grand Trunk Railway Company, 142 U. S. 217. In the latter case the Supreme Court upheld the constitutionality of an annual excise tax on the gross receipts of a railroad, although the physical property of the road was already subject to local ad valorem taxation. In distinguishing between the two cases, Justice Holmes said of the earlier one:

"The language shows that the local tax was not expected to include the additional value gained by the property being part of a going concern. That idea came later. The excise was an attempt to reach that additional value. The two taxes together may fairly be called a commutation tax."[1]

Merits of Gross Receipts Tax. One of the advantages claimed for the gross receipts tax as against the alternative ad valorem tax on property is its certainty and ease of administration. Gross receipts, it is said, represent something perfectly definite and are not difficult to assess. The calculation of the property of a public utility, on the other hand, involves an intricate and expensive process in which both opinion and guess work must necessarily enter. Whether the gross receipts tax actually does away with the need for periodic property valuations is, however, doubtful in view of the expressed attitude of the Supreme Court. When an exclusive gross receipts tax is imposed on public utilities in lieu of all taxes on their property, the court has held that it must not be in excess of what would be legitimate as an ordinary tax on property valued as part of a going concern, and that it must not be relatively more burdensome than the ad valorem taxes on other kinds of property.[2] If the above rule is to be rigidly applied, then the rate of the gross receipts tax cannot be a matter of arbitrary choice. It must be adjusted so as to yield no more than what the public utilities would have to pay if they were subjected to the regular taxes on their property. In order to maintain the necessary parity, periodical calculations of the yield of the alternative property tax would seem to be essential.[3]

Summary of Legal Restrictions. The purpose of the survey of Supreme Court decisions which has just been completed was to determine how far a state might legally go in taxing public service corporations engaged in interstate commerce, more particularly corporations chartered in another state. In order to give a proper conclusion to the inquiry it would doubtless be desirable at this point to formulate a general statement which would serve to summarize its findings and to distill from the isolated decisions of the court some sort of coherent philosophy. The attempt to formulate such a statement, however, is fraught with grave danger. The Supreme Court has said on more than one occasion that each case must depend on its own peculiar circumstances. In spite of this warning, a few generalizations may perhaps be ventured.

[1]Galveston, H. & S. A. Ry. Co. v. Texas, supra, p. 226.

[2]Postal Tel. Cable Co. v. Adams, 155 U. S. 688, 697; Pullman Co. v. Richardson, 261 U. S. 330, 339.

[3]These observations do not necessarily apply to a state whose constitution allows property to be classified for purposes of taxation.

As regards foreign public service corporations whose business is partly local and partly interstate, there are three subjects which a state may safely tax: property, net income, and the privilege of conducting the local business. If a state levies general taxes on property and income there is no doubt as to its right to impose the same relative burden on the property and income of interstate public service corporations as is imposed generally throughout the state. However, only such proportion of the total property and the total net income of the corporations may be taxed as is properly attributable to the taxing state. In assessing the property for purposes of taxation it is permissable to include the value of the franchise and any other intangible values which attach to a going concern. Moreover in lieu of a direct tax on the property, the state may tax the gross receipts, provided that the resulting burden is not greater than that of the tax which it is intended to displace.

Where the constitution of the state provides for the taxation of property according to a uniform rule as in North Carolina, public utility property may not be taxed more onerously than other classes of property within the state. Neither the State nor the Federal Constitution, however, requires that public service corporations, as such, be taxed on a basis of equality with other classes of taxpayers. Additional and, as regards the generality of taxpayers, unequal taxes may be imposed on such corporations in the shape of license or excise charges for the privilege of conducting their local operations. As regards foreign corporations engaged partly in interstate commerce, however, the field of license taxation is severely restricted. The singling out of corporations for special taxation must be based on some real and substantial distinction and the excise tax must apply uniformly to all corporations in the same class. There must be no discrimination against corporations because of the interstate nature of their operations or because they have been chartered in another state. Moreover, payment of the excise tax must not be made a condition precedent to the grant of permission to engage in interstate commerce.

In computing the amount of the excise, reference may be made to a variety of measures. The measure selected, however, should bear some reasonable relation to the extent of the local business and the value of the right to transact such business. Measures which reflect extra-territorial values, business carried on in other states, or interstate commerce are not permissible. Finally, the burden of the excise tax taken in consideration with the other taxes to which the utility is subjected must not be so great as to operate to obstruct interstate commerce.

CHAPTER XII

STATISTICAL TESTS OF FAIRNESS

In the previous sections of this study, it has been attempted to set forth certain economic and legal principles which ought to govern the taxation of public service corporations. These general principles are not of themselves sufficient to answer the question whether the public utilities of North Carolina are bearing their fair share of taxation. For this purpose a statistical analysis of actual tax burdens, property values and the financial results of operations is required. The principles adverted to do, however, indicate what kinds of statistical material are pertinent to the inquiry at hand. For this reason they may be profitably restated at this point in order to establish the bearing of the numerical data which follow.

Economic and Legal Background. When a utility is adequately regulated so as to earn no more than a fair return on its investment, it is generally held that the rule of equality should apply. That is the public service corporation should be subject to no heavier burden of taxation than is applicable generally to other classes of business enterprise. The equality rule as thus stated, however, is subject to several exceptions. In the first place, where rate regulation proves inadequate as a means of limiting earnings to a fair return, additional taxation may be resorted to for the purpose of recapturing for the public all or part of any excess. Secondly, where public service corporations occasion special expense to the government, they may legitimately be subjected to additional taxation to cover such special expense. Finally, as a measure of self-protection, a state ought, other things being equal, to impose as heavy a burden of taxation on interstate utilities operating within its boundaries as is imposed by other states in which the utility operates. The above principles are of course purely economic and there is no legal compulsion to enforce their observance.

It has been seen, however, that the taxation of public utilities is hedged around by certain legal restrictions. In North Carolina public service corporations are subject to the general property tax which the State Constitution requires to be uniform and ad valorem according to true value in money. The Supreme Court of the United States has interpreted requirements of this nature to mean that states having them may not systematically assess the property of public service corporations at a higher percentage of true value than the prevailing assessment ratio for other classes of property. The above restriction applies only to the general property tax. It does not mean that there is any legal compulsion to keep the total burden of taxation laid on public service corporations at a parity with the total burden imposed on other classes of business. Additional impositions on public service corporations in the form of license or privilege taxes may legally be made, provided the classifications to which such license taxes apply are based on reasonable distinctions and are not arbitrary. However, any license tax which in effect imposes a burden on interstate commerce or business done outside of the borders of the taxing state is held to be invalid.

Nature of Data Developed. Does the taxation of public service corporations in North Carolina conform to the principles just enunciated? The following sections of this report are devoted to a statistical analysis of the financial results of public utility operations in North Carolina with a view to throwing some light on this question. The data, generally speaking, fall under four main heads:

1. Statistics relative to rates of return on investment devoted to the public use.
2. Statistical measures designed to facilitate comparisons between the relative tax burden imposed on public service corporations in North Carolina and the burdens imposed on other classes of taxpayers within the state.
3. Statistical measures of the tax burden borne by interstate public service corporations in North Carolina as compared with the relative burden imposed in neighboring states in which the same corporations operate.
4. Comparisons of the assessed value of public service corporations with their estimated full value as going concerns.

Rate of Return on Investment. To avoid any misunderstanding as to the significance of the data to be presented, some comment as to their nature and inherent limitations is desirable at this point. An accurate determination of the rates of return which the various public utilities of the state are earning on their respective investments devoted to the public use is, at the present stage of our knowledge regarding the actual amounts which these corporations have invested in their operating properties, an almost impossible task. The investment accounts of the corporations as shown on their books might be expected to give some indication of the amounts on which they should be entitled to earn a fair return. Most of the larger public service corporations, however, represent the culmination of a long continued process of mergers and combinations brought about largely through the exchange of securities which are frequently carried in the books at a purely nominal value. The result is that the book figures do not necessarily reflect the actual original investment in the various properties owned. Still less do they represent the present value of public utility property such as might, for instance, be obtained by an engineering appraisal.

The most important group of public service corporations, the railroads, are subject to a uniform system of accounting prescribed by the Interstate Commerce Commission. Moreover, the books of the railroads have been carefully supervised by that body for over a decade. In the case of the railroads, therefore, the investment as shown by the books is probably closer to the amount on which the rate of return should be calculated than in the case of other utilities. Nevertheless the Interstate Commerce Commission has spent millions of dollars in an attempt to secure a more accurate valuation of railroad property for rate-making purposes. The valuation in question has been under way for more than a dozen years and is still uncompleted. As regards other kinds of public utilities not subject to federal regulation valuation data for the purpose of computing rates of return are even less complete. In view of this situation, it has been found possible in the present investigation to show figures on rates of return only with respect to the larger railroads and even here it has been necessary to use figures based on book valuations.

Ratio of Taxes to Earnings. In making comparisons between the relative tax burden borne by different industries and classes of taxpayers, the measure most frequently used is the ratio which taxes paid bear to the net income of the taxpayer. This is one of the measures which has been systematically worked out in the present study. Its use for the purpose in view is, however, subject to limitations. The tax-income ratio undoubtedly furnishes a fairly accurate basis of comparison as between taxpayers engaged in the same kinds of activity, for instance as between one railroad and another railroad, one farmer and another farmer, or one textile mill and another textile mill.

As between taxpayers engaged in widely dissimilar activities, on the other hand, the ratio of taxes to net income is by no means an infallible guide as to the relative burden borne by each. The crucial point here is whether the taxes which the taxpayer advances in the first instance actually constitute a deduction from his net income. In other words, if the taxes in question were remitted would the income of the taxpayer be correspondingly increased? The individual taxpayer correctly assumes that if his individual taxes were reduced, he would have that much more to spend for his own uses. The same result does not necessarily follow, however, when instead of isolated individuals whole classes of taxpayers and entire industries are taken into consideration. If the total farm tax bill throughout the state were reduced by ten million dollars would agricultural income be increased by that amount or would some other class absorb this gain? It is not proposed to answer this question. It is merely desired to point out that taxes of identical amounts will have very different effects on the net earnings of various classes of industries, depending on the character of the industry in question and the conditions under which its product is marketed.

Limitations of Tax-Income Ratio. In comparing the tax-income ratio of public service corporations with the corresponding ratio for other classes of taxpayers, the points of similarity and dissimilarity between the industries under comparison must be clearly kept in mind. Otherwise false conclusions will inevitably be drawn. In the case of a regulated public service corporation, service charges are supposed to be so adjusted as to yield a fair return on the investment and no more. If taxes rise, service rates must be revised upward. If taxes fall, rates must be correspondingly reduced. In short, under conditions of perfect regulation taxes have no effect on the amount of the net return one way or the other. Since, however, such theoretically perfect regulation is impossible of attainment under actual conditions, taxes do sometimes reduce the earnings of public service corporations below the level of a fair return, and the tax-income ratio may, therefore, be regarded as having some significance. By and large, however, public utility taxes are not borne by the utilities themselves but by the consumers of their service and in a comparison of the tax-income ratio of a public utility with the tax-income ratio of an industry which is less able to shift its taxes, this fact must not be forgotten.

To the extent that taxes paid by public service corporations are reflected in higher rates charged to consumers, a significant measure of their burdensomeness is the ratio of taxes to gross revenues. This ratio shows what proportion of every dollar spent by the consumers of public utility services is in reality a form of indirect taxation. Since most taxes are seldom completely shifted to the consumer and are probably seldom completely borne by the original payer, both the ratio of taxes to net income and the ratio of taxes to gross revenues are considered important in measuring the relative burden imposed on public service corporations. Both ratios have accordingly been worked out in the present report.

Comparisons with Other States. For the purpose of securing an idea of the relative severity with which North Carolina taxes interstate public utilities doing business within its borders as compared with their treatment by other states in which the utilities operate, a somewhat different basis of comparison has been used. In the case of each of these interstate corporations state and local taxes paid in North Carolina have been expressed as a ratio of the total state and local tax bill for the entire system. For the purposes of comparison with the foregoing ratio, the following ratios have been worked out: The ratio of gross operating revenues earned in North Carolina to the total operating revenues for the entire system, the ratio of net revenues earned in North Carolina to total system net revenues, the ratio of mileage of line in North Carolina to total system mileage and in certain cases the ratio of the present value of the physical property located in North Carolina to the present value of the physical property of the entire system have also been worked out.

Generally speaking, if the proportion of the total system tax bill paid in North Carolina is consistently higher than the proportion of gross and net revenues earned within the state, higher than the proportion of the total system mileage located therein, and higher than the percentage which the value of the physical property located in North Carolina bears to the corresponding system value, then the presumption is that the utility is being more onerously taxed in this state than it is on the average in the other states in which it operates. Another factor must, however, be taken into consideration before any final conclusions can be drawn. The level of taxes may be quite generally higher in one state than in another because the taxpayers of the first state demand a higher standard of governmental services. There is no way of measuring the comparative value of such services to public utilities as between various states and without this information the statistical data outlined above can give only a partial picture of the actual situation.

Assessment Ratios. The uniformity clause of the State Constitution requires that public service corporation property be assessed at no higher percentage of its true value than the property of other classes of taxpayers. The relation existing between the assessed value of public utility property and its estimated true value, therefore, presents an important field for statistical investigation.

How is the true value of public utility property to be obtained? It has already been pointed out that the federal government has spent millions of dollars in an attempt to secure a valuation of the railroads for rate making purposes and has not yet completed the job. However, as was indicated in the section dealing with judicial decisions, value for rate making purposes is not necessarily the value to be used for purposes of taxation. In seeking a rate base, emphasis is placed on the value of the physical elements of the property which may be appraised on the basis of actual historical cost, cost of reproduction new, cost of reproduction new less depreciation or some other valuation formula. In the valuation of a utility for purposes of taxation, on the other hand, the emphasis is shifted to its value as a going-concern as measured by its present and prospective earning power.

It was previously pointed out that there are two recognized methods of valuation for purposes of taxation, namely, the stock-and-bond plan and the capitalization-of-earnings plan. In the present report it has been attempted, wherever the requisite data were available to estimate the true value of public utility property located in North Carolina on the basis of the capitalization-of-earnings plan. In the case of the railroads the book value of the property and the value fixed by the Interstate Commerce Commission have also been obtained for purposes of comparison.

The character of the data to be presented, having been explained, attention may now be directed to the actual statistics and to the conclusions which may legitimately be drawn therefrom. These have been worked out separately for each of the major classes of public service corporations. Steam railroads, the most important of these major classes, are considered first.

CHAPTER XIII

THE TAX BURDEN ON RAILROADS

There were some fifty-six operating steam railroad companies doing business in North Carolina in 1927. As shown by Table 90, the total length of road operated by these companies within the state aggregated 5,275 miles. Gross revenues earned within the state amounted to $85,656,000, and the total amount of state and local taxes paid in North Carolina was in the neighborhood of five and one-half million dollars.

The bulk of these taxes were contributed by a comparatively small number of companies. Sixty-three per cent of the total came from two large systems, the Southern Railway Company and the Atlantic Coast Line Railroad Company. As will be seen from Table 90 there are seven railroads operating in North Carolina which are classified by the Interstate Commerce Commission as Class I railroads, that is roads whose operating revenues in 1919 were in excess of one million dollars. These seven railroads paid nearly 94 per cent of all railroad taxes collected in the state in 1927. It is important to note that all of the Class I roads are engaged in interstate commerce and that none of them is a North Carolina corporation.

Yield of Specific Taxes. As previously pointed out, railroads in North Carolina are subject to three forms of taxation. They are taxable under

TABLE 90—RAILROADS TAXABLE IN NORTH CAROLINA, CALENDAR YEAR 1927

Class	Number of Operating Railroads Assessed	Total Mileage of Road in North Carolina	Gross Revenues Earned in North Carolina	State and Local Taxes Paid in North Carolina	Per cent to Total Taxes
INTERSTATE					
Class I	7	3,991	$ 76,628,170	$ 5,242,810	93.9
Class II	6	146	2,084,107	35,043	.6
Total Interstate	13	4,137	78,712,277	5,277,853	94.5
INTERSTATE					
Class II	10	604	5,240,252	233,248	4.2
Class III	33	534	1,703,491	71,233	1.3
Total Intrastate	43	1,138	6,943,743	304,481	5.5
Grand Total	56	5,275	$ 85,656,020	$ 5,582,334	100.0

Sources: Number of operating railroads assessed obtained from records of Commissioner of Revenue. Other data from reports of railroads to State Corporation Commission.

the general property tax at the prevailing local rates on the assessed value of their tangible assets within the state together with the value of their franchise to operate therein. To the state government they are required to pay an annual income tax of four and one-half per cent of their net operating income. They pay to the state also a franchise or privilege tax equal to one-fifth of one per cent of the total assessed value of their property tangible and intangible within the state. Table 91, which follows, shows the revenue collected under each of these forms of taxation in respect of the calendar year 1927. This is also shown in Figure 15 below.

TABLE 91.—YIELD OF SPECIFIED TAXES LEVIED AGAINST STEAM RAILROADS—1927

	Amount	*Per cent of Total*
PAID TO LOCALITIES		
General property tax	$4,480,900	80.3
PAID TO STATE		
Income Tax	628,500	11.2
Franchise Tax	472,900	8.5
Total State	$1,101,400	19.7
Grand Total	$5,582,300	100.0

It will be noted from Table 91 that 80 per cent of all taxes paid by the railroads in North Carolina are property taxes levied by local political units. The state income tax accounts for about 11 per cent of the total railroad tax bill, while the state franchise tax is responsible for somewhat less than 9 per cent.

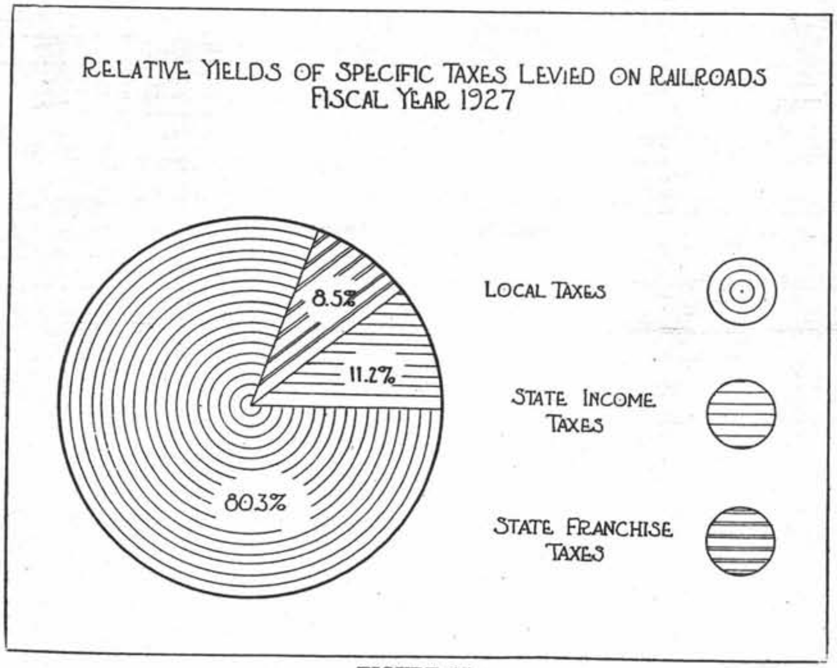


FIGURE 15

Growth of Railroad Taxes. Figure 16 and Tables 92 and 93 show the relative growth of railroad taxes and assessed valuations as compared with the

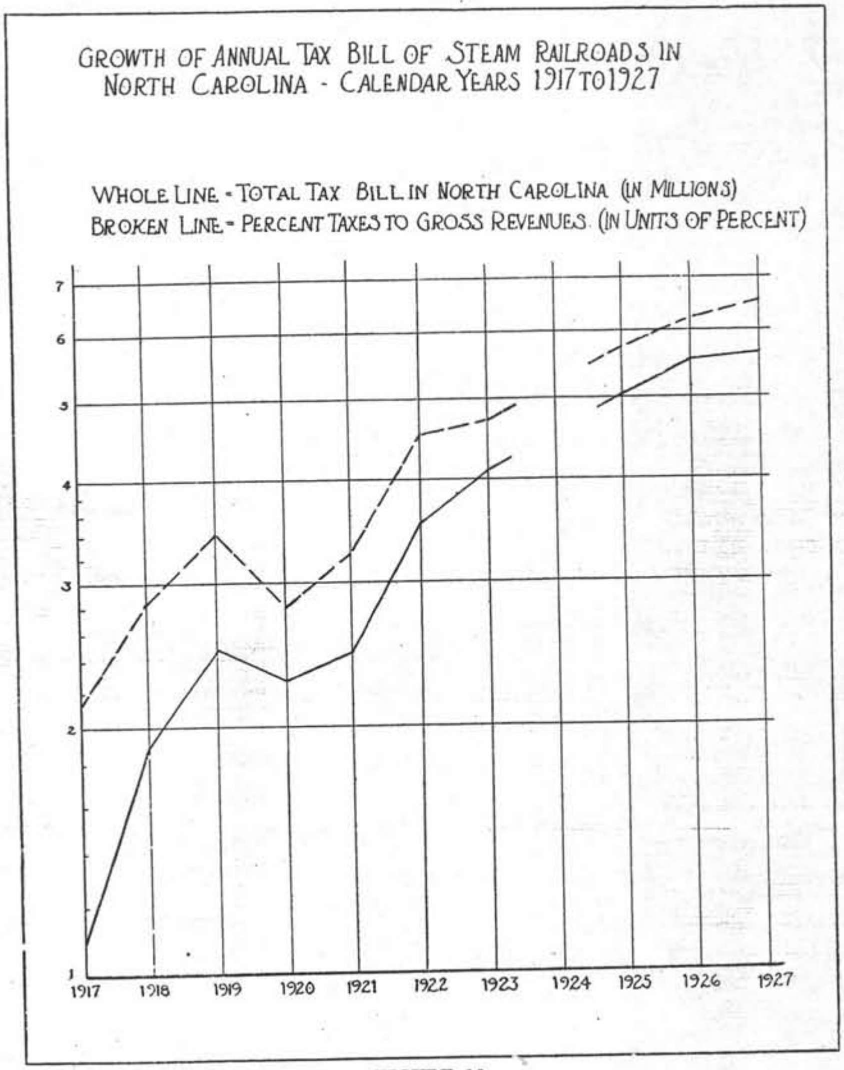


FIGURE 16

growth of railroad earnings during the decade ending in 1927. It will be observed that the railroad tax bill was approximately five times as great in 1927 as it was in 1917. Railroad taxes represented 2.2 per cent of gross operating revenues and 6.1 per cent of net operating revenues in 1917. By 1927 these ratios had increased to 6.5 per cent and 17.7 per cent respectively. It will thus be seen that, in a relative as well as in an absolute sense, the increase in the railroad tax burden during the course of the last decade has been a considerable one. However, railroads were not the only class of taxpayers whose taxes became heavier during the ten years under review.

Whether the present burden on the railroads is unjustifiably high is a question which can be decided only through the application of such statistical tests of fairness as have been enumerated in the preceding section.

Rate of Return on Investment. It has been pointed out that taxation may be used to supplement rate regulation and that the rate of return which a utility earns on its investment devoted to public use has, therefore, considerable bearing on the question of whether it is being adequately taxed.

TABLE 92—GROWTH OF ANNUAL TAX BILL OF STEAM RAILROADS IN NORTH CAROLINA

Calendar Years 1917-1927

Year	Aggregate Assessed Valuation of Railroad Property in North Carolina	Aggregate State and Local Tax Bill for North Carolina	Aggregate Gross Revenue Earned in North Carolina	Per cent Taxes to Gross Revenues
1917	$ 125,451,117	$ 1,112,844	$ 51,779,681	2.15
1918	125,387,418	1,914,939	67,481,292	2.84
1919	125,417,618	2,483,804	72,415,034	3.43
1920	251,566,951	2,296,957	82,456,816	2.79
1921	243,647,252	2,450,189	75,509,020	3.24
1922	242,859,203	3,563,476	78,080,944	4.56
1923	231,694,621	4,140,015	86,710,492	4.77
1924	232,325,203	----------	----------	----------
1925	232,188,342	5,025,553	88,247,364	5.7
1926	232,009,300	5,492,452	89,518,939	6.13
1927	236,519,986	5,582,334	85,656,020	6.51

Source: Assessed values, reports of Commissioners of revenue, gross revenues and taxes, reports of corporation commission, for years up to 1923. Data for subsequent years obtained from individual reports of railroads to State Corporation Commission.

TABLE 93—PERCENTAGE INCREASE IN RAILROAD TAXES AND EARNINGS IN NORTH CAROLINA

1927 over 1917

	1917	1927	Increase	Per cent Increase
State and Local Taxes on Railroads	$ 1,112,844	$ 5,582,334	$ 4,469,490	401.6
Aggregate Assessed Valuations	125,451,117	236,519,986	111,068,869	88.5
Gross Operating Revenue in North Carolina	51,779,681	85,656,020	33,876,339	65.4
Net Operating Revenues in North Carolina	18,223,808	23,443,020	5,219,212	28.6
Per cent Taxes to Net Operating Revenues	6.1	23.8	17.7	290.2

The regulation of interstate railroads, however, is a federal function and state taxation of such corporations could not legitimately be employed as a device for limiting their earnings to what was considered a fair return. The specific rates of return which the various railroads operating in North Carolina are earning on their property investment are nevertheless not without interest from the viewpoint of the present study. These rates of return indicate among other things whether the railroads in question possess any going-concern or franchise value over and and above the book value of their physical assets.

Table 94 gives the rates of return on the book value of their investment earned by specified railroads and classes of railroads operating in North Carolina. The figures refer to operations for the entire system and are not limited to business done within this state. The Interstate Commerce Commission has tentatively fixed upon 5¾ per cent as a fair rate of return on railroad property. It will be noted that the average rate of return earned in 1927 by the seven Class I railroads doing business in this state was only 5.2 per cent. The average rate of return for 1926 was considerably higher, viz, 6.4 per cent, but even in that year three of the seven larger railroads had earnings of less than 5 per cent. Turning to the smaller railroads it will be seen that as a class they are even less prosperous than the large interstate systems. The average rate of return of the Class II railroads in 1926, the latest year for which complete figures are available, was 5.2 per cent, and the corresponding rate for the Class III railroads was only 1 per cent.

TABLE 94—ANNUAL RATE OF RETURN EARNED BY RAILROADS ON BOOK VALUE OF INVESTMENT DEVOTED TO PUBLIC USE[1]

(Entire System)

Railroad	Annual Rate of Return, Per cent		
	1925	1926	1927
CLASS I.			
Atlantic Coast Line R. R. Co.	7.4	6.2	3.5
Clinchfield R. R. Co.	4.	4.7	4.4
Louisville and Nashville R. R. Co.	6.0	5.9	5.1
Norfolk and Western Ry. Co.	7.8	9.7	7.7
Norfolk and Southern R. R. Co.	4.0	4.6	4.4
Seaboard Air Line Ry. Co.	4.5	4.5	3.9
Southern Ry. Co.	5.9	5.8	5.3
Total Class I	6.2	6.4	5.2
CLASS II.			
Average for sixteen roads	5.0	5.2	Not Avilable
CLASS III			
Average for twenty-four roads	.5	1.0	Not Available
Average all classes	6.2	6.4	Not Available

[1]Represents ratio of net railway operating income to the book value of the investment as at the close of the calendar year. For Class I railroads, investment comprises the following accounts: Plant and equipment including leased lines, cash and material and supplies. For Class II and III roads, investment comprises only the plant and equipment accounts ,accs. 701 and 702).

In considering the rates of return shown in Table 94, it should be borne in mind that the property investments upon which the rates have been calculated are in all cases book values. These values are generally speaking considerably higher than the valuations fixed by the Interstate Commerce Commission for rate making purposes. Thus the aggregate book value of the operating property of the seven Class I railroads in North Carolina is about 25 per cent higher than the total valuation set upon these roads by the Interstate Commerce Commission.[1] If the earnings of the Class I railroads in 1927 be related to the Commission's valuation instead of the value of the investment as reflected in the books, the average rate of return for that year will be found to be 6.6 per cent instead of 5.2 per cent as shown in Table 94. Nevertheless, even on the basis of the federal valuations, which have not been accepted by the railroads, it cannot be claimed that earnings are exorbitant. As will be seen from Appendix I on page 304, eleven of the fifty-six railroads doing business in the state had net operating deficits in 1926.

Ratio of Taxes to Earnings. What proportion of the gross revenues derived from railroad operations in North Carolina are absorbed by North Carolina taxes? How does the amount of these taxes compare with the net earnings attributable to operations within the state? Answers to these questions are furnished by Table 95, which relates the state and local taxes paid by specified railroads in North Carolina to the amounts allocatable to this state of their gross operating revenue, net railway operating income and net income. Before discussing these ratios it is in order to explain the meaning of the revenue, income, and tax figures used, and the manner in which North Carolina's proportion of the system totals was determined.

Gross revenues earned in North Carolina include earnings on strictly intrastate traffic plus a mileage proportion of interstate traffic. In their annual reports to the State Corporation Commission the railroads are required to make an estimate of their North Carolina revenues, as defined above, and the figures as thus reported have been utilized in the preparation of Table 95.

Net railway operating income may be roughly defined as the net return after depreciation and taxes on all operating property owned. Interest on funded debt is considered as part of the income from the property and is not deducted. Amounts received for the use of operating facilities leased to others are included as operating income, but amounts paid out by the railroads in renting such facilities for their own use are treated as operating expense.

As distinguished from *net railway operating income*, *net income* means the net return to the corporation, as such, after all charges, including interest on funded debt, have been taken into consideration. It is the amount available for dividends and increase of surplus. It reflects not only the results of railroad operations but the income and expenses attributable to all other activities of the corporation including the ownership of investment securities.

In their reports to the State Corporation Commission, the various interstate railroads make no attempt to allocate their net railway operating income nor their net income by states. They do, however, furnish an estimate of the railway operating expenses attributable to their operations in North Carolina. Deduction of the North Carolina operating expenses from the North Carolina operating revenues gives the equivalent for this state of what the standard accounting code of the Interstate Commerce Commission designates as *net revenue from railway operations*. In the case of interstate railroads, the net revenue from railroad operations in North Carolina has

[1]See Appendices I and III.

TABLE 95— RATIO OF STATE AND LOCAL TAXES PAID BY SPECIFIED RAILROADS IN NORTH CARLOINA TO GROSS OPERATING REVENUES, NET RAILWAY OPERATING INCOME AND NET INCOME ALLOCATED TO STATE†

Railroad	Per cent North Carolina Taxes are of								
	Gross Oper. Revenues			Net Ry. Oper. Income			Net Income		
	1925	1926	1927	1925	1926	1927	1925	1926	1927
CLASS I.									
Atlantic Coast Line R. R. Co.	6.2	6.4	7.5	28.8	35.4	58.6	31.5	37.6	61.1
Clinchfield R. R. Co.	7.8	8.8	10.5	19.2	17.1	21.3	48.3	*	69.7
Louisville and Nashville R. R. Co.	23.9	25.7	23.1	*	*	*	*	*	*
Norfolk and Western Ry. Co.	7.9	8.2	7.5	*	*	*	*	*	*
Norfolk Southern R. R. Co.	5.8	5.5	5.9	35.1	31.2	33.0	103.3	68.4	76.7
Seaboard Air Line Ry. Co.	4.6	4.8	5.3	20.3	19.7	20.8	85.1	74.5	6,804.0
Southern Ry. Co.	6.3	7.2	6.9	28.9	32.0	33.5	44.4	47.6	49.8
Average Class I.	6.0	6.4	6.8	27.4	29.2	33.7	46.5	52.8	68.0
CLASS II									
Carolina and Northwestern Ry. Co.					Not Avail.				
Danville and Western Ry. Co.					Not Avail.				
East Tennessee and Western R. R. Co.					Not Avail.				
Raleigh and Charleston R. R. Co.					Not Avail.				
Tallulah Falls Ry. Co.			NOT AVAILABLE		Not Avail.	NOT AVAILABLE			NOT AVAILABLE
Tennessee and North Carolina Ry. Co.	3.2	1.5	NOT AVAILABLE	49.3	7.7	NOT AVAILABLE	421.0	*	NOT AVAILABLE
Averdeen and Rockfish R. R. Co.	3.0	3.5	NOT AVAILABLE	15.6	19.2	NOT AVAILABLE	26.4	23.1	NOT AVAILABLE
Atlantic and Yadkin Ry. Co.	1.8	2.3	NOT AVAILABLE	18.7	20.8	NOT AVAILABLE	34.2	19.3	NOT AVAILABLE
Durham and Southern Ry. Co.	4.4	4.3	NOT AVAILABLE	35.8	23.3	NOT AVAILABLE	26.4	19.4	NOT AVAILABLE
East Carolina Ry. Co.	3.3	3.3	NOT AVAILABLE	16.3	49.6	NOT AVAILABLE	26.9	154.8	NOT AVAILABLE
High Point, Randleman, Asheboro and Southern R. R. Co.	4.7	6.3		104.9	121.8		*	*	
High Point, Thomasville and Denton R. R. Co.	1.8	1.3		18.2	14.4		30.4	21.8	
Linville River Ry. Co.	5.4	4.4		47.7	*		40.5	*	
Virginia and Carolina Southern R. R. Co.	5.3	5.2		23.0	26.3		56.2	51.7	

Winston-Salem Southbound Ry. Co.	5.5	7.5	----------	20.3	31.3	----------	45.4	76.3	----------
Yadkin R. R. Co.	3.0	4.0	----------	17.4	22.1	----------	*	*	----------
Average Class II	3.7	4.4	----------	22.2	27.8	----------	50.0	49.3	----------
CLASS III.									
Appalachian Ry. Co.	1.6	1.9	----------	9.6	8.0	----------	12.6	8.9	----------
Asheville and Craggy Mountain Ry. Co.	1.1	1.0	----------	41.9	12.6	----------	35.4	11.7	----------
Atlantic and Carolina R. R. Co.	1.5	3.6	----------	10.6	18.1	----------	18.5	30.6	----------
Atlantic and Western R. R. Co.	2.1	1.8	----------	19.1	37.4	----------	*	*	----------
Black Mountain Ry. Co.	5.3	10.9	----------	543.9	91.5	----------	*	*	----------
Bonlee and Western Ry. Co.	2.1	2.6	----------	62.6	*	----------	197.6	*	----------
Carolina R. R. Co.	5.8	7.2	----------	84.7	*	----------	252.3	*	----------
Carolina and Northeastern Ry. Co.	3.5	2.6	----------	11.4	11.6	----------	*	*	----------
Carolina and Tennessee Southern Ry. Co.	6.5	4.6	----------	*	*	----------	*	*	----------
Dover and Southbound R. R. Co.	6.3	7.2	----------	*	*	----------	*	*	----------
Elkin and Alleghany R. R. Co.	1.4	1.7	NOT AVAILABLE	26.6	8.9	NOT AVAILABLE	77.8	*	NOT AVAILABLE
Graham County R. R. Co.	36.3	5.5		805.8	32.7		805.8	*	
Kinston Carolina R. R. Co.	5.5	6.7		*	118.2		*	*	
Laurinburg and Southern R. R. Co.	3.3	3.3		20.9	21.1		24.7	24.5	
Lawndale Ry and Industrial Co.	1.9	2.1		*	21.6		*	19.0	
Maxton, Alma and Southbound R. R. Co.	9.5	5.7		*	*		*	*	
Moore Central Ry Co.	1.8	1.6		*	*		*	*	
Rockingham R. R. Co.	6.4	6.0		*	*		*	*	
State University R. R. Co.	1.5	3.4	----------	11.2	*	----------	10.5	*	----------
Tuckaseegee and Southeastern Ry. Co	.5	.7	----------	4.6	4.8	----------	4.6	4.8	----------
Warrenton Ry. Co.	4.3	4.7	----------	14.8	24.4	----------	21.8	30.0	----------
Washington and Vandemere R. R. Co.	6.7	76.	----------	*	*	----------	*	*	----------
Wellington and Powellsville R. R. Co.	1.0	.4	----------	*	*	----------	*	*	----------
Wilmington, Brunswick and Southern R. R. Co.	3.0	4.3	----------	12.8	*	----------	*	*	----------
Average Class III	3.4	3.9	----------	146.1	90.1	----------	*	*	----------
verage All Classes	5.8	6.3	----------	27.4	29.3	----------	47.8	53.8	----------

†For original figures see Appendix I.

*No net income allocatable to North Carolina. Operating expenses in this state exceed operating revenues.

been expressed as a percentage of the corresponding system net operating revenue and this percentage has been used in allocating the proportion of the system net railway operating income and the system net income attributable to this state.

The respective amounts of state and local taxes payable by the railroads in North Carolina were obtained on the basis of tax accruals as reported to the State Corporation Commission. These accruals are for the most part in close conformity with the tax payments actually made and are segregated by states in the railroad reports.

With this explanation of the derivation of the ratio shown in Table 95, attention may be directed to a consideration of the ratios themselves. Data with respect to the year 1927 are available only for the Class I railroads, but since those railroads contribute over 94 per cent of all railroad taxes, omission of the smaller roads is unimportant. It will be noted from Table 95 that the state and local tax payments of the Class I railroads for 1927 represented 6.8 per cent of their gross operating revenues, 33.7 per cent of their net railway operating income and 68 per cent of their net income.

These figures mean, in effect, that of every dollar paid by the patrons of the railroads in North Carolina, approximately 7 cents is diverted for the use of the state and its subordinate political units. The state and its political subdivisions derive an income from railroad property within their borders approximately one-third as large as the income accruing to the stock and bond holders. In other words, governmental agencies have to all intents and purposes a 25 per cent equity in the earnings of the property. Finally, the income paid over by the railroads to the state and its subdivisions represents a sum 68 per cent as large as the amount available for dividends and increase of surplus. The year 1926 proved more prosperous for the railroads than either 1925 or 1927. It is, therefore, worth noting that the 1926 railroad tax bill amounted to 6.4 per cent of gross revenues, 29.2 per cent of net railway operating income and 52.8 per cent of net income.

Comparison with Other States. The figures cited above would seem to indicate that the railroads of North Carolina are bearing a heavy burden of taxation. Whether the railroad tax burden is unduly high, however, is a question which depends very largely on the comparative severity of the taxes which other industries and classes of taxpayers are required to bear. A comparison of tax-income ratios for various other classes of productive activities is given elsewhere in this report.

Although the prime test of the fairness of the existing railroad tax burden must be based upon the comparative weight of taxation resting on other classes of taxpayers within the state, nevertheless it is of some value for the purpose of this study to determine whether interstate railroads are more heavily taxed in North Carolina than they are in the other states through which they operate. Data tending to show that such railroads are more heavily taxed in this state are given in Table 96 and Figure 17. They show seven interstate railroads whose lines pass through the state derive 13.6 per cent of their total gross revenue from operations carried on in North Carolina; that about 12.9 per cent of their total net revenue from railway operations is earned in this state; that their mileage of road in this state rep-

TABLE 96—RELATIVE TAX BURDEN ON RAILROADS IN NORTH CAROLINA AND NEIGHBORING STATES AS SHOWN BY RATIO OF NORTH CAROLINA TO SYSTEM TOTALS OF STATE AND LOCAL TAXES, GROSS AND NET REVENUES, MILEAGE OF ROAD OPERATED AND INTERSTATE COMMERCE COMMISSION PROPERTY VALUATIONS[1]

(Average for three years 1925-27)

Railroad	Per cent of Total Taxes Paid in North Carolina	Per cent of Total Gross Revenues Earned in North Carolina	Per cent of Total Net Revenues Earned in North Carolina	Per cent of Total Mileage in North Carolina	Per cent of Total I.C.C. Valuation in North Carolina [2]
Atlantic Coast Line R. R. Co.	26.7	21.9	21.8	21.0	19.3
Clinchfield R. R. Co.	47.1	40.1	46.9	37.9	30.3
Louisville and Nashville R. R. Co.	.2	.03	None	.3	.1
Norfolk and Western Ry. Co.	2.0	1.1	None	5.8	1.4
Norfolk Southern R. R. Co.	87.2	87.2	84.7	87.9	70.1
Seaboard Air Line Ry. Co.	22.6	23.9	33.3	15.5	17.9
Southern Ry. Co.	29.6	20.4	19.5	17.8	16.7
Total	19.1	13.6	12.9	16.2	11.4

[1] For original figures, see Appendix I.

[2] See Appendix III.

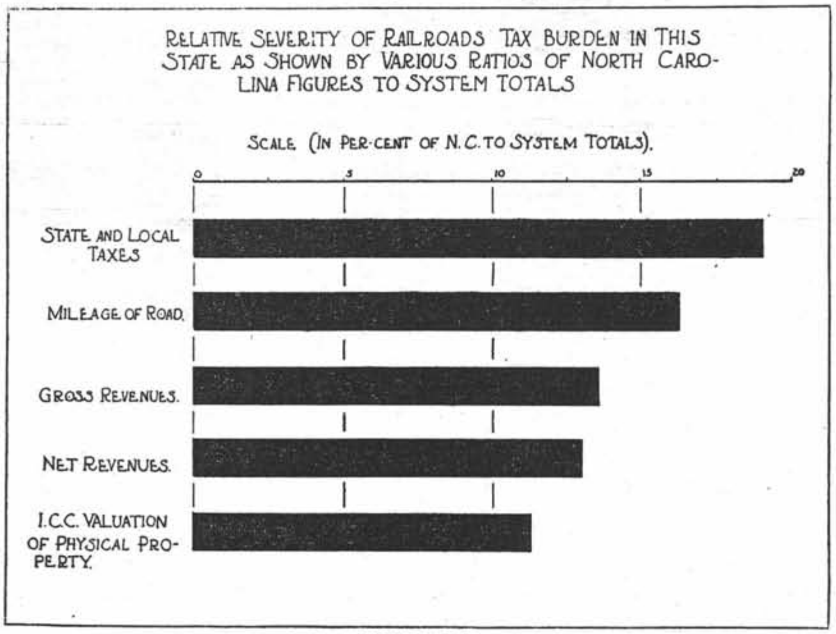


FIGURE 17

resents 16.2 per cent of their total system mileage; and that about 11.4 per cent of their physical assets, as valued by the Interstate Commerce Commission, are located here. In contrast with these figures, it will be seen that state and local taxes payable in North Carolina amount to 19.2 per cent of the total state and local taxes payable in all states in which the carriers operate. In other words, whether the basis of comparison be gross revenue, net revenue, mileage of road or value of physical assets, the relative tax burden in North Carolina is in every instance found to be somewhat heavier than the average for the other states in which the railroads do business.

Railroad Assessments. It has already been pointed out that 80 per cent of all taxes paid by the railroads represent ad valorem taxes on property. Whether they are bearing their just proportion of the general property tax burden depends, of course, entirely upon the fairness and accuracy with which their property is assessed. There are four possible bases for valuing the property of a railroad: (1) the market value of its stock and bonds; (2) the capitalized value of its net earnings; (3) the cost of the property as shown on its books, and (4) the value of its physical assets as determined by an engineering appraisal such as the valuation being made by the Interstate Commerce Commission.

The last two of these bases do not, generally speaking, furnish a reliable foundation for the determination of taxable value. Book values may have been arbitrarily written up or down. Even when the book values reflect actual historical costs, they are unsatisfactory, since it is the value of the property as part of a going concern and not its cost which determines taxable value. The value of the separate physical assets whether ascertained on the basis of *cost of reproduction, new, less depreciation,* or some other valuation formula is likewise not a satisfactory measure of value for purposes of taxation. No account is here taken of the value of the franchise and other monopolistic elements which may give a railroad a selling value far in excess of the aggregate value of its separate physical parts. The stock-and-bond and capitalization-of-earnings methods of appraisal, on the other hand, enjoy the sanction of the courts. Both of these methods give a close approximation to what a railroad would bring if sold by a willing seller to a willing buyer, and it is this value which the North Carolina law prescribes as the basis for assessments.[1]

Results of Independent Appraisals. Table 97 compares the actual amount at which the property of the Class I railroads was assessed in 1927 with certain independent estimates of the value of this property as determined on the basis of specified methods of appraisal. The values used for the purpose of this comparison are (1) capitalized earnings, (2) book value and (3) physical value as reported by the Interstate Commerce Commission. Although a calculation of the stock and bond value of the railroads would also have been desirable, the attempt to obtain this figure had to be abandoned. The above comparisons are also shown in Figure 18.

Details of the calculation by which the capitalized earnings value of the railroads was obtained are set forth in Appendix II. Briefly the method of computation was as follows: A proportion of the system net railway operating income was allocated to North Carolina on the basis of the ratio

[1]Machinery Act, 1927, Section 48.

TABLE 97—ASSESSED VALUATION OF CLASS I RAILROADS IN NORTH CAROLINA COMPARED WITH ESTIMATED-GOING CONCERN VALUE, BOOK VALUE AND I. C. C. VALUATION OF PHYSICAL PROPERTY

Aggregate Assesed Valuation, 1927	$221,492.300
Estimated Going-Concern Value[1]	295,653,300
Estimated Book Value, Dec. 31, 1926[2]	298,406,300
I. C. C. Valuation of Physical Property[3] in North Carolina, Dec. 31, 1926	192,793,100
Per Cent Assessed Value Is of	
Going-Concern Value	74.9
Book Value	74.2
I. C. C. Valuation	114.9

[1]Obtained by capitalizing the average net railway operating income from 1923 to 1926 inclusive at 5¾ per cent and allocating such proportion of the resulting capitalization to North Carolina as the average net revenue, from 1923 to 1926, in North Carolina bears to the corresponding average net system revenue. See Appendix II.

[2]System value as shown on books for plant and equipment, cash, materials and supplies, allocated to the state on a mileage basis.

[3]"Final value" of railroad properties as at respective valuation dates to which subsequent increases in plant and equipment account have been added. For basis of allocation to state, see Appendix III.

which the net revenue from railway operations in this state bore to the total system net revenue from such operations. The net railway operating income attributable to North Carolina was obtained in this manner for each of the four years from 1923 to 1926 inclusive. An average of these four values was then obtained and capitalized at the rate of 5¾ per cent. Two of the railroads, the Louisville and Nashville, and the Norfolk and Western, claim to conduct their operations in this state at a net loss. A capitalization of the earnings of these companies would have produced a negative figure. In these two cases the Interstate Commerce Commission's valuation of the physical property was substituted for the going-concern value on the theory that the property was worth at least the value of its separate parts.

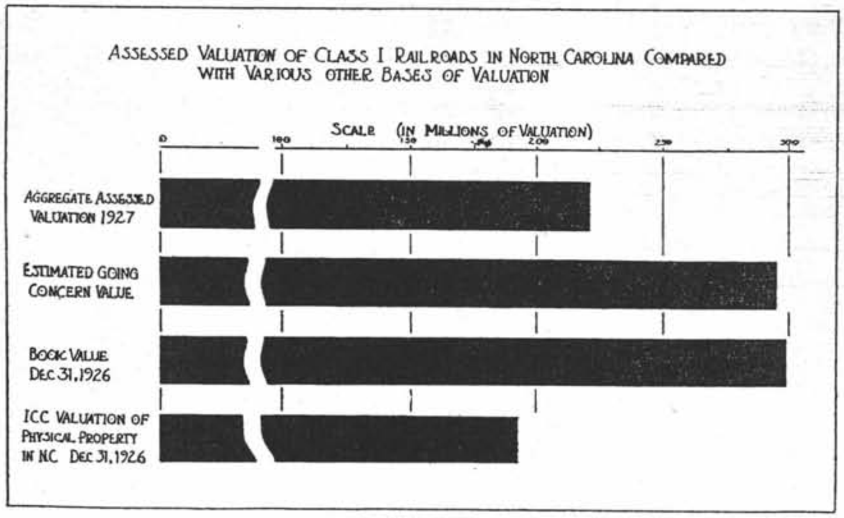


FIGURE 18

In obtaining the estimated book value of railroad property in North Carolina, the system totals as at December 31, 1926, for plant and equipment, cash, and materials and supplies were taken and prorated to the state on the basis of the proportion of total mileage of road in North Carolina. Appendix III gives the details of the process by which physical value of railroad property in North Carolina, as determined by the Interstate Commerce Commission, was obtained.

It will be noted from Table 97 that the total assessed valuation of the Class I railroads for the year 1927 amounted to some $221,492,000. The full going-concern value of their property as determined by the capitalization-of-income method was some $74,000,000 greater than this, viz. $295,653,000. and the allocated book value amounted to $298,406,000. The present value of the physical property in North Carolina on the basis of the valuation figures of the Interstate Commerce Commission amounted to only $192,-793,000 which was some $28,699,000 less than the assessed valuation. This difference, however, is to be expected since the Interstate Commerce Commission valuation is primarily for rate-making purposes. It does not take into account the value of franchises and other intangible values which inhere in a profitable going concern. The state has the legal right to assess such intangible values and the North Carolina law specifically directs that they be assessed.[1] The difference between the full going-concern value of the railroads as shown by their capitalized earnings and the value of their physical assets as fixed by the Interstate Commerce Commission, a difference which in the present case amounts to $102,860,000, may be taken to represent the full market value of the railroad franchises and other intangible elements. The intangible values as thus calculated do not, of course, include stocks and bonds which a railroad may happen to hold for investment purposes. Net railway operating income does not include income from investment securities and as a consequence the value of such securities is not reflected in the going-concern value given in Table 97. As has been previously pointed out, however, all of the Class I railroads doing business in North Carolina are foreign corporations and any investment securities owned by them are, therefore, not within the taxing jurisdiction of this state.

Assessment Ratios. It will be seen from Table 97 that the aggregate assessed valuation of the Class I railroads for 1927 represented about 75 per cent of the full going-concern value as estimated by the capitalization-of-earnings method. This fact does not necessarily indicate that railroad property in North Carolina is under assessed. As is indicated elsewhere in this report other classes of property are not commonly assessed at full market value. Moreover, the Federal Supreme Court has held that to assess the property of a taxpayer at full value when property of the same class belonging to others is systematically under assessed constitutes unlawful discrimination. Whether or not the present assessment of railroad property in North Carolina is fair depends, therefore, upon the relative degree of under-assessment practiced with respect of other kinds of property. A comparison of assessment ratios for various kinds of property is given in another section of this report.

[1]Machinery Act, 1927. Sec. 33 (b).

Summary of Findings. The important facts brought out by the foregoing analysis may be summarized as follows:

1. The seven Class I railroads operating in North Carolina contribute 94 per cent of all railroad taxes paid within the state. All of these railroads are interstate carriers and none of them is a North Carolina corporation.

2. The aggregate North Carolina tax bill of the railroads in question amounted in 1927 to approximately $5,243,000. This sum represented 6.8 per cent of their gross revenues derived from operations within the state and 33.7 per cent of the net railway operating income attributable to the property within the state.

3. Generally speaking, the Class I railroads operating in North Carolina are not earning excessive returns on their property investments. In 1927 the average rate of return on the book value of the investment was 5.2 per cent. On the valuation fixed by the Interstate Commerce Commission the average rate of return was 6.6 per cent.

4. North Carolina imposes a somewhat heavier burden of taxation on Class I railroads operating within its territory than the average burden imposed by other states through which these carriers pass. This generalization holds whether the basis of comparison be relative earnings within the state, relative mileage of road, or the relative value of the physical property in North Carolina.

5. The total assessed valuation for 1927 of the tangible and intangible property of the Class I railroads in North Carolina was $221,492,000. This sum is about 15 per cent greater than the value of the tangible property as appraised by the Interstate Commerce Commission and represents about 75 per cent of the full going-concern value of the railroads as determined by the capitalization-of-earnings method.

CHAPTER XIV

ELECTRIC POWER, STREET RAILWAY AND GAS COMPANIES

Electric light and power companies rank next to the steam railroads with respect to the size of their state and local tax bill. In 1927 these companies paid in taxes some $1,900,000, which represents a fifth of the total collections from all classes of public service enterprises for that year.

General Characteristics. As in the case of railroads, the bulk of the taxes paid by electric power companies comes from a comparatively small group of corporations. It will be seen from Table 98 that three large companies, the Carolina Power and Light Company, the Duke Power Company and the Southern Public Utilities Company, contributed over 80 per cent of all taxes collected from this class of corporations in 1927. Seven power companies were responsible for 94 per cent of the total collections. The corresponding percentages for 1928 will be even higher than this, owing to mergers effected by the Duke Power Company in the latter part of 1927. It will be noted that four of the larger companies do not confine their operations to this state. Three of them derive a considerable proportion of their revenues from South Carolina. In the case of the Virginia Electric and Power Company operations in North Carolina are merely incidental to the main business done in Virginia. Three of the interstate companies, the Duke Power Company,[1] the Southern Public Utilities Company and the Virginia Electric and Power Company are foreign corporations.

As will be seen from Table 98 the activities of the larger power companies are of a somewhat varied nature. These activities include the operation of both steam and water power plants for the generation of electricity, the operation of power transmission lines, the retailing of electric current to the public and the wholesaling of such current to other utilities. Various allied activities are also carried on, such as the manufacture and sale of gas and the operation of street railways and bus lines. It has not been found feasible to make separate studies of the effect of taxation on each of the specific activities enumerated above. The data presented in the following tables refer to the combined results of all classes of operations.

System of Taxation. Electric power, street railway and gas companies are subject to four main types of taxation. Their heaviest burden is the local general property tax. The measure of their liability under this tax is the true cash value of all of their property as evidenced by the value of their capital stock plus the amount of outstanding mortgages. The only other species of local taxes levied against them are city and town license taxes. Along with other corporations, electric power companies pay to the state the regular corporation income tax of 4½ per cent. They are also required to pay a state franchise or privilege tax of one per cent of their gross revenues derived from operations within the state. Power companies wholesaling current to other companies are permitted to deduct the pro-

[1]Formerly the Southern Power Company.

ceeds of such sales in calculating their taxable gross receipts, but such deduction is not allowed when current is wholesaled to a municipality or other corporation which is exempt by law from the payment of the franchise tax.

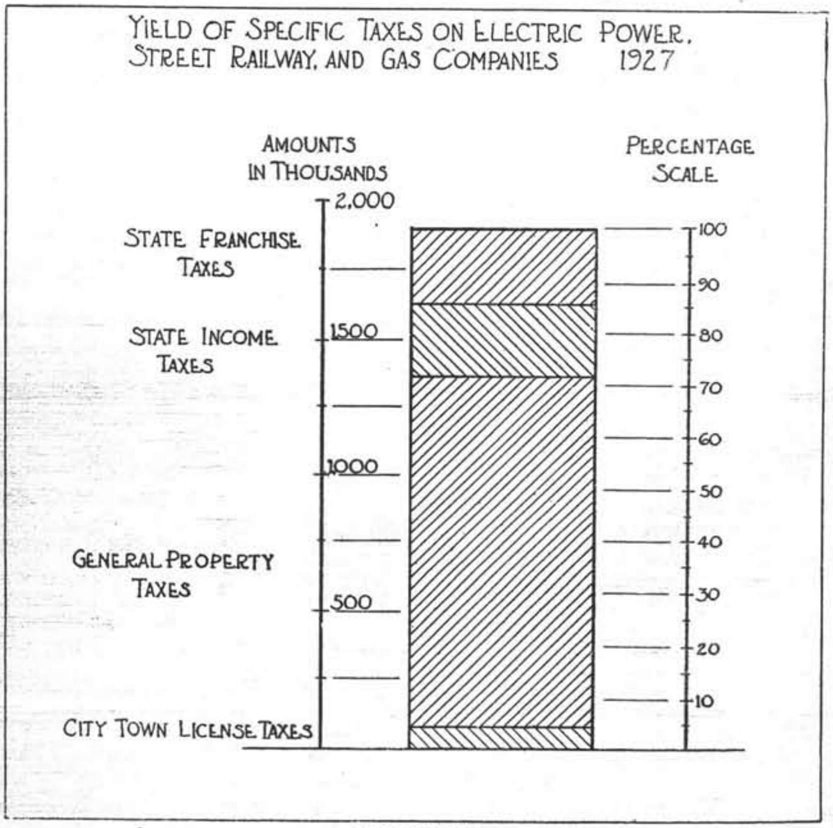


FIGURE 19

Table 99 shows the yield of each of the taxes enumerated above with respect to the year 1927. It will be noted that 73 per cent of all taxes levied against power companies are received by local governmental agencies. As in the case of the railroads, the general property tax is the most onerous tax which power companies are called upon to bear; in 1927 this tax was responsible for over 69 per cent of their total burden. Local license taxes are least important comprising only 3 per cent of the total. The state income and franchise taxes yielded respectively 15 per cent and 12 per cent of the 1927 total. (See, also, Fig. 19).

Rates of Return. There has as yet been no official valuation of the physical properties of power companies corresponding to the valuation of railroad property made by the Interstate Commerce Commission. Moreover, for reasons already stated, the investment accounts of power companies as reflected in their books offer no necessary indication either of the original

TABLE 98—ELECTRIC POWER, LIGHT, GAS AND STREET RAILWAY COMPANIES TAXABLE IN NORTH CAROLINA—CALENDAR YEAR 1927

Type of Company	Character of Operations Carries On	Gross Oper. Revenue in North Carolina[1]	Assessed Valuation in North Carolina[2]	State and Local Taxes in North Carolina	Per cent of Total
COMPANIES WITH GROSS REVENUE IN NORTH CAROLINA IN EXCESS OF $50,000					
INTERSTATE COMPANIES					
Carolina Power and Light Company	Generates, wholesales for resale and retails electric Power. Operates gas properties, street railways and bus lines.	$ 7,554,705[3]	$24,778,149	$ 632,057[3]	33.0
Duke Power Company[4]	Generates and wholesales electricity for resale	11,598,628	27,652,045	672,157[3]	35.1
Southern Public Utilities Company	Retails electricity, operates gas and street railway properties	4,655,189[3]	8,581,116	277,803[3]	14.5
Virginia Electric and Power Company	North Carolina operations confined to generation and sale of power	639,784[3]	497,276	23,637[3]	1.2
Total		$24,448,306	$61,508,586	$ 1,605,654	83.8
INTRASTATE COMPANIES:					
Durham Public Service Company	Generates, wholesales for resale and retails electric power. Operates gas properties, street railways and bus lines.	$ 1,397,988[5]	$ 1,375,991	$ 50,298[3]	2.6
North Carolina Public Service Company	Generates, wholesales for resale and retails electric power. Operates gas properties, street railways and bus lines.	2,455,008[5]	1,749,300	75,840	4.0

Tidewater Power Company	Generates, wholesales for resale and retails electric power Operates gas properties, street railways and bus lines.	1,313,668[5]	2,538,683	76,891[3]	4.0
Total		$ 5,166,664	$ 5,663,974	$ 203,029	10.6
Smaller Companies	Electric light and power, gas and street railway companies	1,456,324	4,103,500	106,200	5.6
Grand Total		$31,080,294	$71,030,060	$ 1,914,880	100.0

[1]From records of Commission of Revenue.

[2]Figures for all of the larger companies except the Southern Public Utilities Co. and the Virginia Electric and Power Co. represent taxes actually paid. Figures for the latter companies represent tax accruals. The total for the smaller companies is partly estimated but is based for the most part on tax accruals.

[3]Figures furnished by corporation in reply to questionnaire.

[4]Became taxable in North Carolina in Dec. 1927 when it took over the Southern Power Company and its operated properties.

[5]From annual reports of corporations to State Corporation Commission.

TABLE 99—YIELD OF SPECIFIC TAXES ON ELECTRIC POWER, STREET RAILWAY AND GAS COMPANIES—1927

	AMOUNT	Per cent of TOTAL
LOCAL TAXES:		
General Property Tax	$ 1,336,680	69.8
City and Town License Taxes[1]	76,600	3.0
Total	1,368,600	72.8
STATE TAXES:		
Income Tax	283,000	14.8
Franchise Tax	238,600	12.4
Total	521,600	27.2
Grand Total	$ 1,914,880	100.0

[1]Estimated on the basis of returns from four power companies whose total tax payments represent more than half of the aggregate payments of all power companies combined.

cost of their properties or of its present value. It is, therefore, impossible to determine on the basis of existing data, the respective rates of return which the various power companies doing business in North Carolina are earning on their investment. A ratio which it is possible to obtain, however, and which for the purpose of the present study is almost equally significant is the rate of return earned by the power companies on the assessed value of their property. An excessive rate of return on the assessed valuation may indicate that service rates are above the level necessary to assure a fair return. It may, on the other hand, indicate that the assessed valuation is much below the true going-concern value of the property or that both of the foregoing conditions are present.

Table 100 sets forth the rates of return on assessed valuation earned by the larger power companies operating in North Carolina. Before discussing these rates it may be well to give some explanation of the manner in which they were derived. The earnings which have been related to the assessed valuation correspond to what is designated in the reports of the power companies to the State Corporation Commission as balance of income applicable to corporate property. This income category is practically synonymous with net railway operating income as applied to the railroads. It comprehends the net earnings from all operated property after deduction of rentals paid out for property used but not owned and the addition of rentals received for operating property owned but leased to others. It does not include income and expenses applicable to stocks and bonds and other property held for investment. With this exception, it may be said the earnings used represent what is available for the payment of interest to the bondholders, for dividends to the stockholders and for the increase of surplus. In the case of companies operating in more than one state, a proportion of the system balance of income applicable to corporate property was allocated to North Carolina on the basis of the percentage of net operating revenue earned in this state.

TABLE 100—RATE OF RETURN EARNED BY LARGER ELECTRIC POWER COMPANIES ON ASSESSED VALUE OF PROPERTY IN NORTH CAROLINA

Company	Assessed Value in North Carolina		Balance of Income Applicable to Corporate Property		Rate of Return on Assessed Valuation	
	1927	Average 1925–27	1927	Average 1925–27	1927	Average 1925–27
Carolina Power and Light Company	$24,778,149	$20,408,864	$ 2,938,430[2]	$ 2,040,871	12.0%	10.0%
Duke Power Company	27,652,045	24,887,163	3,091,253	2,092,689	11.2	8.4
Southern Public Utilities Company	8,581,116	8,366,156	1,335,905[2]	1,214,635	15.6	14.5
Virginia Electric and Power Company	497,276	497,276	161,667[2]	161,667[1]	32.8	---[1]
Durham Public Service Company	1,375,991	1,326,770	249,760	199,120	18.2	15.0
North Carolina Public Service Company	1,749,300	1,744,773	839,213	695,408	48.0	40.0
Tidewater Power Comapny	2,538,683	2,394,321	596,239	524,791	23.5	21.9
Total	$67,172,560	$59,625,323	$ 9,212,467	$ 6,929,181	13.7	11.6

[1]Figure for 1927. Data for prior years not available

[2]System income allocated to state on basis of ratio of net operating revenue earned in North Carolina to total system net operating revenue.

Reference to the data shown on Table 100 will disclose that the seven larger power companies earned in the aggregate 13.7 per cent on their assessed valuation in 1927. For the three years from 1925 to 1927 inclusive the average rate of return was 11.6 per cent. The combined results for all companies, however, conceal the wide variations in the rates of return earned by individual companies, which, for the three year period, ranged from 8.4 per cent to 40 per cent. These wide variations indicate that the various power companies in question are assessed at very unequal percentages of their full going-concern values, a point which will be touched upon further on.

It is, of course, not possible to state dogmatically what ought to be the normal relationship between earnings and assessed valuations. Decision on this point depends first on what constitutes a fair rate of return for power companies and secondly on the percentage of full going-concern value at which the property of such companies ought rightly to be assessed. As has been seen, the Interstate Commerce Commission regards 5¾ per cent as a fair return for interstate railroads. Moreover in North Carolina railroad property was assessed at 74 per cent of its full going-concern value in 1927. What would be a fair rate of return for railroads, however, would not necessarily be fair for power companies. Eight per cent is commonly considered as an adequate return for the general run of public utilities.[1] If this figure be tentatively adopted for power companies and, if, in order to be conservative, it is assumed that the property of such companies should be assessed at not less than 65 per cent of full going-concern value, then a properly regulated and properly assessed utility should earn no more than 12.3 per cent on its assessed valuation. If it be assumed that power companies should be assessed at 70 per cent of full going-concern value, then no company ought to earn more than 11.5 per cent on its assessed valuation. Earnings above this rate would indicate either under assessment or an unreasonably high scale of service charges.

Ratio of Taxes to Earnings. How does the burden of state and local taxes imposed on the power companies of North Carolina compare in relative severity with the burden borne by other classes of taxpayers? The first step toward an answer to this question is furnished by Table 101 which expresses the total tax payments of specified power companies for 1927 as percentages of their gross operating revenue, balance of income applicable to corporate property and net income for that year.

The meaning of *balance of income applicable to corporate property* has already been explained. In brief it is the income arising from the operating property regardless of how that income may be distributed among stockholders and bondowners. *Net income,* on the other hand, is the amount available for dividends and increase of surplus after all charges, including interest on funded debt, have been met. Moreover it reflects not only earnings from operations but income received from investment securities.

It will be noted that the respective ratios of taxes to net income are subject to a considerable range of variation. Little significance, however, can be attached to these variations, since for the most part they merely indicate the varying degree to which the several corporations have relied

[1]See Howard D. Dozier, Present Reasonable Rate of Return for Public Utilities, The Journal of Land and Public Utility Economics, August 1928, p. 235.

TABLE 101—RATIO OF STATE AND LOCAL TAXES PAID BY SPECIFIED POWER COMPANIES IN NORTH CAROLINA TO GROSS REVENUES, BALANCE OF INCOME APPLICABLE TO CORPORATE PROPERTY AND NET INCOME ALLOCATABLE TO STATE—CALENDAR YEAR 1927

Company	State and Local Taxes North Carolina	Gross Operating Revenues in North Carolina	Balance of Income from Property Allocated to North Carolina[1]	Net Income Allocated North Carolina[1]	Per cent Taxes are of		
					Gross Revenues	Income from Property	Net Income
Carolina Power and Light Company	$ 632,057	$ 7,554,705	$ 2,983,430	$ 1,918,200	$ 8.4	21.2	33.0
Duke Power Company	672,157[2]	11,598,628	3,091,253	3,504,338	5.8[2]	21.7	19.2
Southern Public Utilities Company	277,803	4,655,189	1,335,905	981,614	6.0	20.8	28.3
Virginia Electric and Power Company	23,637	639,784	161,667	105,044	3.7	14.6	22.5
Durham Public Service Company	50,298	1,397,988	249,760	110,952	4.0	20.1	43.5
North Carolina Public Service Company	75,840	2,455,008	839,213	481,840	3.1	9.0	15.7
Tidewater Power Company	76,891	1,313,668	596,239	640,991	5.9	12.9	12.0
Total	$ 1,808,683	$29,614,970	$ 9,257,467	$ 7,742,979	6.1	19.5	22.4

[1]Allocated on basis of ratio of net operating revenues earned in North Carolina to total system net operating revenue.

[2]Including taxes applicable to Western Carolina Power Co. Great Falls Power Co., and Wateree Power Co., whoes plants were operated by the Southern Power Co., the predecessor of the Duke Power Co., and whose earnings are included with those of the latter company.

on the sale of bonds in financing their various projects. The most significant measure of burdensomeness is the ratio of taxes to the balance of income applicable to corporate property. For all of the power companies combined this ratio in 1927 was 19.5 per cent.[1] In other words, taxes absorbed something less than one-sixth of the total income produced by power company property in that year. It will be recalled that in the case of the railroads, state and local taxes absorbed approximately one-fourth of the corresponding property income.

Considering individual companies, it will be seen that the ratio of taxes to property income ranges all the way from 9 per cent in the case of one company to 21.7 per cent in the case of another. There are several reasons for this variation. The most important of these relate to the property tax which, as has already been indicated, accounts for over two-thirds of all taxes paid by the power companies. Rates of property taxation vary from locality to locality and this variation accounts for some of the differences in the tax-income ratios shown on Table 101. A more important cause of the differences, however, is the varying percentage of full going-concern value at which the several companies are assessed. These variations in assessment ratios will be given detailed consideration further on.

Another cause for the varying percentage of property income absorbed by taxes is the operation of the franchise tax based on gross revenues. This tax bears more heavily on corporations whose operating expenses are relatively high than it does on corporations having a low operating ratio. Moreover, since revenue derived from the sale of current to other public utilities is not taxable, it follows that the franchise tax represents a smaller percentage of the property income of companies doing a considerable amount of wholesaling than it does in the case of companies who are obliged to purchase current.

Turning to the relation of taxes to gross revenue, it will be seen that, for all of the seven power companies under consideration, the average ratio to taxes to gross revenue was 6.1 per cent. The corresponding ratio for the steam railroads, it will be recalled, was 6.8 per cent. As between individual power companies, the percentage of gross revenue absorbed by taxes varies greatly, the range extending from 3.1 per cent to 8.4 per cent. Some of the factors already mentioned to explain the varying percentage of property income absorbed by taxes are equally valid as an explanation of the variations in the ratio of taxes to gross revenues. Thus, inequalities in assessments will cause inequalities in the ratio of taxes to gross receipts. There are, however, additional factors to be considered. Companies whose gross receipts are approximately equal may own properties of very unequal value. Thus the company which purchases most of its current requires less fixed capital per unit of gross receipts than the company which is self sufficient. Other things being equal, the ratio of taxes to gross revenue will be higher in the case of the latter company than it will be in the case of the former. Similarly a company which leases a large proportion of its facilities to others will have relatively small gross receipts in relation to property owned and a high ratio of taxes to gross revenues.

Street Railways. A factor which has considerable influence on variations in the ratio of taxes to earnings as between the several power companies is the extent to which such companies are interested in the operation of

[1]See Table 101.

street railways. With the development of means of motor transportation street railways have definitely entered a period of decline. As will be seen from Table 102, little profit is being derived from these enterprises in North Carolina. The ratio of operating expenses to operating revenues is extremely high and several of the companies are running into deficits. The two principal taxes paid by street railways, namely, the state franchise tax based on gross receipts and the local general property tax are not readily adjustable to changes in net earnings. Consequently the burden of taxation on street railways is relatively severe. The tax payments of the five street railway systems shown in Table 102 represented 7.4 per cent of gross and about 90 per cent of net operating revenues in 1927.

TABLE 102—RATIO OF TAXES TO GROSS AND NET OPERATING REVENUES OF SPECIFIED STREET RAILWAY SYSTEMS—CALENDAR YEAR 1927[1]

Company	Gross Operating Revenue	Net Operating Revenue	State and Local Taxes[2]	Per cent Taxes are of	
				Gross Revenue	Net Revenue
Carolina Power and Light Co.	$ 521,295	$ 131,275	$ 48,168	9.2	36.7
Southern Public Utilities Co.					
Charlotte	550,604	54,978	39,000	7.1	71.0
Winston-Salem	191,003	38,798*	14,892	7.8	deficit
Durham Public Service Co.	201,315	20,742*	5,697	2.8	deficit
North Carolina Public Service Co.	173,469	20,327	Not stated		
New Bern Ghent St. Ry. Co.	1,540	6,825*	46	3.0	deficit
Total[3]	$ 1,465,757	$ 119,888	$ 107,803	7.4	89.9

[1]Source: Annual reports of companies in question to State Corporation Commission.
[2]Exclusive of state income tax.
[3]Exclusive of North Carolina Public Service Co.
*Deficit.

Comparisons with Other States. It is not at all easy to devise an accurate method of measuring the relative severity of the tax burden borne by power companies in North Carolina and by power companies in neighboring states. The method employed in the present instance is the same as the one used for a like purpose in the section on railroad taxation. Power companies whose operations extend over more than one state have been made the basis of comparison. The taxes paid by each such company in North Carolina has been expressed as a percentage of the total state and local tax payments for the entire system. This percentage has then been compared with similar ratios worked out between state and system gross operating revenues, state and system net operating revenues and state and system totals for the value of tangible property owned.

The above method is open to some criticism, since the operations carried on by a corporation in one state may differ considerably in their character from its own operations in another state. For instance, a company may confine its activities in one state to the generation and sale of electric current whereas, in another state, it may in addition to its power business operate street railways, gas plants and bus lines. This criticism, however, becomes less important when several different companies are included in the comparison and when several bases for measuring relative tax burdens are used.

The comparisons given in Tables 103 and 104 would appear to indicate that power companies are on the whole somewhat more favorably dealt with in

TABLE 103—RELATIVE TAX BURDEN ON ELECTRIC LIGHT AND POWER COMPANIES IN NORTH CAROLINA AND NEIGHBORING STATES AS SHOWN BY RATIO OF NORTH CAROLINA TO SYSTEM TOTALS OF STATE AND LOCAL TAXES, GROSS AND NET REVENUES, AND VALUES OF REAL ESTATE AND TANGIBLE PERSONAL PROPERTY[1]—CALENDAR YEAR 1927

Company	Per cent of Total State and Local Taxes Paid in North Carolina	Per cent of Total Gross Revenues Earned in North Carolina	Per cent of Total Net Revenues Earned in North Carolina	Per cent of Fair Cash Value of Real Estate and Tangible Personal Property in North Carolina
Carolina Power and Light Company	86.2	84.6	83.5	----------
Duke Power Company	55.4	70.9	79.7	45.8
Southern Public Utilities Co.	72.0	68.6	75.9	71.3
Virginia Electric and Power Co.	2.7	4.4	4.2	7.8
Total	50.1	52.7	58.8	----------

[1]For original figures see Appendix IV.

TABLE 104—TAXES PAID BY SPECIFIED PUBLIC UTILITIES IN NORTH CAROLINA, SOUTH CAROLINA AND VIRGINIA, EXPRESSED AS PERCENTAGES OF THE CORRESPINDING GROSS AND NET REVENUES DERIVED FROM OPERATIONS IN THOSE STATES—CALENDAR YEAR 1927

	North Carolina	South Carolina	Virginia
RATIO OF TAXES TO GROSS REVENUES:			
Carolina Power and Light Company	8.4%	7.3%	----------
Duke Power Company	5.8	11.3	----------
Southern Public Utilities Co.	6.0	5.1	----------
Virginia Electric and Power Company	3.7	----------	4.8
RATIO OF TAXES TO NET OPERATING REVENUE:			
Carolina Power and Light Company	18.4	14.9	----------
Duke Power Company	17.9	56.7	----------
Southern Public Utilities Company	21.2	25.9	----------
Virginia Electric and Power Company	13.6	----------	11.4

North Carolina than they are in either South Carolina or Virginia although the evidence on this point is by no means conclusive. It will be seen that this state was responsible for only 50.1 per cent of the total state and local tax bill of the four companies specified. On the other hand, the companies derived 52.7 per cent of their gross and 58.8 per cent of their net revenues from their North Carolina business. Moreover, in one of the three cases for which data on the value of physical property are available, the percentage of property located in North Carolina was greater than the percentage of total taxes paid therein.

Power Company Assessments. It has been seen that a state has the legal right to assess public utilities on the basis of their value as going concerns. This right is in no way invalidated by the circumstances that the State Constitution contains a so-called uniformity clause and that property in general is not assessed at going-concern value. Public utilities possess a privilege not accorded the generality of taxpayers, namely, a franchise to conduct certain kinds of operations within the state. The courts have held that this franchise constitutes a species of intangible property and that it may be assessed and taxed as such. Moreover, from the economic point of view as has been seen, no injustice is involved in taxing the going-concern or franchise value of a public utility. A utility which earns no more than a fair return on the value of its tangible assets will have no going-concern value to be taxed. It is only when earnings exceed a fair return on the actual investment in physical property that the franchise assumes any appreciable value.

The North Carolina Machinery Act directs that public utilities be assessed at the true cash value of their entire property owned, taking for this purpose the aggregate market value of the shares of capital stock. Where the stock has no market value, it is prescribed that the "actual" value of the stock be used. When the property is encumbered by one or more mortgages, the amount of such mortgage or mortgages is to be added to the value of the stock.[1] It is evident, therefore, that the North Carolina law contemplates the assessment of power companies at their value as going concerns and that the prescribed basis of assessment is a variant of the stock-and-bond plan.

The securities of very few power companies, however, change hands frequently enough to give them a regular market value. The statutory alternative in this case is the assessment of the shares at their "actual" value, but no hint is given as to how this "actual" value is to be obtained. For reasons already stated the book value of the shares, as indicated by the amount of capital stock and surplus shown on the corporate balance sheet, is not a reliable guide. The only other method, and one which investors themselves use in appraising securities not quoted on the exchanges, is the capitalization-of-income method.

In Table 105 the full going-concern value of each of the larger power companies doing business in North Carolina has been obtained by capitalizing the *balance of income applicable to corporate property* at 8 per cent. This procedure gives a result which reflects the value of the operating property only. It does not comprehend the value of investment securities and other property not used in regular utility operations. Three of the seven corporations listed in Table 105 are foreign corporations. The investment securities of these companies would not be taxable in any case, since such securities are not legally within the taxing jurisdiction of North Carolina. As regards domestic corporations, only their holdings of bonds are taxable, since shares of stock in the hands of individual and corporate owners are exempt in this

[1]North Carolina Machinery Act, Sec. 26.

TABLE 105—ASSESSED VALUATIONS OF ELECTRIC POWER COMPANIES IN NORTH CAROLINA COMPARED WITH ESTIMATED FULL GOING-CONCERN VALUES

Companies	Assessed Valuation		Balance of Income Applicable to Corporate Property[2]		Capitalization of Property Income at 8 Per cent		Per cent Assessed Value is of Going-Concern Value	
	1927	Average 1925-27	1927	Average 1925-27	1927	Average 1925-27	1927	Average 1925-27
Carolina Power and Light Company	$24,778,149	$20,408,864	$ 2,983,430	$ 2,040,871	$37,292,875	$25,510,887	66.4	80.0
Duke Power Company	27,652,045	24,887,163	3,091,253	2,092,689	38,640,663	26,158,613	71.6	95.1
Southern Public Utilities Company	8,581,116	8,366,156	1,335,905	1,214,635	16,698,812	15,182,937	51.4	55.1
Virginia Electric and Power Company	497,276	497,276[1]	161,667	161,667[1]	2,020,837	2,020,837[1]	24.6	----------
Durham Public Service Company	1,375,991	1,326,770	249,760	199,120	3,122,000	2,489,000	44.1	53.3
North Carolina Public Service Company	1,749,300	1,744,773	839,213	695,408	10,490,162	8,692,600	16.7	20.0
Tide Water Power Company	2,538,683	2,394,321	596,239	524,791	7,452,988	6,559,887	34.1	36.5
Total	$67,172,560	$69,625,323	$ 9,212,467	$ 6,929,181	$115,718,337	$86,614,761	58.0	68.8

[1]Figure applies to year 1927 only.

[2]In case of interstate companies allocated to North Carolina on basis of ratio of state to system net operating revenues.

state from the general property tax. One or two of the domestic corporations have considerable holdings of bonds. Their full going-concern value as estimated in Table 105 is, therefore, understated by the amount of these holdings. This understatement has been made advisedly. Were a determined effort made to assess domestic public utilities on their holdings of bonds, it would be comparatively easy to escape the tax by the simple expedient of reincorporating in another state. If such action were not desirable the power companies could transfer their bonds to foreign holding corporations accepting in their place non-taxable stock. It is to be borne in mind, then, that the going-concern values shown in Table 105 represent the value of the physical property plus the value of the franchise to do business within the state. This restriction places foreign and domestic corporations on an equal footing.

Assessment Ratios. It will be seen from Table 105 that the combined assessment for 1927 of the seven power companies specified represented 58.0 per cent of their capitalized earnings for that year. The average assessment for the three years from 1925-1927 represented 68.8 per cent of the corresponding capitalized earnings. These assessment ratios must be judged in relation to the varying degrees of under-assessment practiced with respect to other kinds of property, a summary of which is found at the beginning of this report.

One of the most striking facts brought out by Table 105 is the extreme variation in assessment ratios as between individual power companies. For the three-year period from 1925 to 1927, the assessment of one company represented 95 per cent of its capitalized earnings. The corresponding ratio for another company at the opposite end of the scale was only 20 per cent. Responsibility for these inequalities cannot justly be laid at the door of assessing officials. Such inequalities are largely inevitable under the method of assessment prescribed by the present law.

Under the present system, the physical property of power companies is assessed locally by the assessors of each county in which such property is situated. The State Board of Assessment is required to assess only the excess value of the corporations, that is the difference between what is called the *entire value* of the property and the value of the physical assets which are locally assessed. The method prescribed for obtaining the *entire valuation* is to add to the aggregate market value of the capital stock the amount of all outstanding mortgages. In the case of interstate corporations this procedure gives a figure which represents the value of property both within and without the state. To obtain the entire value of the property within the state the board is directed to subtract from the entire system valuation the value of non-operating property located without the state and to allocate such proportion of the remaining value to North Carolina as the mileage of line within this state bears to the total system mileage. Where shares of stock have no market value it is directed that their *actual value* be used but, as previously indicated, the method for reaching this actual value is left to the discretion of the State Board of Assessment.

The valuation procedure outlined above is in most cases unworkable in actual practice. It has already been seen that the capital stock of most power companies does not change hands frequently enough to give it a definite market value. Moreover, even when the aggregate market value of the stock is obtainable, the constitutionality of allocating a portion of this value to the state on the basis of length of line is open to serious question. Although the assumption may have considerable validity as regards certain other classes of public service corporations, it is clearly at variance with the facts to suppose that the property of interstate power companies is distributed geographically in accordance with their mileage of line, whatever that may be taken to mean, in the case of this type of corporation.

Examination of the actual assessments of power company property in North Carolina discloses the fact that the total valuations as fixed by the State Board of Assessment are in most cases identical with the aggregate value of the physical properties as assessed by local officials. In other words, in default of a better basis, the state body evidently assumes that the actual value of the capital stock plus the amount of mortgaged property allocatable to this state is roughly equal to the value of the physical assets located here. In the case of interstate companies this assumption obviates the need of resorting to the questionable mileage of line basis for the purpose of allocating a portion of the total system value to the state. The practical effect of this policy, however, is to throw the entire burden of assessing power company property upon local assessing officials.

As long as the assessment of power companies remains primarily a local matter, inequalities in the ratio of assessed to full going-concern value as between different corporations are bound to persist. In the first place unless all of the property of a public utility is located within a single assessing district in which all of its business is carried on, it is impossible for local assessors to assess the utility at its going-concern value. For this purpose the company must be valued as a unit on the basis of its earning power. All that the local assessors can do in most instances is to obtain piece meal valuations of the separate physical elements which happen to be located in their particular jurisdictions. Even for this task they are very imperfectly equipped, since the valuation of the highly specialized plant and equipment of power companies requires a degree of expert engineering knowledge which few, if any, local assessors possess.

Summary of Findings. The principal findings of the present chapter may be stated as follows:

1. The total amount of state and local taxes paid by electric power, gas, and street railway companies in North Carolina in 1927 was approximately $1,900,000. This represented 6.1 per cent of their gross revenues and approximately 19.5 per cent of the *balance of income applicable to their corporate property* for that year. (Table 101.)

2. In the absence of data relative to the physical value of the power companies, it is impossible to ascertain what rates of return they are earning on their investment devoted to the public use. Their average earnings for the three years from 1925 to 1927 inclusive, however, represented a return of 11.6 per cent on their assessed valuation.

3. Although the evidence is not conclusive, such data as are available seem to indicate that interstate power companies are somewhat more lightly taxed in respect of their North Carolina property and operations than they are in the other states in which they do business. (Table 100.)

4. On the average power companies were assessed at 58 per cent of their full going concern value in 1927. For the three years from 1925 to 1927, the average assessment ratio was approximately 69 per cent. (Table 105.)

5. Individual power companies are assessed at very unequal percentages of their full going-concern values. These inequalities are largely the result of the fact that power company assessments represent almost entirely the work of local officials. Local assessors may succeed after a fashion in valuing the separate physical elements of power company property. They are incapable, however, of assessing the value of the corporate franchise, that is, the intangible elements of value which inhere in a profitable going concern. Under the present basis of procedure, the franchise values of power companies are for the most part unassessed.

CHAPTER XV

MISCELLANEOUS PUBLIC SERVICE CORPORATIONS

The corporations covered in the present chapter comprise telephone, telegraph and express companies, the Pullman Company, private car lines, steamboat companies, bridge and canal companies, water supply companies, and motor vehicle carriers. Most of these utilities possess slight importance as a source of public revenue. In 1927 their combined contribution toward the support of state and local government in North Carolina amounted to little more than $900,000. Over half of this sum was collected from the telephone companies. Several of the utility groups under consideration have a total tax bill of less than $5,000 per annum. Little information is available concerning the operating results of these companies, and in view of their slight significance as taxpayers it was not deemed worth while to make a special effort to remedy this deficiency. The treatment accorded them in the present discussion is, therefore, somewhat sketchy, attention being concentrated on those utilities whose revenue yielding possibilities are of some moment.

TELEPHONE COMPANIES

Telephone companies rank next to electric power companies as regards the magnitude of their tax payments in North Carolina. It will be noted from Table 106 that they contributed in the neighborhood of $539,000 to the public treasury in 1927. Approximately 63 per cent of this sum came from one large interstate corporation, the Southern Bell Telephone and Telegraph Company. There are some 129 local telegraph companies operating within the state, but their importance is for the most part negligible. As will be seen from Table 106, sixty of these companies had gross revenues of less than $1,000 in 1927. Only four of them had gross earnings in excess of $100,000.

System of Taxation. The North Carolina Revenue Act specifically prohibits counties, cities, and towns from imposing local license taxes on telephone companies.[1] The only species of local taxation to which they are subject is the general property tax. The state government exacts from telephone companies a franchise or privilege tax equal to 3½ per cent of their gross intrastate receipts. It also requires them to pay the regular corporation income tax of 4½ per cent. Of the total tax bill of $539,000 paid by telephone companies in 1927, approximately $248,000, or 46 per cent, represented local property tax levies. About $214,000, or 40 per cent, of the total represented the yield of the 3½ per cent state franchise tax on gross receipts. The remaining $77,000 represented the yield of the state income tax.

Comparative Burden of Taxation. The ratio of telephone taxes to telephone earnings is comparatively high owing principally to the relative severity of the state franchise tax. As will be seen from Table 106, taxes paid by telephone companies in North Carolina in 1927 represented 7.5 per cent of their gross revenues in this state for that year. This is higher than the corresponding percentages for railroads and power companies. Information

[1]Revenue Act, 1927, Sec. 207.

TABLE 106—FACTS REGARDING THE TAXATION OF TELEPHONE COMPANIES IN NORTH CAROLINA—CALENDAR YEAR 1927

	Southern Bell Telephone and Telegraph Company	All Other Telephone Companies	Total
NUMBER OF COMPANIES ASSESSED:			
Gross Receipts over $100,000	1	4	5
Gross Receipts between $10,000 and $100,000		22	22
Gross Receipts between $1,000 and $10,000		43	43
Gross Receipts less than $1,000		60	60
Total	1	129	130
GROSS REVENUES EARNED IN NORTH CAROLINA:			
Amount	$ 4,748,200	$ 2,558,700	$ 7,306,900
Per cent of Total	65%	35%	100%
NET OPERATING REVENUE BEFORE TAXES IN CAROLINA:	$ 1,383,800	[1]	[1]
TOTAL ASSESSED VALUATION:			
Amount	6,707,800	4,248,000	10,955,800
Per cent of Total	61%	39%	100%
TOTAL STATE AND LOCAL TAXES:			
Amount	337,970	201,160	539,130
Per cent of Total	63%	37%	100%
PER CENT TAXES ARE OF:			
Gross Revenue	7.1%	8.1%	7.5%
Net Revenue before Taxes	24.4%	[1]	[1]
Net Revenue after Taxes	32.3%	[1]	[1]

[1]Not available.

regarding the percentage of net revenue absorbed by taxes was available only for the Southern Bell Telephone and Telegraph Company. As will be seen from Table 106, taxes paid by this company in North Carolina in 1927 represented 32.3 per cent of the net revenue derived from its operations in this state.

In spite of the high ratio of taxes to earnings, there is no evidence, at least as regards the Southern Bell Telephone and Telegraph Company, that the tax burden in North Carolina is more severe than the average for neighboring states. The proof of this statement is found in Table 107. It will be noted that North Carolina received 8.8 per cent of all state and local taxes paid by this company in 1927. The company, on the other hand, derived 8.8 per cent of its gross and 8.9 per cent of its net revenues from operations in this state.

Telephone Company Assessments. The Machinery Act prescribes the same method for assessing telephone companies as it does in the case of power companies. In other words the State Board of Assessment is directed to value the property of the corporation as a unit by adding to the market or actual value of the capital stock the amount of all outstanding mortgages.

TABLE 107—RELATIVE BURDENSOMENESS OF TAXES IMPOSED ON SOUTHERN BELL TELEPHONE AND TELEGRAPH COMPANY IN NORTH CAROLINA AS COMPARED WITH NEIGHBORHOOD STATES[1]

Calendar Year 1927	Entire System	North Carolina	Per cent N.C. to System
Total Revenues	$54,212,145	$ 4,748,158	8.8
Operating Expenses Exc. of Taxes	38,676,426	3,364,385	8.7
Net Operating Revenue Inc. of Taxes	15,535,719	1,383,773	8.9
State and Local Taxes	3,830,055	337,971	8.8

[1]Basic figures supplied by Southern Bell Telephone and Telegraph Company.

In the case of interstate companies a proportion of the total system value is to be allocated to this state on a mileage-of-line basis. The assessment procedure outlined above is also applicable to telegraph companies, express companies, and all other public service corporations not otherwise provided for. As was indicated in the preceding chapter, all of the tangible property of electric power, street railway, and gas companies is locally assessed, and the value of this property is deducted from the total valuation as determined by the State Board of Assessment. In the case of telephone and telegraph companies, however, only their real estate is subject to local assessment. Structures, machinery, appliances, pole lines, wire and conduits are assessed by the central state body. Only about 10 per cent of the total assessed valuation of telephone companies in 1927 represented locally assessed property.

It was the evident intent of the Legislature, in prescribing the present statutory basis of assessment, to reach the going concern or franchise value of these enterprises. The state has the undoubted right to tax such values, and the desirability of exercising this right is from the economic point of view not open to question. As was pointed out before, however, a method of assessment based on the market value of the capital stock is utterly impracticable in the case of corporations whose shares are not regularly traded in on the exchanges. The only practical way of appraising the going-concern value of such corporations is the capitalization-of-income method. In the preparation of Table 108, which gives a comparison of the actual assessments of specified telephone companies with their estimated going-concern values, the capitalization-of-income method has been used.

Assessment Ratios. It will be noted from Table 108 that the average assessed valuation of the five companies specified, for the four years from 1924-1927, represents 74.2 per cent of the full going concern value of these companies obtained by capitalizing their net operating revenues at 8 per cent. This assessment ratio is considerably higher than the corresponding percentage for power companies and is practically on a parity with the percentage of going-concern value at which railroads are assessed. Examination of the assessment ratios of individual telephone companies discloses a curious connection between the size of the company and the closeness with which its actual assessment approaches its going-concern value. The largest company is assessed at over 82 per cent of its going-concern value. The smallest company has an assessment ratio of only 30 per cent. The extreme difficulty involved in valuing the capital stock of the smaller companies offers a possible explanation of this inequality.

TELEGRAPH COMPANIES

Telegraph companies in North Carolina are subject to four separate forms of taxation. Their property is taxable locally under the general property tax.

TABLE 108—COMPARISON OF ASSESSED VALUE OF SELECTED TELEPHONE COMPANIES WITH ESTIMATED GOING-CONCERN VALUE[1]

Company	Average Assessed Value Four Years 1924-1927 Inclusive	Average Net Operating Revenues Four Years 1923-1926 Capitalized at 8 Per cent	Per cent Assessed Valuation To Capitalized Earnings
Southern Bell Tel. and Tel. Co.	$ 5,691,267	$ 6,893,587	82.6
Interstate Tel. Co.	320,009	724,175[2]	44.2
North State Tel. Co.	118,688	411,163	28.9
Carolina Tel. and Tel. Co.	1,257,128	1,761,500	71.4
Piedmont Tel. Co.	527,152[3]	863,975[4]	61.0
Total	$ 7,914,244	$ 10,654,400	74.2

[1]Source: Reports of Telephone Companies to State Corporation Commission.
[2]Average for three years 1923, 1924, and 1926.
[3]Average for three years 1923, 1924, 1925.
[4]Average for three years 1924, 1925, 1926.

In addition to the property tax, towns and cities are authorized to impose special license taxes upon them. These take the form of lump sum exactions ranging from ten dollars to fifty dollars according to the size of the town. As regards state taxation, telegraph companies, like other corporations, are required to pay the state income tax of 4½ per cent. They are also subject to a state franchise tax of five dollars per mile for each pole mile of telegraph line operated within the state.

There are only two operating telegraph companies in North Carolina, the Western Union Telegraph Company and the Postal Telegraph-Cable Company. Both are foreign corporations and both do business on a nation-wide scale. As will be seen from Table 109, the total amount of taxes paid by these two companies in North Carolina in 1927 was approximately $62,400, and their combined gross revenues from operations in this state amounted to $2,124,000. The figures here given were supplied by the companies themselves in response to a questionnaire. It will be noted that the total tax payments represented 2.9 per cent of the gross operating revenue. The figures shown in Table 109 would appear to indicate that the companies in question are somewhat more heavily taxed in relation to their mileage of line and gross earnings in this state than they are on the average in other states in which they operate.

TABLE 109—FACTS REGARDING THE TAXATION OF TELEGRAPH COMPANIES IN NORTH CAROLINA.—CALENDAR YEAR 1927[1]

(Combined Results for Western Union and Postal Telegraph Companies)

MILEAGE OF POLE LINE:	
Entire System	282,326
North Carolina	3,849
Per cent in North Carolina	1.4%
GROSS OPERATING REVENUE:	
Entire System	158,499,859
North Carolina	2,123,962
Per cent from North Carolina	1.3%
STATE AND LOCAL TAXES:	
Entire System	3,902,649
North Carolina	62,411
Per cent North Carolina to Total	1.6%
PER CENT NORTH CAROLINA TAXES ARE OF:	
Gross Operating Revenue	2.9%

[1]Basic figures supplied by corporations themselves in reply to a questionnaire.

Thus their total state and local tax payments in North Carolina for 1927 represented 1.6 per cent of their corresponding system payments. Only 1.4 per cent of their total mileage of line, however, is located in this state, and according to their figures, they derive only 1.3 per cent of their gross revenues from their North Carolina operations.

EXPRESS COMPANIES

Express companies are taxed in much the same way as telegraph companies. Locally they are subject to the general property tax. In addition to this, incorporated municipalities are privileged to collect from them a lump sum license tax. The amount of this license fee is graduated according to the size of the town and ranges from $5 in places having less than 500 inhabitants to $75 in cities having more than 20,000 inhabitants. The state collects in addition to the corporation income tax a franchise tax based on the mileage of railroad lines over which the express companies operate. This franchise tax is graduated according to the rate of return earned on capital invested. It ranges from $7.50 per mile for companies earning less than 6 per cent on their investment to $10.50 per mile in the case of companies earning more than 8 per cent.

As will be seen from Table 110, the two express companies doing business in North Carolina had a total tax bill in this state of approximately $45,000 in 1927. About $20,000 of this amount represented the yield of the state franchise tax. On the average, taxes represented 2.2 per cent of their gross revenues derived from this state. It will be noted from Table 110 that the tax burden on express companies in North Carolina is apparently higher than the average in other states in which they operate. Of the total amount of state and local taxes paid by these companies in all states in 1927, approximately 2.4 per cent was collected by North Carolina. The companies, however, derived only 1.3 per cent of their system gross earnings from this state.

TABLE 110—FACTS REGARDING THE TAXATION OF EXPRESS COMPANIES—CALENDAR YEAR 1927[1]

Item	Southeastern Express Company	American Railway Express Company	Total
GROSS OPERATING REVENUES:			
System	$ 4,341,883	$ 148,729,446	$ 153,071,329
North Carolina	701,747	1,343,666	2,045,413
Per cent from North Carolina	16.2	.9	1.3
STATE AND LOCAL TAXES:			
System	70,139	1,789,695	1,859,834
North Carolina	15,197	29,847	45,044
Per cent in North Carolina	21.7	1.7	2.4
PER CENT NORTH CAROLINA TAXES ARE OF:			
Gross Revenues	2.2	2.2	2.2

[1]Based on figures supplied by companies in response to a questionnaire.

THE PULLMAN COMPANY

Chair and sleep car companies pay three kinds of taxes in North Carolina. In common with other corporations they are subject to the local general property tax and the state income tax. They are required to pay also a state franchise tax of 4 per cent of the gross receipts collected from passengers transported between points in this state. The Pullman Company is the sole representative of this type of utility in North Carolina. Its total tax payments in the state in 1927 amounted to approximately $27,900. Sixty-two per cent of this sum consisted of local property taxes. The state income tax accounted for 22 per cent of the total, and the remaining 16 per cent represented the yield of the state franchise tax. According to the basis of allocation prescribed for interstate public utilities under the state income tax law, the Pullman Company had gross earnings attributable to this state of $905,200 in 1927. Its allocated net operating income, calculated on the same basis, was $138,750. Its total tax payments in this state were, therefore, equivalent to 3.1 per cent of its gross revenue and 20.1 per cent of its net operating income. This ratio indicates a considerably lighter burden of taxation than that imposed on the railroads. The property of the Pullman Company in this state was assessed at $1,052,738 in 1927. This is equivalent to 61 per cent of the sum obtained by capitalizing the 1927 net operating income at 8 per cent.

MOTOR VEHICLE CARRIERS

Motor vehicle carriers are the dusty infants of the State's growing family of regulated public service enterprises. Their status as common carriers was formally recognized with the passage of the co-called Bus Law of 1925, subsequently amended by an Act of 1927.[2] According to the terms of this act, persons and corporations proposing to operate motor vehicles on the public highways of the state, for the transportation of persons and property

[2]North Carolina Code, 1927, 2613 J.

for compensation, are required to secure from the State Corporation Commission a certificate of public convenience and necessity. Carriers operating under such certificates are subject to the supervision and regulation of the State Corporation Commission, which has authority to fix rates and prescribe such rules as are necessary to insure adequate service and safety of operation.

In granting certificates for specified routes, the commission is directed not to refuse the application of a carrier solely because of the multiplicity of similar operators over the proposed route. No additional certificate is to be granted, however, in respect of a route already served by one or more passenger lines unless it can be shown that the existing operators are not providing sufficient service and unless the existing operators, after due notice, fail to provide the additional service required. Franchise certificates must be renewed every three years, but other things being equal, existing holders are to be given preference over other applicants in the granting of renewals. These provisions, in practice, give motor vehicle carriers a virtual monopoly over the routes which they serve and protect them in the continuance of that monopoly as long as they satisfy the requirements of the commission.

Bus Company Taxes. The characteristic tax levied against motor vehicle carriers in North Carolina is the so-called bus tax, amounting to 6 per cent of the gross receipts derived from operations within the state. This tax is payable to the state and it exempts the carrier from all other franchise taxes, licenses, and fees both state and local. In addition to the franchise tax described above, bus companies like all other individuals or corporations are subject to the state income tax.

The only local tax payable by bus companies is the general property tax. The assessment of bus company property for the purposes of this tax, however, differs markedly from the assessment procedure applicable in the case of other public service enterprises. In assessing the property of other classes of public service corporations, an effort is made to reach the going-concern or franchise value. The various devices employed to achieve this object need not be restated here. It should be emphasized, however, that one of the most important of these devices is central assessment, at least, of intangible values. As has been pointed out before, it is only by valuing the corporation as a unit, that the value which attaches to it as part of a profitable going-concern is susceptible of measurement.

The special provisions covering the assessment of public service corporations, and designed to facilitate the computation of going-concern value, have for some peculiar reason not been made applicable to motor bus carriers. Despite the fact that these companies are public service enterprises, their property is assessed in exactly the same manner and by the same officials as is the property of private individuals or corporations. In other words, the property of bus lines operated by individuals or by foreign corporations is assessed in its entirety by local officials. In the case of bus lines operated by domestic corporations, there is some degree of centralized control, since the State Board of Assessment is directed to value the capital stock of these corporations in the same manner that it values the stock of other domestic corporations for the purposes of the general property tax.

The fact, nevertheless, remains that bus lines operated by private individuals, partnerships, and foreign corporations escape taxation on their franchise or going-concern value altogether. Bus lines operated by domestic corporations may in certain instances be assessed on their full going-concern value by virtue of the fact that they are assessed on the market value of their capital stock. Even in the case of domestic corporations, however, where bus lines have been financed in part through loans, the value of the capital stock may be less than the value of the physical assets locally assessed, and in such cases the franchise values will escape assessment altogether.

Statistics of Operation. On July 1, 1928, there were outstanding ninety-five certificates authorizing the operation of bus lines on various routes within the state. The companies holding these certificates had in operation some five hundred motor vehicles. The gross earnings of all bus companies within the state during the calendar year 1927 amounted to approximately $2,987,000. Total state and local tax payments were in the neighborhood of $212,000. This sum, which is partly estimated, includes in addition to the 6 per cent franchise tax on gross receipts, local property taxes, and an estimated amount for state income taxes. The state franchise tax on gross receipts, however, accounts for $179,000 or 85 per cent of the total. Taxes paid in 1927 represented about 7 per cent of the gross receipts earned in that year.

Only a small number of the bus companies doing business in North Carolina report the financial results of their operations to the State Corporation Commission, and since the commission does not exercise any rigid control over bus company accounts, the reports as rendered are not very illuminating. On the basis of existing data it is impossible to ascertain the rates of return which the various companies are earning on their investment devoted to the public use, the relation of bus company taxes to net operating income, and the disparity, if any, between the assessed and full going-concern value of bus company property.

One fact, however, is evident. Aside from the franchise tax, bus companies contribute very little to the general support of government. The franchise tax represents 6 per cent of the gross receipts. All other taxes amount in the aggregate to little more than one per cent of the gross receipts. Although bus companies pay a heavier franchise tax than that imposed on any other class of public utility, it must be remembered that they operate on a right of way and roadbed furnished by the state. Moreover, motor trucks and busses because of their weight cause more wear and tear on roads than other types of vehicles. The bus tax is levied on gross receipts, and unlike a tax on net income or on going-concern value, it is easy to shift it to bus company patrons. Such shifting is not improper, since a proportionate share of the cost of maintaining the public highways forms part of the cost of producing the service which bus companies supply and should rightly be paid for by the purchasers of that service.

Failure to assess the franchise values of motor vehicle carriers under the general property tax can, however, scarcely be justified on the ground that the bus companies pay an unusually heavy gross receipts tax. The gross receipts tax, as indicated, is shifted to the consumer. It is logically justifiable as a rental charge for the use of the highways and should not exempt its payers from their obligation to contribute toward the general expenses of government in accordance with their economic ability. Moreover, the gross receipts tax is not capable of reaching the intangible values which inhere in a profitable going-concern. It operates with equal weight on all companies having the same gross volume of business, regardless of whether such business is unprofitable or whether it yields net profits in excess of a fair return on the actual investment. Bus company franchises have a distinct monetary value as is evidenced by the fact that they are not infrequently sold or leased for considerable sums of money. There would seem to be no valid reason why these franchises should not be valued by the State Board of Assessment and made subject to the general property tax as in the case of other classes of public utilities.

MINOR PUBLIC UTILITIES

Among the minor public service corporations which still remain to be considered are waterworks companies, steamboat companies, ferry, bridge, canal, and turnpike companies, and private car lines, such as refrigerator and tank car companies. None of these utilities possess much importance as taxpayers. In 1927 their aggregate contribution toward the support of state and local government amounted to less than $15,000. As will be seen from Table 110½ this sum comprised the total state and local tax payments of 32 companies whose taxable property in this state was assessed at $388,500.

All of the utilities in question are subject to substantially identical systems of taxation, although there are some slight differences in administrative procedure made necessary by the varying characteristics of the industries themselves. All are required to pay a franchise or privilege tax to the state equal to one per cent of their gross receipts. In the case of steamboat companies and private car lines engaged in interstate commerce, this tax is applied only to the intrastate receipts. Companies whose business is wholly interstate pay no franchise tax at all. The companies in question also pay to the state the general corporation income tax on their net income. As will be seen from Table 110½, the combined yield of both these state taxes amounted to less than $3,000 in 1927.

Nearly 80 per cent of the total tax payments of the minor public service corporations represents the amount assessed under the local general property tax. As in the case of other public utilities a dual system of assessment is used. The specific real estate, together with permanent improvement thereon, is assessed by local assessors where the property is situated. Canal companies, whose right of way is included in the assessment made by the State Board of Assessment, constitute an exception to this rule. In the case of all of the utilities under consideration an assessment of the so-called total valuation is made by the State Board of Assessment on the basis of an appraisal of the outstanding capital stock and mortgages. The difference between the value of the specific property as locally assessed and the total valuation as established by the State Board of Assessment is certified to the appropriate local officials for taxation at the prevailing local rates.

In the case of canal and steamboat companies and private car lines whose operations are not confined to North Carolina, the State Board of Assessment is directed to obtain the total value of the utility's property both within and without the state in accordance with the unit rule. North Carolina's proportion of the total system value is then allocated to it on a mileage basis. The mileage basis of allocation, however, is inapplicable as regards certain private car lines furnishing cars to be run indiscriminately on any railroad lines over which the shipper or railroad company may desire to send them. As regards such companies, the State Board of Assessment is directed to ascertain and assess the value of the average number of cars which were in use within the state as a part of the necessary equipment of any railroad during the preceding tax year.

It is impossible to ascertain the respective ratios of taxes to net income in the case of the minor public service corporations for the reason that no reliable information concerning their net earnings is available. It will be seen from Table 110 that the ratio of taxes to gross earnings varies from 3.4 per cent in the case of ferry, bridge, and canal companies to 16.7 per cent in the case of steamboat companies. It would be a mistake, however, to take these variations as evidence of inequalities in relative tax burdens. The general property tax is the heaviest tax borne by the utilities in question, and the amount of property necessary to produce a given amount of gross revenue varies with the type of utility. The comparatively high ratio in the case of steamboat companies is due to the fact that the gross receipts used are limited to earnings on traffic originating and terminating within the state. The bulk of the earnings of these companies, however, is derived from interstate commerce. If an appropriate proportion of the interstate receipts were added to the intrastate receipts, the ratio of taxes to gross revenue would be greatly reduced.

TABLE 110½—MINOR PUBLIC UTILITIES—GROSS RECEIPTS, ASSESSED VALUATIONS, AND TAX PAYMENTS IN NORTH CAROLINA—CALENDAR YEAR 1927

	Water Works Companies	Steamboat Companies	Ferry Bridge, and Canal Companies	Private Car Lines	Total
Number of Companies Assessed	6	6	8	12	32
Gross Intrastate Receipts	$ 79,800	$ 18,960	$ 63,700	$ 42,700	$ 205,160
Total Assessed Valuation	131,200	131,500	53,500	72,360	388,560
Taxes Paid in North Carolina:					
State Franchise	560	190	640	430	1,820
State Income	300	80	500	200	1,080
Local General Property	4,900	2,900	1,050	1,500	10,350
Total	5,760	3,170	2,190	2,130	13,250
Ratio of Taxes to Gross Receipts	7.2%	16.7%	3.4%	5.0%	6.5%

APPENDICES
TO
TAXATION OF PUBLIC SERVICE CORPORATIONS

APPENDIX I[1]

BASIC DATA USED IN STATISTICAL

Railroads	Mileage of Road Operated					
	System			North Carolina		
	1925	1926	1927	1925	1926	1927
CLASS I:						
Atlantic Coast Line R. R. Co.	4,924	4,996	5,105	1,035	1.036	1.076
Clinchfield R. R. Co.	309	309	309	117	117	117
Louisville and Nashville R. R. Co.	5,038	5,069	5,034	13	13	13
Norfolk and Western Ry. Co.	2,241	2,241	2,242	131	131	131
Norfolk and Southern R. R. Co.	932	932	932	819	819	818
Seaboard Airline Ry. Co.	3,929	4,032	4,306	632	632	632
Southern Ry. Co.	6,791	6,771	6,772	1,204	1,204	1,204
CLASS II. (Interstate)						
Carolina and Northwestern Ry. Co.	134	134	134	97	97	97
Danville and Western Ry. Co.	82	82	82	9	9	9
East Tennessee and Western N. C. R. R.	36	36	36	3	3	3
Raleigh and Charleston R. R. Co.	43	43	43	21	21	21
Tallulah Falls Ry. Co.	57	---------	---------	14	14	14
Tennessee and North Carolina Ry. Co.	22	37	---------	2	2	2
(Intra-state)						
Aberdeen and Rockfish R. R. Co.	45	45	45	45	45	45
Atlantic and Yadkin Ry. Co.	163	163	163	163	163	163
Durham and Southern Ry. Co.	59	59	59	59	59	59
East Carolina Ry.	39	39	39	39	39	39
High Point, Randleman, Asheboro and Southern R. R. Co.	28	28	28	28	28	28
High Point, Thomasville and Denton R. R. Co.	35	35	35	35	35	35
Linville River Ry. Co.	35	35	35	35	35	35
Virginia and Carolina Southern R. R. Co.	54	53	53	54	53	53
CLASS III:						
Winston-Salem Southbound Ry.	95	95	95	95	95	95
Yadkin R. R. Co.	52	52	52	52	52	52
Appalachian Railway Co.	10	10	10	10	10	10
Ashville and Craggy Mountain R. R.	4	4	5	4	4	5
Asheville Southern R. R. Co.	2	2	2	2	2	2
Atlantic and Carolina R. R. Co.	10	10	10	10	10	10
Atlantic and Western R. R. Co.	24	24	24	24	24	24
Black Mountain Ry. Co.	25	24	14	25	24	14
Bonlee and Western Ry. Co.	10	10	10	10	10	10
Carolina and Tennessee Southern	14	14	14	14	14	14
Carolina Railroad Co.	15	15	15	15	15	15
Carolina and Georgia R. R. Co.	---------	25	25	---------	25	25
Carolina and Northeastern R. R.	15	15	15	15	15	15
Carolina Southern Ry.	---------	22	22	---------	22	22
Cliffside Railroad Co.	5	5	5	5	5	5
Dover and Southbound R. R. Co.	25	25	25	25	25	25
Durham and South Carolina R. R.	57	57	57	57	57	57
Elkin and Alleghany R. R. Co.	15	15	15	15	15	15
Graham County Railroad Co.	12	12	12	12	12	12
Kinston Carolina Railroad	30	30	30	30	30	30
Laurinburg and Southern R. R.	30	30	30	30	30	30
Lawndale and Industrial Ry.	11	11	11	11	11	11
Maxton, Alma and Southbound	15	15	15	15	15	15
Montgomery Lumber Co. (A. C. L.)	---------	---------	---------	---------	---------	---------
Moore Central Railway Co.	22	21	21	22	21	21
New Holland Corporation	---------	---------	---------	---------	---------	---------
**Piedmont and Northern R. R. Co.	174	174	175	45	45	45
Pidgeon River Ry. Co.	---------	15	15	---------	15	15
Rockingham R. R. Co.	21	21	21	21	21	21
State University R. R. Co.	10	10	10	10	10	10
Townsville R. R. Co.	11	11	11	11	11	11
Tuckaseegee and Southeastern	12	12	12	12	12	12
Warrenton Railroad Company	3	3	3	3	3	3
Wautauga and Yadkin R. R. Co.	---------	---------	---------	---------	---------	---------
Wilmington, Brunswick and Southern	30	30	30	30	30	30
Totals	---------	---------	---------	---------	---------	5,275

[1]Sources: System totals on all items except taxes for the years 1925 and 1926 were obtained from statistics of railroads in the United States, published by the Interstate Commerce Commission for the year 1927. The system figures were obtained from the

ANALYSIS OF RAILROAD TAX BURDEN.

Property Investment—Entire System Including Leased Lines Class I, Plans and Equipment, Cash Materials and Supplies. Classes II and III, Plans and Equipment Only			Gross Operating Revenues			
			Entire System			State
1925	1926	1927	1925	1926	1927	1925
$ 271,071,567	$ 283,718,015	$ 297,594,009	$ 93,997,698	$ 97,086,517	$ 80,426,286	$ 20,593,554
74,774,259	75,277,538	74,077,309	8,759,853	8,282,199	7,920,044	3,530,795
445,391,497	461,155,716	472,769,028	142,244,307	147,136,530	144,605,117	35,169
404,235,167	422,190,208	441,644,953	105,218,991	120,409,038	110,948,201	1,210,252
37,600,445	38,524,338	39,085,069	9,131,878	10,066,487	9,567,021	7,986,646
242,906,593	268,161,118	269,358,904	62,864,711	67,024,854	61,790,150	15,645,605
596,680,534	615,425,147	623,441,841	149,313,892	155,467,976	147,639,063	30,374,384
3,914,044	3,926,695	—	940,995	1,004,838	966,576	777,645
2,211,753	2,204,576	—	500,443	532,134	544,485	500,443
1,296,873	1,324,000	—	289,306	317,617	355,297	289,306
1,115,931	1,115,906	—	70,806	131,549	138,422	70,806
1,722,636	1,742,881	—	284,399	248,156	250,000	284,399
294,384	1,165,261	—	61,504	102,502	100,000	61,504
397,969	397,929	—	192,601	204,058	204,093	192,601
2,373,505	2,397,759	—	1,397,623	1,508,056	1,327,097	1,397,623
1,542,773	1,582,973	—	664,179	756,023	773,544	664,179
292,805	46,313	—	180,697	179,330	168,141	180,697
682,631	683,309	—	126,397	113,787	125,341	126,397
402,982	442,375	—	271,833	364,037	415,845	271,833
618,737	620,593	—	120,461	109,839	103,581	120,461
766,133	757,437	—	195,280	257,382	189,573	195,280
6,059,205	6,081,270	—	1,387,333	1,498,280	1,559,343	1,387,333
1,388,975	1,392,114	NOT AVAILABLE	324,865	357,799	373,694	324,865
332,905	333,179	—	116,420	—	—	116,420
37,727	37,325	—	51,045	64,064	54,689	51,045
—	—	—	(Included in report for Asheville and Craggy Mountain R. R. Co.)			
76,959	70,810	—	34,545	25,098	16,464	34,545
661,416	666,647	—	88,101	36,689	43,773	88,101
447,096	444,006	—	68,050	64,204	66,386	68,050
80,957	82,125	—	19,615	18,272	10,745	19,615
570,865	570,869	—	22,709	36,087	42,254	22,709
94,026	94,026	—	30,787	30,459	27,067	30,787
—	—	—	—	—	—	—
435,744	434,194	—	39,070	29,212	—	39,070
—	61,260	—	—	40,939	61,682	—
—	142,879	—	32,405	35,249	33,383	32,405
185,388	185,388	—	39,086	34,427	56,889	39,086
—	—	—	460,913	—	—	460,913
58,226	58,226	—	24,028	33,074	23,000	24,028
160,068	223,505	—	4,212	31,557	41,090	4,212
78,813	77,503	—	46,533	41,904	27,162	46,533
416,527	417,702	—	150,417	157,164	133,374	150,417
79,563	79,665	—	22,116	20,104	22,116	22,116
186,612	186,612	—	30,068	22,976	20,603	30,068
—	—	—	—	—	—	—
75,000	44,630	—	34,764	33,815	26,991	34,764
—	—	—	—	—	—	—
—	—	—	2,504,129	2,621,716	2,658,010	522,599
—	—	—	Leased to Tennessee and North Carolina Ry. Co.			
342,507	343,213	—	70,806	68,755	—	70,806
68,090	72,940	—	66,016	46,725	56,955	66,016
—	—	—	15,857	15,075	—	15,857
346,226	351,339	—	10,812	99,756	101,574	95,394
69,521	67,353	—	41,460	37,635	49,417	41,460
—	—	—	—	—	—	—
504,449	504,549	—	60,571	44,114	46,747	60,571
$ 2,103,050,133	$2,195,883,412	—	—	—	—	$ 88,247,364

individual reports of the railroads to the State Corporation Commission. The reports of the railroads to the State Corporation Commission were likewise the source of all state totals and of all figures relating to state and local tax accruals.

APPEN

BASIC DATA USED IN STATISTICAL

Railroads	Net Railway Operating				
	State		System		
	1926	1927	1925	1926	1927
CLASS I:					
Atlantic Coast Line R. R. Co.	$ 20,264,637	$ 18,606,837	$ 29,031,576	$ 26,384,747	$ 16,096,061
Clinchfield R. R. Co.	3,295,449	3,191,024	3,032,805	3,166,604	2,855,317
Louisville and Nashville R. R. Co.	39,401	39,393	33,842,051	34,674,140	31,747,283
Norfolk and Western Ry. Co.	1,241,432	1,384,005	37,284,176	49,182,124	41,252,075
Norfolk and Southern R. R. Co.	8,778,535	8,323,726	2,445,790	2,928,787	2,739,052
Seaboard Airline Ry. Co.	15,604,515	14,552,762	16,131,347	17,771,852	14,916,835
Southern Ry. Co.	31,203,226	30,530,423	45,501,940	47,601,387	43,731,109
CLASS II. (Interstate)					
Carolina and Northwestern Ry. Co.	E 700,000	E 700,000	352,535	384,302	361,328
Danville and Western Ry. Co.	532,134	544,485	----------	----------	----------
East Tennessee and Western N. C. R. R.	317,617	355,297	87,382	----------	----------
Raliegh and Charleston R. R. Co.	131,549	138,422	39,221	23,886	30,501
Tallulah Falls Ry. Co.	248,156	284,399	57,227	30,000	37,154
Tennessee and North Carolina Ry. Co.	102,502	61,504	39,184	----------	----------
(Intra-state)					
Aberdeen and Rockfish R. R. Co.	204,058	204,093	63,874	----------	----------
Atlantic and Yadkin Ry. Co.	1,508,056	1,327,097	436,082	475,652	332,799
Durham and Southern Ry. Co.	756,023	773,544	203,266	278,497	330,948
East Carolina Ry.	179,330	168,141	33,232	10,319	17,895
High Point, Randleman, Asheboro and Southern R. R. Co.	113,787	125,341	28,621	24,775	38,856
High Point, Thomasville and Denton R. R. Co.	364,037	415,845	73,024	----------	----------
Linville River Ry. Co.	109,839	103,581	19,866	----------	----------
Virginia and Carolina Southern R. R. Co.	257,382	189,573	44,519	----------	----------
CLASS III:					
Winston-Salem Southbound Ry.	1,498,280	1,559,343	568,215	576,302	641,446
Yadkin R. R. Co.	357,799	373,694	99,214	115,522	130,220
Appalachian Railway Co.	117,637	98,997	25,068	27,637	13,798
Ashville and Craggy Mountain R. R.	64,064	54,689	28,758	35,568	32,434
Asheville Southern R. R. Co.	----------	----------	----------	----------	----------
Atlantic and Carolina R. R. Co.	25,098	16,464	4,754	4,978	*475*
Atlantic and Western R. R. Co.	36,689	43,773	10,988	8,098	3,873
Black Mountain Ry. Co.	64,204	66,386	15,218	20,972	21,978
Bonlee and Western Ry. Co.	18,272	10,745	211	835	*2,076*
Carolina and Tennessee Southern	36,087	42,254	*6,558*	8,507	18,244
Carolina Railroad Co.	30,459	27,067	9,693	4,604	7,143
Carolina and Georgia R. R. Co.	15,425	E 15,500	----------	----------	----------
Carolina and Northeastern R. R.	29,212	30,908	----------	10,647	----------
Carolina Southern Ry.	40,939	61,682	----------	735	2,967
Cliffside Railroad Co.	35,249	33,383	6,433	5,721	7,348
Dover and Southbound R. R. Co.	34,427	56,889	*6,127*	843	12,151
Durham and South Carolina R. R.	----------	----------	11,263	----------	----------
Elkin and Alleghany R. R. Co.	23,074	23,000	3,585	4,901	----------
Graham County Railroad Co.	31,557	41,090	404	9,058	4,420
Kinston Carolina Railroad	41,904	27,162	4,601	7,473	7,708
Laurinburg and Southern R. R.	157,164	133,374	16,171	24,899	20,645
Lawndale and Industrial Ry.	20,104	22,116	500	2,051	2,856
Maxton, Alma and Southbound	22,979	20,603	3,289	2,259	2,417
Montgomery Lumber Co. (A. C. L.)	----------	----------	----------	----------	----------
Moore Central Railway Co.	33,815	26,991	*7,549*	3,625	1,345
New Holland Corporation	----------	----------	----------	----------	----------
**Piedmont and Northern R. R. Co.	E 500,000	E 500,000	980,296	1,110,571	1,121,009
Pidgeon River Ry. Co.	20,779	8,236	----------	----------	----------
Rockingham R. R. Co.	68,754	73,547	19,183	1,100	6,081
State University R. R. Co.	46,725	56,955	19,558	*269*	9,003
Townsville R. R. Co.	15,075	13,942	499	1,776	139
Tuckaseegee and Southeastern	99,756	101,574	10,812	19,281	----------
Warrenton Railroad Company	37,635	49,417	11,980	13,035	----------
Wautauga and Yadkin R. R. Co.	----------	----------	----------	----------	----------
Wilmington, Brunswick and Southern	44,114	46,747	20,694	2,324	----------
Totals	89,518,939	85,656,020	----------	----------	----------

DIX I—(*Continued*)
ANALYSIS OF RAILROAD TAX BURDEN

Revenue State			Net Railway Operating Income—Entire System			Net Income Entire System		
1925	1926	1927	1925	1926	1927	1925	1926	1927
$6,359,477	$5,507,057	$ 3,724,037	$ 20,184,549	$ 17,585,807	$ 10,271,334	$ 18,416,912	$16,519,873	$ 9,855,908
1,344,726	1,516,376	1,383,410	3,262,439	3,513,953	3,255,029	1,294,285	*127,080*	992,448
28,742	*23,606*	*30,288*	26,938,619	27,039,319	23,876,834	18,700,711	19,422,111	16,726,241
595,935	*579,467*	*420,164*	31,510,952	40,922,151	34,010,951	26,564,846	36,867,506	30,749,616
2,138,824	2,553,676	2,383,083	1,508,456	1,786,087	1,718,182	512,524	813,578	740,354
5,251,072	5,626,768	5,323,539	10,822,731	12,014,178	10,388,760	2,585,035	3,178,811	31,590
8,986,005	9,182,262	8,530,548	35,086,021	35,528,783	32,765,062	22,844,552	23,882,749	22,026,556
310,055	329,511	326,517	191,931	204,876	194,353	89,732	108,012	----------
149,861	175,855	201,162	119,005	140,941	----------	24,355	32,046	----------
87,382	103,936	126,202	55,783	71,282	----------	39,482	55,676	----------
----------	----------	----------	14,216	3,870	----------	*18,744*	*30,326*	----------
4,341	----------	----------	38,431	20,027	----------	*36,182*	*54,847*	----------
5,618	6,313	6,000	28,494	33,723	----------	3,338	*14,756*	----------
63,874	72,761	47,790	36,627	37,705	----------	21,695	21,859	----------
436,082	475,652	332,799	137,406	168,044	25,031	74,985	181,152	----------
203,266	278,497	330,948	81,756	138,342	191,283	110,921	166,324	----------
33,232	10,319	17,895	36,253	11,994	----------	22,013	3,845	----------
28,621	24,775	38,856	5,634	5,880	15,214	*40,977*	*40,215*	----------
73,024	86,329	93,324	26,368	33,314	----------	15,810	21,970	----------
19,866	665	22,615	13,613	*4,823*	----------	16,021	*2,579*	----------
44,519	51,148	39,509	44,519	51,148	----------	18,260	26,025	----------
568,215	576,302	641,446	376,180	358,015	----------	167,752	146,945	----------
99,214	115,522	130,220	55,635	64,912	----------	*43,595*	33,768	----------
25,068	27,637	13,798	20,239	27,637	----------	15,435	24,674	----------
28,758	35,568	32,434	1,388	5,232	----------	1,642	5,635	----------
----------	----------	----------	----------	----------	----------	----------	----------	----------
4,754	4,978	*475*	4,754	4,978	----------	2,714	2,938	----------
10,988	8,098	3,873	9,722	3,960	----------	*6,018*	*10,313*	----------
15,218	20,972	21,978	658	7,673	----------	*20,283*	*15,096*	----------
211	835	*2,076*	666	*1,005*	----------	211	*1,507*	----------
6,558	8,507	18,244	*14,579*	*5,060*	----------	*40,224*	*30,639*	----------
9,693	4,604	7,143	2,104	*3,222*	----------	706	*4,690*	----------
----------	----------	----------	----------	----------	----------	----------	----------	----------
----------	10,647	----------	11,241	8,846	----------	*6,789*	*4,410*	----------
----------	735	2,967	----------	1,295	----------	----------	*1,310*	----------
6,433	5,721	7,348	----------	5,823	----------	----------	5,145	----------
6,127	843	12,151	*8,752*	*673*	----------	12,498	*4,384*	----------
11,263	----------	----------	----------	----------	----------	----------	----------	----------
3,585	4,901	----------	1,230	4,500	----------	420	*2,932*	----------
404	9,058	4,420	190	5,342	----------	190	*672*	----------
4,601	7,473	7,708	*658*	2,365	----------	*4,273*	*1,447*	----------
16,171	24,899	20,645	23,935	24,584	----------	20,258	21,149	----------
500	2,051	2,856	*175*	2,152	----------	*175*	2,441	----------
3,289	2,259	2,417	*4,822*	*1,559*	----------	*8,217*	*4,951*	----------
----------	----------	----------	----------	----------	----------	----------	----------	----------
7,549	3,625	1,345	*7,257*	*20*	----------	*7,549*	*460*	----------
----------	----------	----------	----------	----------	----------	----------	----------	----------
104,585	----------	----------	----------	----------	----------	----------	----------	----------
----------	----------	----------	----------	----------	----------	----------	----------	----------
19,183	1,100	6,081	*27,996*	*8,278*	----------	44,396	*24,678*	----------
19,558	*269*	9,003	8,899	*8,840*	----------	9,491	*8,211*	----------
499	1,776	139	----------	*700*	----------	----------	*2,050*	----------
10,812	14,921	7,704	10,812	14,921	----------	10,812	14,921	----------
11,980	5,584	14,580	11,980	7,167	----------	8,146	5,839	----------
----------	*6,280*	*711*	----------	----------	----------	----------	----------	----------
20,694	2,324	----------	14,065	*3,570*	----------	*3,173*	*20,921*	----------
----------	----------	$ 23,443,020	$130,633,264	$139,823,076	----------	----------	----------	----------

APPEN
BASIC DATA USED IN STATISTICAL

Railroads			Assessed Valuation in North Carolina		
			1925	1926	1927
CLASS I:					
Atlantic Coast Line R. R. Co.	----------	----------	$ 51,592,436	$ 51,592,436	$ 56,195,691
Clinchfield R. R. Co.	----------	----------	12,993,440	12,993,440	12,093,440
Louisville and Nashville R. R. Co.	----------	----------	325,000	325,988	325,988
Norfolk and Western Ry. Co.	----------	----------	4,363,604	4,363,604	5,375,845
Norfolk and Southern R. R. Co.	----------	----------	20,191,619	20,191,619	20,802,250
Seaboard Airline Ry. Co.	----------	----------	31,641,192	31,641,192	32,391,192
Southern Ry. Co.	----------	----------	----------	----------	94,307,879
CLASS II. (Interstate)					
Carolina and Northwestern Ry. Co.	----------	----------	1,290,000	1,290,000	1,115,347
Danville and Western Ry. Co.	----------	----------	100,000	100,000	100,000
East Tennessee and Western N. C. R. R.	----------	----------	61,200	61,200	61,200
Raliegh and Charleston R. R. Co.	----------	----------	207,600	207,600	207,600
Tallulah Falls Ry. Co.	----------	----------	35,075	35,075	35,075
Tennessee and North Carolina Ry. Co.	----------	----------	117,679	32,000	3,300
(Intra-state)					
Aberdeen and Rockfish R. R. Co.	----------	----------	276,977	276,997	276,977
Atlantic and Yadkin Ry. Co.	----------	----------	1,610,800	1,610,800	1,610,800
Durham and Southern Ry. Co.	----------	----------	1,350,000	1,350,000	1,350,000
East Carolina Ry.	----------	----------	300,000	300,000	300,000
High Point, Randleman, Asheboro and Southern R. R. Co.	----------	----------	401,700	401,700	401,700
High Point, Thomasville and Denton R. R. Co.	----------	----------	125,000	125,000	125,000
Linville River Ry. Co.	----------	----------	250,000	250,000	250,000
Virginia and Carolina Southern R. R. Co.	----------	----------	440,690	440,690	450,000
CLASS III:					
Winston-Salem Southbound Ry.	----------	----------	4,792,120	4,792,120	4,792,120
Yadkin R. R. Co.	----------	----------	561,114	561,114	561,114
Appalachian Railway Co.	----------	----------	95,600	95,600	100,000
Ashville and Craggy Mountain R. R.	----------	----------	18,080	18,080	18,080
Asheville Southern R. R. Co.	----------	----------	17,040	17,040	17,040
Atlantic and Carolina R. R. Co.	----------	----------	28,590	28,590	28,590
Atlantic and Western R. R. Co.	----------	----------	100,000	100,000	72,000
Black Mountain Ry. Co.	----------	----------	200,000	184,544	101,240
Bonlee and Western Ry. Co.	----------	----------	25,000	25,000	25,000
Carolina and Tennessee Southern	----------	----------	90,350	90,350	76,450
Carolina Railroad Co.	----------	----------	91,000	91,000	50,000
Carolina and Georgia R. R. Co.	----------	----------	50,000	50,000	50,000
Carolina and Northeastern R. R.	----------	----------	50,000	50,000	50,000
Carolina Southern Ry.	----------	----------	----------	40,000	27,400
Cliffside Railroad Co.	----------	----------	30,000	30,000	30,000
Dover and Southbound R. R. Co.	----------	----------	150,000	150,000	75,000
Durham and South Carolina R. R.	----------	----------	372,300	372,300	180,000
Elkin and Alleghany R. R. Co.	----------	----------	22,500	----------	20,000
Graham County Railroad Co.	----------	----------	----------	----------	60,000
Kinston Carolina Railroad	----------	----------	135,000	135,000	100,000
Laurinburg and Southern R. R.	----------	----------	200,000	200,000	210,000
Lawndale and Industrial Ry.	----------	----------	25,000	25,000	20,000
Maxton, Alma and Southbound	----------	----------	58,890	58,890	52,520
Montgomery Lumber Co. (A. C. L.)	----------	----------	52,499	52,499	55,105
Moore Central Railway Co.	----------	----------	28,500	28,500	28,500
New Holland Corporation	----------	----------	65,000	65,000	65,000
**Piedmont and Northern R. R. Co.	----------	----------	1,008,282	1,008,282	1,369,373
Pidgeon River Ry. Co.	----------	----------	----------	----------	36,000
Rockingham R. R. Co.	----------	----------	150,000	150,000	132,120
State University R. R. Co.	----------	----------	67,995	67,995	50,700
Townsville R. R. Co.	----------	----------	36,750	36,750	36,750
Tuckaseegee and Southeastern	----------	----------	50,000	50,000	50,000
Warrenton Railroad Company	----------	----------	50,000	50,000	60,000
Wautauga and Yadkin R. R. Co.	----------	----------	75,000	----------	40,000
Wilmington, Brunswick and Southern	----------	----------	90,600	90,600	90,600
Totals	----------	----------	----------	----------	----------

DIX I—(*Continued*)
ANALYSIS OF RAILROAD TAX BURDEN

State and Local Tax Accruals

System			North Carolina		
1925	1926	1927	1925	1926	1927
$ 4,517,367	$ 4,968,188	$ 5,355,206	$ 1,272,465	$ 1,297,590	$ 1,392,254
560,919	660,696	691,080	276,984	288,404	335,182
4,695,226	5,093,378	5,374,101	8,422	10,122	9,100
4,647,666	4,946,974	5,550,000	951,123	102,034	103,171
519,922	562,059	572,720	463,159	485,462	493,915
3,010,943	3,180,747	3,704,753	715,877	749,460	771,763
6,679,802	7,130,918	7,268,002	1,916,172	2,193,311	2,137,425
31,837	41,857	35,938	24,957	34,976	25,364
--------	--------	--------	2,153	2,216	2,734
--------	--------	--------	1,688	E 1,688	E 1,688
--------	--------	--------	3,292	3,797	4,189
--------	--------	--------	--------	--------	E 1,000
--------	--------	--------	--------	--------	68
5,721	7,240	6,245	5,721	7,240	6,245
25,679	35,000	40,912	25,679	35,000	40,912
29,284	32,295	28,858	29,284	32,295	28,858
5,920	5,952	9,749	5,920	5,952	9,749
5,909	7,163	7,942	5,909	7,163	7,942
4,800	4,800	4,800	4,800	4,800	4,800
6,497	4,873	5,543	6,479	4,873	5,543
10,256	13,461	12,195	10,256	13,461	12,194
76,199	112,107	104,171	76,199	112,094	104,166
9,680	14,314	12,838	9,680	14,314	12,838
1,945	2,198	3,013	1,945	2,798	3,013
582	662	853	582	662	853
--------	--------	--------	--------	--------	--------
503	900	909	503	900	909
1,856	1,480	1,104	1,856	1,480	1,104
3,579	7,025	4,125	3,579	7,025	4,125
417	468	382	417	458	382
1,481	1,656	1,569	1,481	1,656	1,569
1,782	1,960	1,017	1,782	1,960	1,017
--------	--------	--------	--------	--------	--------
1,278	E 1,300	E 1,300	1,278	E 1,300	E 1,300
--------	816	705	--------	816	705
566	653	736	566	653	736
2,470	2,482	1,281	2,470	2,482	1,281
Included in Tax Accruals for Norfolk and Southern					
327	400	E 350	327	400	E 350
1,531	E 1,550	1,558	1,531	E 1,550	1,558
2,580	2,795	2,408	2,580	2,795	2,408
5,000	5,181	5,181	5,000	5,181	5,181
423	465	531	423	465	531
2,871	1,314	1,303	2,871	1,314	1,303
--------	--------	--------	--------	--------	--------
619	537	546	619	537	546
--------	--------	--------	--------	--------	--------
121,624	161,356	134,119	**26,785	41,357	32,545
--------	141	607	--------	141	607
E 3,000	4,118	2,746	E 3,000	4,118	2,746
996	1,577	1,011	996	1,577	1,011
664	797	729	664	797	729
502	719	420	502	719	420
1,777	1,751	2,319	1,777	1,751	2,319
--------	--------	--------	--------	--------	--------
1,800	1,898	1,985	1,800	1,898	1,985
--------	--------	--------	$ 5,025,553	$ 5,492,452	$ 5,582,334

APPENDIX II

ESTIMATED GOING-CONCERN VALUE OF RAILROAD PROPERTY IN NORTH CAROLINA BASED ON CAPITALIZATION OF NET RAILWAY OPERATING INCOME

	Atlantic Coast Line R. R. Co.	Clinchfield R. R. Co.	Louisville and Nashville R. R. Co.	Norfolk and Western Ry. Co.	Norfolk Southern R. R. Co.	Seaboard Air Line Ry. Co.	Southern Ry. Co.	Total
1. NET REVENUE FROM RY. OPERATIONS:								
2. System[1]								
3. 1923	$ 21,013,883	$ 2,419,078	$ 26,510,583	$ 22,870,888	$ 2,261,008	$ 11,906,851	$ 38,053,726	$
4. 1924	21,450,795	2,609,702	28,378,780	27,837,580	2,359,833	11,996,539	39,811,840	
5. 1925	29,031,576	3,032,805	33,842,151	37,284,176	2,445,790	16,131,347	45,501,940	
6. 1926	26,384,747	3,166,604	34,674,139	49,182,124	2,928,787	17,771,882	47,601,387	
7. State[2]								
8. 1923	5,384,005	1,216,609	*	*	2,005,221	5,069,222	8,308,499	
9. 1924	5,148,307	1,026,034	*	*	2,110,887	4,940,786	8,019,659	
10. 1925	6,359,477	1,344,726	*	*	2,138,824	5,251,072	8,986,004	
11. 1926	5,507,057	1,516,376	*	*	2,553,676	5,626,768	9,182,262	
12. PER CENT STATE OF SYSTEM:								
13. 1923	25.62	50.29	*	*	88.68	42.57	21.83	
14. 1924	24.00	39.31	*	*	89.45	41.18	20.14	
15. 1925	21.90	44.33	*	*	87.44	32.55	18.88	
16. 1926	20.87	47.88	*	*	87.19	31.66	19.28	
17. NET RY. OPERATING INCOME:								
18. System[1]								
19. 1923	15,496,609	2,589,813	20,673,143	19,877,677	1,367,528	7,957,963	28,128,137	
20. 1924	15,179,185	2,639,913	22,291,374	22,468,429	1,411,328	9,013,514	30,442,720	
21. 1925	20,184,549	3,262,439	26,938,619	31,510,952	1,508,456	10,822,731	35,086,021	
22. 1926	17,585,807	3,513,953	27,039,319	40,922,151	1,786,087	12,014,178	35,528,783	
23. Estimated State (Lines 13, 14, 15 and 16 multiplied by 19, 20, 21 and 22.)								
24. 1923	3,970,231	1,302,416	*	*	1,212,723	3,387,704	6,140,372	
25. 1924	3,643,004	1,037 749	*	*	1,262,432	3,387,704	6,140,372	
26. 1925	4,420,416	1,446,239	*	*	1,318,993	3,522,798	6,624,240	
27. 1926	3,670,158	1,682,480	*	*	1,557,289	3,803,688	6,849,949	
28. Average 1923-26	3,925,952	1,367,221	*	*	1,337,859	3,606,489	6,436,430	
29. Average State Net Ry. Operating Income Capitalized at 3¾%	68,272,305	23,775,973	*	*	23,265,368	62,716,843	111,929,517	
30. Estimated Full Going-Concern Value of R. R. Property in State	68,272,305	23,775,973	410,888	5,249,369	23,265,368	62,716,843	111,929,517	295,620,263

[1]Interstate Commerce Commission, Statistics of Railroads in the United States.
[2]Reports of Railroads to North Carolina Corporation Commission.

APPENDIX III

ESTIMATED VALUE OF RAILROAD PROPERTY IN NORTH CAROLINA ON BASIS OF I. C. C. VALUATIONS—DECEMBER 31, 1926.

	Atlantic Coast Line R. R. Co.	Carolina Clinchfield and Ohio Ry. Co.	Louisville and Nashville R. R. Co.	Norfolk and Western Ry. Co.	Norfolk Southern R. R. Co.	Seaboard Airline Ry. Co.	Southern Ry. Co.	Total
1. Valuation Docket Number	930	364	456	343	31	1,031	556	
2. Cost of Reproduction New Less Depreciation All Property Used for Entire System	$ 122,422,775	$ 33,770,640	$ 276,045,503	$ 205,417,593	$ 19,796,726	$ 101,195,474	$ 284,526,649	
3. Present Value Carrier Lands Used—Entire System	21,759,494	923,252	28,049,493	16,385,913	3,017,773	20,099,981	44,729,147	
4. Total Lines 2 and 3	144,182,269	34,693,892	304,094,996	221,803,506	22,814,499	121,295,455	329,254,796	
5. Cost of Reproduction New Less Depreciation All Property Used in North Carolina	23,240,120	10,354,048	266,558	2,330,606	13,857,148	17,612,249	44,806,440	
6. Present Value Carrier Lands Used in North Carolina	4,552,321	169,133	7,492	778,444	2,125,621	4,154,706	10,023,210	
7. Total Lines 5 and 6	27,792,441	10,523,181	274,050	3,109,050	15,982,769	21,766,955	54,829,650	
8. Per cent Line 7 is of Line 4	19.27	30.33	.09	1.4	70.05	17.95	16.65	
9. Valuation Date	June 30, 1917	June 30, 1917	June 30, 1917	June 30, 1916	June 30, 1914	June 30, 1918	June 30, 1916	
10. Plant and Equipment, Book Value as at Valuation Date	182,233,026	56,085,753	281,620,324	263,585,357	28,333,531	190,397,700	387,922,215	
11. Plant and Equipment, Book Value, as at Dec. 31, 1926	260,174,445	67,393,483	416,993,106	401,068,222	33,465,711	232,343,316	497,458,074	
12. Increase in Plant and Equipment	77,941.419	11,307,730	135,372,782	137,482,865	5,132,180	41,945,616	109,535,859	
13. Final Value of R. R. Property as at Valuation Date Entire System	154,359,373	36,595,514	321,169,838	237,472,089	24,426,465	129,616,457	349,066,622	
14. Estimated Final Valuation as at Dec. 31, 1926 Entire System	232,290,792	47,903,244	456,542,620	374,954,954	29,558,645	171,562,073	458,602,481	1,771,414,809
15. Estimated Final Value Allocatable to North Carolina Line 8 Multiplied by Line 14	44,762,435	14,529,054	410,888	5,249,369	20,705,831	30,778,236	76,357,313	192,793,126

THE TAXATION OF INTANGIBLE PERSONAL PROPERTY

SUMMARY

In the taxation of intangible personal property—stocks, bonds, bank deposits, mortgages, notes, accounts receivable, etc.—there are three courses of action open to the state: We might continue the present system; we might give complete exception to intangibles; or we might classify intangible property, applying a rate different from that on other property. Combinations of certain elements in the three plans are also feasible.

In favor of retaining the present system, the principal arguments are that it yields a fair amount of revenue, and that by treating all property alike we avoid the bickering of special interests to have their property exempted or favored by low rates. The chief objections to the present system are that the tax is falling on a few, that rising tax rates make the burden quite serious for these few, that more and more intangibles are escaping the tax, honestly and dishonestly, and that weak administration of the law is traceable partly to the high rates imposed. If the present system is retained every effort should be made to plug up the leaks and strengthen enforcement.

Complete exemption may be urged on the grounds that it is impossible to administer a tax on intangible property with anything like the efficiency that a tax on tangible property can be administered, hence the attempt should not be made; that most intangibles are merely paper representatives of real property already taxed, and, therefore, taxation of the intangibles represents double taxation; that the adoption of the state income tax has been accompanied by the exemption of intangibles in the majority of states using the personal income tax; and that the income tax should be considered a substitute for a property tax on intangibles. Opposed to exemption are the loss of revenue involved and the wide-spread feeling that owners of intangibles are quite able to pay taxes and should pay taxes.

Classification of intangible property with a different rate on such property is permitted by the Constitutions of some thirty states, the majority of which are using the power. Arguments for the step are that we would be getting into line with the general trend throughout the country; that it is equitable to tax intangibles at a lower rate than other property in view of the lower average income return on such property and the higher percentage of true value at which it is assessed; that it is expedient to impose a lower rate in view of the ease with which this property may be concealed and in view of the necessity of gaining the coöperation of the taxpayer; and that a low rate encourages officials to a more zealous enforcement than a high rate. If classification is to be considered successful, it should greatly increase the amount of intangibles on the tax books, thus distributing the burden more widely, and in addition, should yield close to or quite as much revenue as the present system. Whether or not we could expect such results would depend mainly on the kind of administration we secured and

how the law was drafted. If collection at the source were used wherever practicable and if debts were not deductible, the results, assuming reasonably good administration, would probably justify the change.

Bank deposits can most effectively be taxed at the source, that is, against the bank, with authority to charge the tax to the depositor's account. Mortgages, likewise, can be reached at the source, by a recording tax levied once and for all at the time the mortgage is recorded. Shares of stock, both foreign and domestic, might well be taxed to the extent that the property of the corporation has not been taxed within the state. Bonds, notes, and accounts must be reached largely through the voluntary listing of the owner, a process that may be stimulated by a low rate.

CHAPTER XVI

INTANGIBLE PERSONAL PROPERTY

Intangible personal property is commonly thought of as including shares of stock, bonds, notes and accounts receivable, mortgages, and bank deposits. In addition to these, business firms may possess intangible property in the form of good will, trade marks, patents, and the like. This report deals with intangibles of the first group mentioned, since it is these that present the most difficult problems of intangible property taxation. Business intangibles of the second type, good will and the like, when owned by corporations, are assessed in this state by entirely different methods from those used with the first type, namely by the State Board of Assessment through the corporate excess tax.

There are three questions to be considered in this problem of the taxation of intangibles. They are:

1. What is the present situation?
2. Why is the present situation unsatisfactory?
3. What may be done?

These questions will be discussed in the order named.

I. WHAT IS THE PRESENT SITUATION?

There are five principal facts to be known about the present situation. They are:

1. What is the amount of intangibles listed for taxation in the state?
2. What kind of intangibles are listed?
3. By whom are intangibles listed?
4. What significant differences are found among counties and townships?
5. How much revenue are we getting from intangibles at present?

1. *What is the Amount of Intangibles Listed in the State.* The first aspect of the present situation to be enquired into is the amount of intangible property listed for taxation in the state. It is important to know whether this

TABLE 111—SOLVENT CREDITS LISTED FOR TAXATION IN THE STATE, 1921-1927
(Sources—Annual Report of the Commissioner of Revenue and Population Estimates of the United States Bureau of Census.)

Fiscal Year Ending June 30	Amount in Thousands of Dollars	Amount per Capita	Percentage of Total Property Assessed
1921	192,829[1]	73.77	7.5
1922	185,939[1]	70.17	7.2
1923	167,010	62.18	6.3
1924	167,624	61.56	6.2
1925	162,405	57.75	5.9
1926	164,006	57.38	5.8
1927	150,469	51.94	5.2

[1]Excluding stock in foreign corporations which was subject to taxation until 1923.

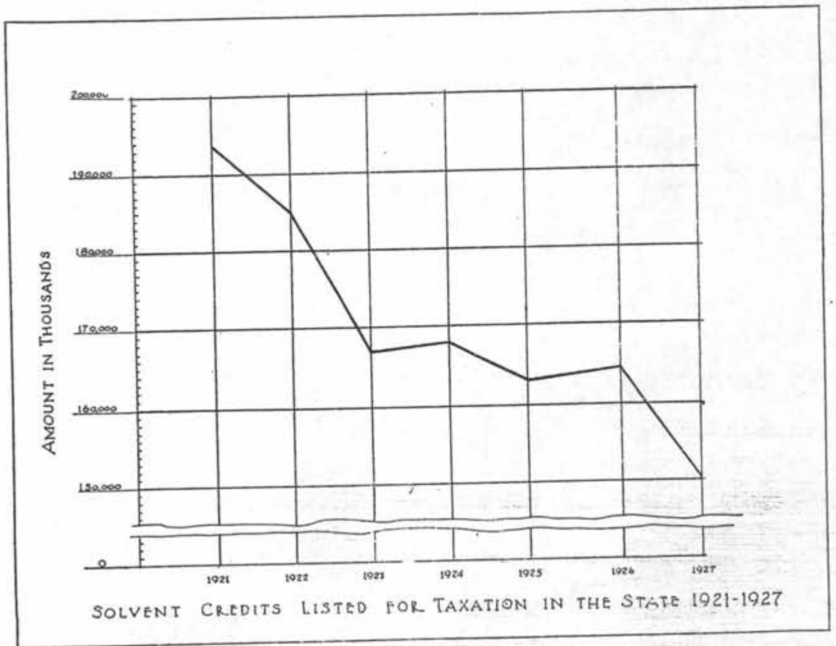


FIGURE 20

amount has been increasing or decreasing in recent years. The facts are shown in Table 111. In taxation parlance, intangibles are called solvent credits in this state. We do not require shares of stock of either domestic or foreign corporations to be listed. Debts may be deducted from credits to get net or taxable solvent credits. The facts portrayed graphically in Figure 20.

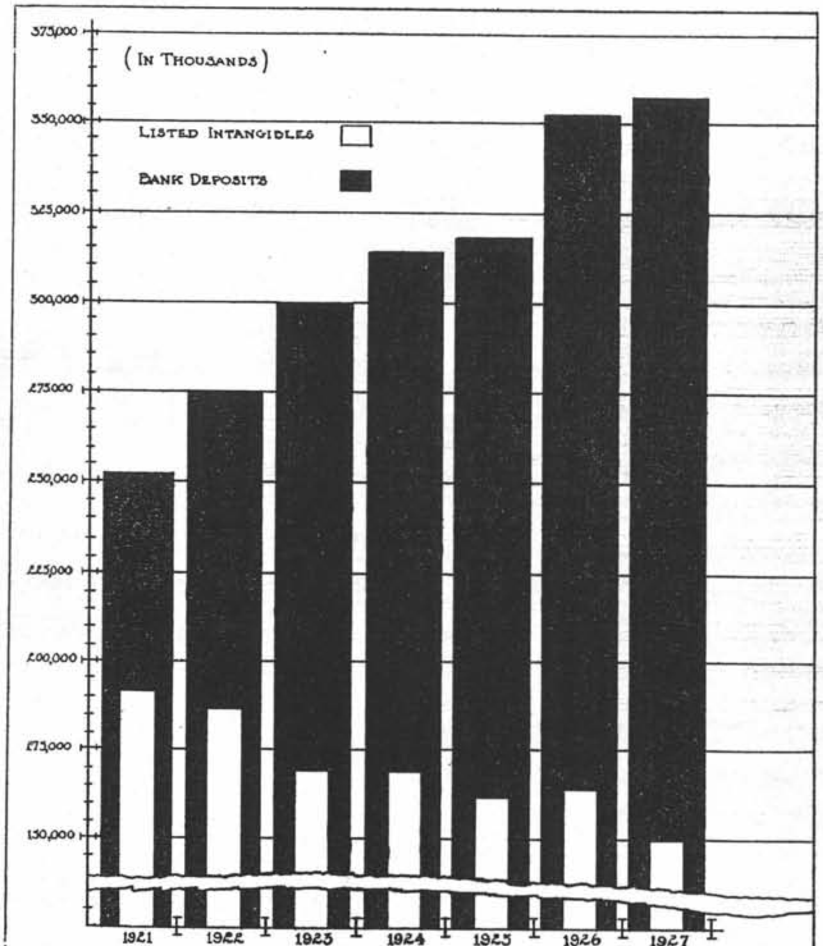
During the seven years, intangibles on the tax books have declined both in absolute amount and relative to other property. In absolute amount listed intangibles declined 22 per cent in this period, while their ratio to total property in the state declined from 7.5 per cent to 5.2 per cent. The per capita

TABLE 112—LISTED INTANGIBLES COMPARED TO BANK DEPOSITS IN NORTH CAROLINA, 1921-1927

(Sources—Annual reports of Commissioner of Revenue and of the Comptroller of the Currency.)

Fiscal Year	Amount of Listed Solvent Credits, in Thousands of Dollars	Percentage of Decrease—Based on 1921	Amount of Bank Deposits, in Thousands of Dollars	Percentage of Increase+ Based on 1921
1921	192,829		252,139	+ ----
1922	185,939	− 3.57	275,631	+ 9.32
1923	167,010	−13.39	299,623	+18.83
1925	167,624	−13.07	313,100	+24.18
1925	162,405	−15.78	318,353	+26.26
1926	164,006	−14.95	352,767	+39.91
1927	150,469	−21.97	356,767	+41.50

amount declined from $73.77 to $51.94. This looks suspicious. It is difficult to believe that the actual amount of taxable intangibles in the state declined at all during those seven years. On the contrary, in view of the industrial and commercial development of the state, there is every reason to think that it increased. We have no reliable estimates of the growth of wealth or of income in the state for those years. However, we may compare our listed intangibles with the growth of our bank deposits, since bank deposits are considered a good index of the financial growth of a state. Table 112 and Figure 21 show the contrast between these two items.



LISTED INTANGIBLES COMPARED TO BANK DEPOSITS IN NORTH CAROLINA - 1921 - 1927 -

FIGURE 21

Bank deposits, which, by the way, are supposed to be listed for taxation by the depositor in his solvent credits, started out by exceeding the solvent credits by 31 per cent and ended up by exceeding them 137 per cent. While bank deposits were increasing 41 per cent, intangibles listed were decreasing 22 per cent[1].

An even better index of the probable growth of wealth and income in the state may be constructed by averaging the growth of state income taxes paid, automobile licenses, gasoline taxes, and bank deposits. Taking 1922 figures as a base, the amount in subsequent years is expressed as a percentage of the 1922 amount, after adjusting the figures to eliminate the effect of an increase in tax rates[2].

TABLE 113—GROWTH OF WEALTH AND INCOME, MEASURED BY CERTAIN TAXES PAID AND BANK DEPOSITS, COMPARED TO ASSESSED SOLVENT CREDITS

	State Income Taxes Paid	State Automobile Licenses Paid	State Gasoline Taxes Paid	Bank Deposits in State	Mean Average of Four Preceding Indices	Assessed Solvent Credits
1922 Index	100	100	100	100	100	100
1923 Index, after adjustment eliminating effect of increased rates	135	122	102	109	117	90
1924 Index Adjusted	169	164	158	114	151	90
1925 Index Adjusted	142	195	199	116	163	87
1926 Index Adjusted	164	219	206	128	179	88
1927 Index Adjusted	171	243	242	129	196	81

According to this index, admittedly a rough approximation which probably overstates the growth of the state, our economic ability increased 96 per cent while our assessed intangibles fell off 19 per cent. All of the indices of ability showed increases, whereas intangibles decreased.

Another way to judge whether or not we are listing a reasonable percentage of all solvent credits in the state is to compare our amount with that listed in neighboring states. Most of our neighboring states do not publish figures that may be compared with ours. However, from the reports of Virginia and Kentucky, some comparable figures may be obtained. The facts are shown in Table 114 (estimates of wealth and population taken from United States Bureau of the Census, assessed intangibles from state reports).

[1]See Figure 21. See also Figure 22 for a picture of the growth of bank deposits since 1921 contrasted with the decline in certain classes of personal property listed, including solvent credits; and Figure 23 for the growth of savings in banks and building and loan associations contrasted with the decline in solvent credits and in other items of personalty.

[2]In 1925 the income tax rates were raised approximately 40 per cent; in March, 1923, the gasoline tax was increased from 1 cent to 3 cents, and in May, 1925, was made 4 cents. No significant change has been made in the automobile license rates since 1921.

TABLE 114—WEALTH AND ASSESSED INTANGIBLES IN NORTH CAROLINA, VIRGINIA AND KENTUCKY

	North Carolina	Virginia	Kentucky
Total Wealth, 1922	$ 4,543,110,000	$ 4,891,570,000	$ 3,582,391,000
Per Capita Wealth, 1922	1,703,000	2,050,000	1,459,000
Assessed Intangibles, 1926	164,006,000[1]	368,654,000[2]	792,771,000[3]
Per Capita Assessed Intangibles, 1926	57.38	159.64	353.48[4]

[1]Law permits deduction of debts from gross solvent credits listed.
[2]In order to make a comparison, this figure includes, as nearly as may be computed, only the items which are taxable under North Carolina laws. Debts not deductible under Virginia laws.
[3]Includes in addition to items taxed in North Carolina, stock in foreign corporations. Reports do not permit separation of this item.
[4]If bank deposits, taxed against the bank, were omitted, the amount would be $189.44 per capita.

From the foregoing table it appears that, whereas, we have somewhat more wealth than Kentucky, and less than Virginia, we fall considerably below Virginia and far below Kentucky in the amount of intangibles on our tax books. It should be remembered in this connection that both Virginia and Kentucky classify intangibles and apply a low rate to them. Naturally this encourages listing. It should also be noted that Kentucky taxes bank deposits at the source, that is, against the bank, thereby getting practically all deposits on the tax books. Of the $793 millions of intangibles assessed in Kentucky in 1926, $335 millions were bank deposits. Whether the causes for the above showing lie in low rates of taxation on this class of property, or in taxing certain intangibles at the source, or in something else, the fact remains that we are considerably behind these other states in placing intangible property on the tax books.

2. *What Kind of Intangibles are Listed?* After discovering how much intangible property is listed for taxation our next inquiry is—"What kind of intangible property is listed?" Are our taxpayers listing chiefly bonds or bank deposits? What proportion of the total consists of notes and mortgages?

The annual reports of the State Commissioner of Revenue do not answer these questions because the reports of county auditors to the State Department of Revenue do not itemize solvent credits. To answer these questions it was necessary therefore to go to the county records in representative counties and get the facts from the abstracts filed by the tax payers themselves. Twenty counties were selected in different parts of the State, and in these counties every twenty-fifth abstract was copied[1]. This gave a small but possibly a fair sample of the county. From this sample it appears that the distribution of the different kinds of intangibles owned in North Carolina is as shown in Table 115.

[1]The twenty counties were, by regions:

Tidewater	*Coastal Plain*	*Piedmont*	*Mountain*
Pasquotank	Wake	Guilford	Wilkes
Craven	Johnston	Person	Burke
New Hanover	Pitt	Yadkin	McDowell
Pender	Wilson	Cleveland	Buncombe
	Scotland	Mecklenburg	
	Richmond		
	Vance		

TABLE 115—KINDS OF INTANGIBLES LISTED IN DIFFERENT REGIONS OF THE STATE, EXPRESSED IN PERCENTAGE OF THE TOTAL

	Tidewater	Coastal Plain	Piedmont	Mountain	For the State As a Whole
Bonds	0.2	0.6	2.3	5.0	2.3
Bank Deposits	25.3	20.9	17.6	18.0	18.7
Notes and Mortgages	39.9	56.0	52.0	56.7	53.6
Accounts receivable	34.6	22.5	28.1	20.3	25.4
Total	100.	100.	100.	100.	100.

From this table it appears that our taxpayers list practically no bonds anywhere in the state. Bank deposits account for about one-fourth of the total intangibles in the Tidewater Region, one-fifth in the Coastal Plain Region, one-sixth in the Piedmont, and almost one-fifth in the Mountain Region. Incidentally, it may be noted that if 18.7 per cent of the intahgibles are bank deposits, it means that $28,138,000 of bank deposits are listed throughout the state. This is 8 per cent of the total bank deposits in the state. Notes and mortgages account for the largest share of intangibles in all regions, representing about two-fifths of the total in the Tidewater, and over half in the Coastal Plain, Piedmont, and Mountain regions. Book accounts and claims are of considerable importance, varying from one-fifth of the total in the Mountain region to one-third of the total in the Tidewater region. Doubtless the

TABLE 116—NUMBER LISTING INTANGIBLES IN REPRESENTATIVE COUNTIES OF THE STATE IN 1927

County	Number Listing Net Solvent Credits	Amount Net Solvent Credits Listed	Average Amount per Person Listing	Total Number Listing Property of Any Kind	Percentage Listing Solvent Credits of Total Number
Craven	309	796,072	2,576	12,615	2.4
Pender	292	168,001	575	6,125	4.8
Pasquotank	495	1,040,356	2,102	6,473	7.6
Scotland	213	1,663,306	7,808	5,777	3.7
Richmond	316	1,021,256	3,232	10,405	3.0
Pitt	1,273	2,400,350	1,886	16,233	7.8
Johnston	2,154	2,601,624	1,208	18,627	11.6
Vance	541	1,636,370	3,025	7,141	7.6
Wake	1,649	3,128,006	1,897	33,489	4.9
Mecklenburg	3,225	9,648,041	2,992	26,202	12.3
Rowan	1,751	2,474,631	1,413	15,689	11.2
Guilford	3,391	7,708,143	2,273	42,201	8.0
Person	483	638,439	1,322	4,996	9.7
Yadkin	1,168	1,025,187	878	5,167	22.6
McDowell	418	653,352	1,563	6,311	6.6
Buncombe	3,049	8,626,933	2,829	29,142	10.5
Total	20,727	45,229,967	2,182	246,593	8.4

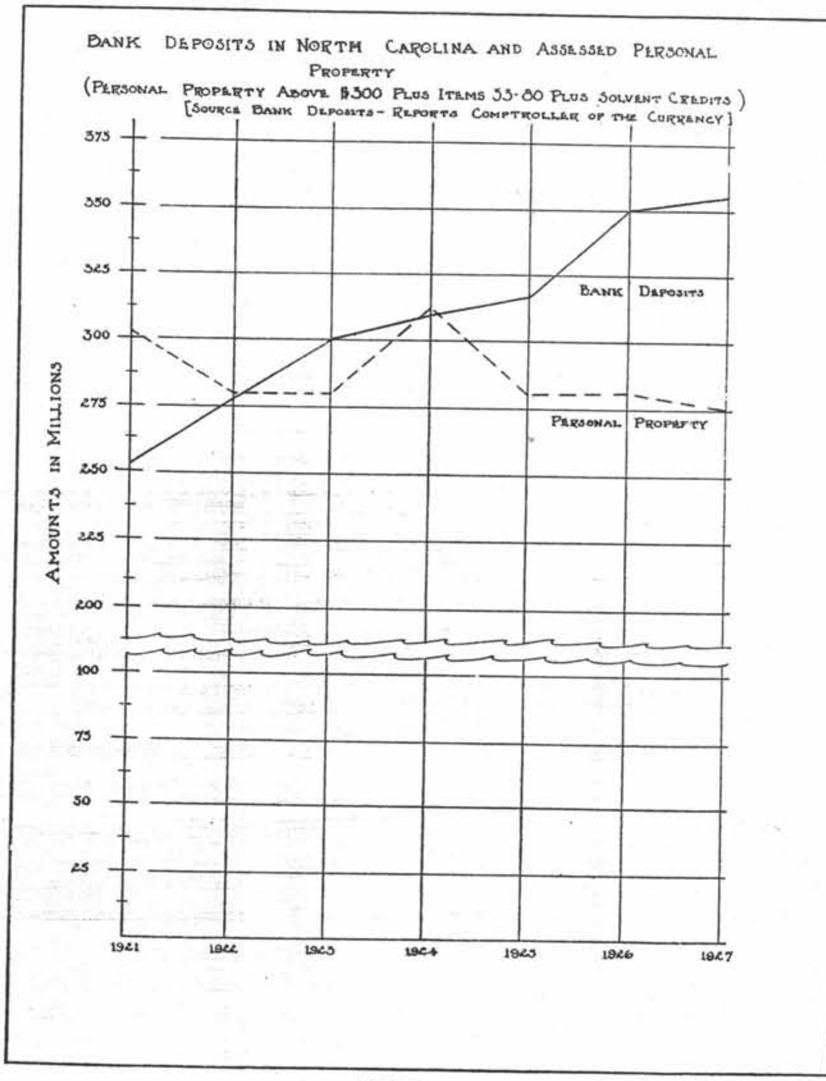


FIGURE 22

chief reasons why notes and mortgages predominate so strongly are two-fold: First, notes are not collectable at law unless listed for taxation; second, mortgages listed for taxes may be checked against those recorded in the county. Some counties do make such a check and thereby add appreciable amounts of solvent credits to the roll. The foregoing information suggests that unless there is a direct incentive to list intangibles, relatively few of them will be listed.

3. ***By Whom Are Intangibles Listed?*** Another set of queries relates to the persons listing intangibles. How many persons list such property? Do as many country people list intangibles as town people, in proportion to their

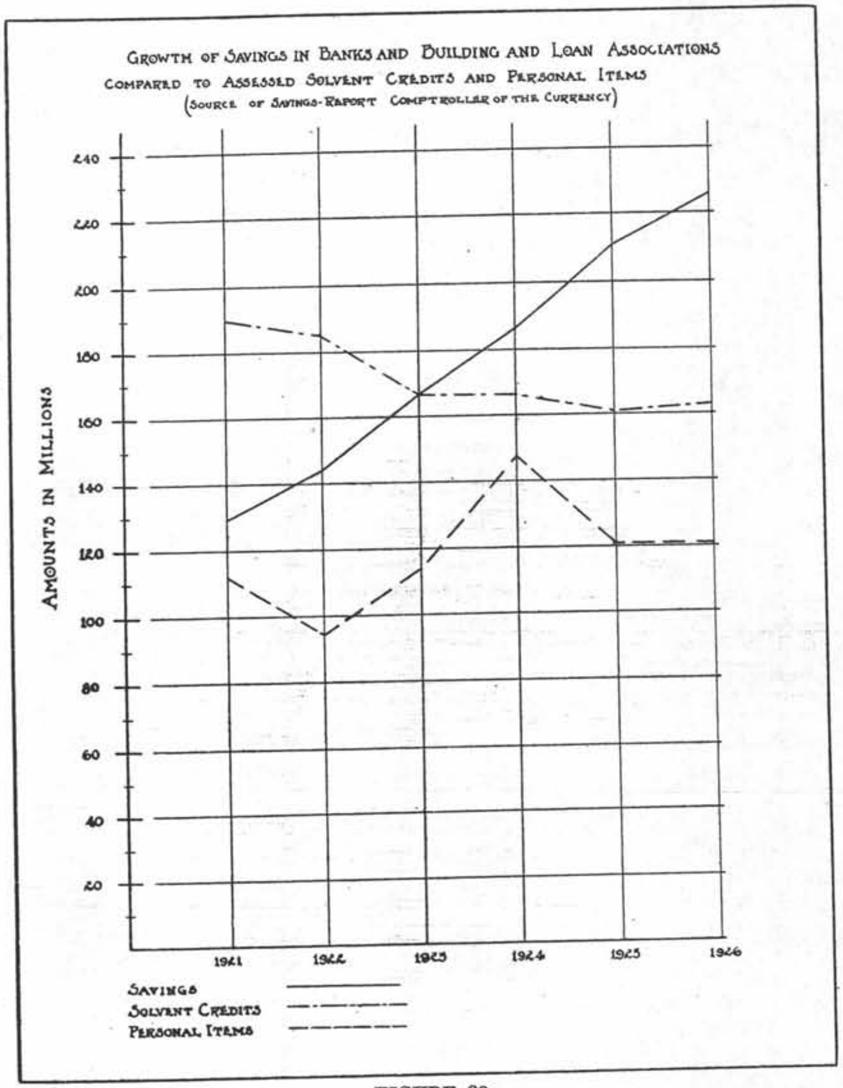


FIGURE 23

numbers? To what extent do corporations account for our solvent credits? Here, again, for an answer to these questions we are compelled to go back to the county records.[1] In sixteen counties the total number of persons listing intangibles was counted, and the total number of persons listing any kind of property was counted; this was approximately the total number of taxpayers in the county. The amount of solvent credits listed was recorded. The results are stated in Table 116.

[1]The examinations of county records to ascertain the pertinent information as to the listing of solvent credits, etc., were made in July and August, 1928, in connection with the state-wide field survey in the study of the tax burden on city real property.

The foregoing table shows that in these sixteen typical counties, containing over 240,000 taxpayers, only 20,727 persons, including corporations, admit they own net solvent credits. One out of every 12 tax payers in these counties so lists. Taking the average amount listed per person in these counties, $2,182, and dividing it into the total amount listed in the state, $150,469,000, it would appear that only 69,150 citizens, including corporations, listed taxable intangibles in North Carolina.

To what extent are country folk represented among those listing intangibles? One might suppose that few farmers own intangibles since their capital is, in many cases, entirely absorbed by the farm. Towns and cities are usually thought of as the home of intangibles. In the towns are found the business firms, many of which possess intangibles. The towns also claim many persons who are saving money but do not have any business of their own in which to invest. To discover to what extent country and town people were listing intangibles, the condition of the county records made necessary certain assumptions: We had to assume that all the people living in a township in which a city lay were town people and that all the people living in townships outside large towns were country people. For example, it was assumed that all the people living in Greenville township were city people and that all people in Pitt County outside Greenville township were country people. The errors in these two assumptions may offset each other. Some Greenville township residents do not live in the city of Greenville, but their number may well be offset by those in country townships who live in small towns such as Aydon. If these errors do not offset each other, the results are inaccurate to that extent. The figures for ten counties are shown in Table 117.

Judging by the data in Table 117 country people, in proportion to their numbers, list intangibles more faithfully than city people, although the average amount declared by city people is larger. In the rural townships of these 10 counties, 8.8 per cent of the taxpayers list solvent credits, whereas in the city townships only 7 per cent so list. Of the total amount of intangibles listed by individuals in these 10 counties, 61 per cent was listed by city people, 39 per cent by rural people. Apparently, business firms, domiciled in the cities, helped to raise the average for the cities.

To what extent do corporations account for our solvent credits listed? It is impossible to answer this question accurately because many of the counties do not keep their corporation tax listings separate from those of individuals. A questionnaire sent to county auditors asking for the amount of net solvent credits and of real estate listed by corporations and individuals respectively, brought returns as shown in Table 118.

Assuming that these counties are typical of the state as a whole, it appears that corporations list 35 per cent of all solvent credits listed in the state, whereas they own only 21.3 per cent of all the real estate. In two mountain counties, Avery and Jackson, the ratio of corporate to total solvent credits is above average, as it is in Mecklenburg, Richmond, and Davidson counties. In other words, both non-industrial and industrial counties are found among those above average. If this sample is representative (it should be noted that no Tidewater counties are included) it indicates that over one-third of all the solvent credits listed in the state are listed by corporations.

TABLE 117—LISTING OF INTANGIBLES BY TOWN AND COUNTRY PEOPLE RESPECTIVELY IN TEN REPRESENTATIVE COUNTIES FOR 1927

Territory	No. of Individuals (White and Colored Listing Solvent Credits	No. of Individuals Listing Property of any kind	Percentage Listing Solvent Credit of Listing Property of any kind	Amount of Solvent Credits Listed	Percentage of Total Amount in County	Average Amount Per Person Listing Solvent Credits
1. Charlotte Township	1,785	16,897	10.6	3,277,725	72.6	1,836.26
Mecklenburg County Townships outside Charlotte Township	1,183	9,305	12.7	1,234,255	27.4	1,043.33
2. Marion and Old Fort	284	4,354	6.5	540,423	82.7	1,902.90
McDowell County Townships outside Marion and Old Fort Townships	134	1,957	6.8	112,929	17.3	842.75
3. Rockingham Township	81	2,749	2.9	117,608	33.1	1,451.95
Richmond County Townships outside Rockingham Township	206	7,494	2.7	237,300	66.9	1,151,94
4. Elizabeth City Township	246	3,461	7.1	507,168	55.6	2,061.66
Pasquotank County Township outside of Elizabeth City	238	2,972	8.0	404,295	44.4	1,698.72
5. New Bern Township	214	5,745	3.7	701,375	88.1	3,277.45
Craven County Townships Outside of New Bern Township	95	6,870	1.4	94,697	11.9	996.81
6. Greenville Township	205	3,895	5.3	537,315	22.4	2,621.05
Pitt County Townships Outside of Greenville Township	1,068	12,408	8.6	1,863,035	77.6	1,744.41
7. Greensboro and High Point Townships	2,096	32,122	6.5	3,657,462	68.7	1,744.97
Guilford County Outside of Greensboro and High Point	1,295	10,079	12.8	1,664,829	31.3	1,285.58
8. Asheville Township	1,581	16,876	9.4	6,151,510	71.3	3,890.90
Buncombe County Outside of Asheville Township	1,468	12,266	12.0	2,475,423	28.7	1,686.26
9. Raleigh Township	340	14,263	2.4	674,502	32.6	1,983.83
Wake County Townships Outside of Raleigh	1,234	18,276	6.8	1,395,775	67.4	1,131.10
10. Salisbury Township	606	6,068	10.0	1,013,984	41.0	1,673.24
Rowan County Townships Outside Salisbury	1,145	9,621	11.9	1,460,647	59.0	1,275.67
Total City Townships	7,438	106,430	7.0	17,179,072	61.1	2,309.64
Total County Townships Outside of City Townships	8,066	91,248	8.8	10,943,185	38.9	1,356.70

TABLE 118—SOLVENT CREDITS IN RELATION TO REAL ESTATE LISTED BY CORPORATIONS AND INDIVIDUALS IN CERTAIN COUNTIES, 1927

County	Solvent Credits Listed By Individuals	Solvent Credits Listed By Corporations[1]	Real Estate Listed By Individuals	Real Estate Listed By Corporations	Percentage Corporation Solvent Credits are of Total Solvent Credits	Percentage Corporation Real Estate is of Total Real Eetate
Alamanee	$ 1,452,996	$ 271,772	$19,243,230	$ 3,412,461	15.8	15.1
Avery	155,407	123,087	3,904,257	796,663	44.2	16.9
Cleveland	1,681,927	125,958	21,457,263	6,251,642	7.0	22.6
Cumberland	625,676	153,856	17,898,861	2,907,296	19.7	14.0
Davidson	1,626,426	1,023,977	18,058,397	6,180,714	38.6	25.5
Granville	782,760	117,592	10,894,935	1,003,920	13.1	8.4
Halifax	1,231,724	115,658	17,565,365	7,219,403	8.6	29.1
Iredell	1,617,600	658,831	24,459,181	5,710,384	28.9	18.9
Jackson	357,579	891,180	5,647,557	94,870	71.4	1.7
Mecklenburg	4,511,990	5,136,060	88,003,040	24,267,796	53.2	21.6
New Hanover	1,076,093	318,455	37,316,880	9,369,395	22.8	20.1
Richmond	358,198	666,348	14,908,462	9,230,265	65.0	38.2
Rutherford	1,216,574	109,656	15,299,772	10,073,970	8.3	39.7
Wayne	1,895,257	292,827	32,767,005	2,207,954	13.4	6.3
Total	$18,590,207	$10,005,257	$327,434,205	$88,726,733	$ 35.0	21.3

[1]Not including railroads and other public service corporations assessed by the State Board of Assessment.

It is important also to know what percentage of all corporations list intangibles and in what average amount. Among the counties visited by the Commission's investigators, those in the following Table segregated the corporation tax abstracts in such a way as to make possible a sampling. Accordingly, every tenth corporation abstract in these counties was copied. The results are shown in Table 119.

The 208 corporation records on which the table is based may be too small a sample from which to draw conclusions. It suggests that almost half (46 per cent) of our corporations list gross solvent credits, that 20 per cent of all list net solvent credits, and that the average amount listed is $13,495. These figures may be compared with corresponding data of all taxpayers. It will be remembered that only one in 12 of all taxpayers, including corporations, listed net solvent credits in the 16 counties shown in Table 116. This compares with one in five corporations in the nine counties of this table. The average amount for all tapayers, including corporations, in the 16 counties (Table 116) was $2,182, compared to $13,495 for corporations alone in the small sample of Table 119. It is possible that corporation officials are more honest in listing intangible property than individuals are. It is possible that corporations really own six or seven times as much intangible property per corporation as the average for individuals and corporations combined. It is also possible that corporations list intangibles more faithfully than private individuals do, merely because they believe they will be taxed on their intangibles through the corporate excess tax if they do not list them with the local assessors. Whatever

TABLE 119—NUMBER OF CORPORATIONS LISTING INTANGIBLES AND AMOUNT LISTED, 1927

(Data from sample records in the counties)

County	Number of Corporation Lists Copied (Every 10th one on file)	Number of These Listing Gross Solvent Credits	Number Listing Net Solvent Credits	Amount of Net Solvent Credits Listed By Those in Preceding Column	Average Amount Net Solvent Credits Listed
Burke	10	1	1	$ 20,652	$ 20,652
Guilford	58	30	10	153,811	15,381
Mecklenburg	33	26	11	120,553	10,959
New Hanover	26	6	2	690	345
Pasquotank	5	4	1	300	300
Richmond	10	3	3	1,709	570
Vance	8				
Wake	46	17	9	101,550	11,283
Wilson	12	8	4	154,034	38,509
Total	208	95	41	$ 553,299	$ 13,495

the explanation, the figures in both Table 118 and Table 119 seem to point to the fact that corporations are responsible for placing large amounts of intangibles on the tax books.

4. *What Significant Differences Are Found Among Counties and Townships?* To what extent does uniformity prevail among the counties and townships in getting intangibles on the books? Are some counties much more successful in administering the law than others? We may expect to find cer-

TABLE 120—NUMBER OF COUNTIES LISTING VARIOUS PERCENTAGES OF SOLVENT CREDITS TO TOTAL PROPERTY IN 1927

(Data from reports filed with Commissioner of Revenue)

Percentage of Solvent Credits to Total Real and Personal Property in the County (Average for all counties = 5.7)	Number of Counties
0 to .9	2
1 to 1.9	3
2 to 2.9	9
3 to 3.9	17
4 to 4.9	18
5 to 5.9	19
6 to 6.9	11
7 to 7.9	8
8 to 8.9	6
9 to 9.9	2
10 to 10.9	2
11 to 11.9	0
12 to 12.9	2
13 to 13.9	1

tain counties showing a greater amount of intangibles than others, for some counties are much wealthier than others. The percentage of solvent credits to total property is a much fairer test than the absolute amount. In Table 120, which includes all the counties of the state, the number of counties listing various percentages of solvent credits to total property is shown. This information is presented graphically in Figure 24.

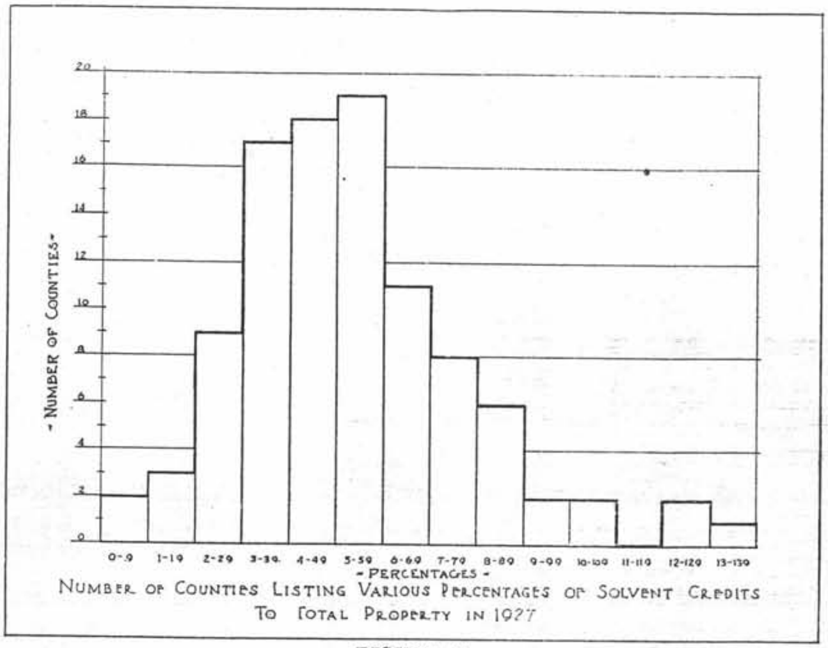


FIGURE 24

It is evident from this table that a few counties list practically no solvent credits. The five lowest counties are all Tidewater counties (Dare, Pamlico, Brunswick, Carteret, and Washington). On the other hand several show a gratifying result, 12 per cent or over (Stokes, Forsyth, and Scotland). The heavy bunching occurs between 3 and 7 per cent, 65 of the 100 counties lying within these four percentage groups.

It is enlightening to compare one county with another of substantially similar economic standing, preferably an adjoining county of about the same size and amount of wealth. Such a comparison is made in Table 121. Pairs of adjoining counties, quite similar in economic conditions, show some marked contrasts in their listing of intangibles. Since the willingness of individuals to list their intangibles is commonly supposed to vary inversely with the tax rate (the higher the rate, the less willingness), the tax rates are also given in Table 121.

The percentage of solvent credits to total property in the county (Column 2) is more significant than the actual amount listed (Column 1). These percentages show striking variations between neighboring counties. Forsyth, for example, shows three times as high a percentage as Guilford, Scotland over four times as high a percentage as Robeson, and Bertie five and one-half times as high as Washington. The tax rate seems to have little to do with the result

TABLE 121—INTANGIBLES LISTED IN ADJOINING COUNTIES, 1927, WITH TAX RATES FOR 1926

(Data from County Abstracts and Report of Commissioner of Revenue)

County	Amount of Assessed Solvent Credits (In Thousands of Dollars)	Percentage Solvent Credits are of Total Real and Personal Property in County (Average for State = 5.7 per cent)	County Tax Rate for 1926 per $100
Nash	$ 2,348	7.7	$ 1.35
Edgecombe	1,084	3.5	1.08
Scotland	1,663	12.0	1.35
Robeson	874	2.8	1.20
Forsyth	24,284	12.7	.55
Guilford	7,790	4.3	1.10
Northampton	1,091	9.6	1.10
Halifax	1,347	4.0	1.50
Vance	1,771	10.2	1.50
Granville	900	5.9	1.58
Yadkin	965	10.5	1.50
Davie	781	6.6	1.40
Davidson	2,661	8.1	1.25
Rowan	2,475	3.9	1.07
Johnston	2,602	7.0	1.79
Harnett	664	3.0	2.00
Stokes	1,608	13.2	1.67
Rockingham	1,810	4.6	1.69
Bertie	1,201	8.9	1.70
Washington	124	1.6	1.65

in these ten pairs of counties, since in five of the ten a higher percentage of solvent credits is assessed in the county with the higher rate.

Another bit of evidence regarding the efficiency of different counties in getting intangibles on the books may be seen in the number listing solvent credits compared to the total number listing property of any kind[1].

From Table 122 it appears that some counties are much more successful in getting taxpayers to list solvent credits than other counties are. One should not expect to find counties equal in this respect. Yet the differences shown in the table seem too great to be explained on the basis of differences in the amount actually owned. The highest county shows ten times as many listings per 100 taxpayers as the lowest county. The three lowest show four or fewer per 100 while the three highest show 15 or more per 100. Strictly rural counties are found among the lowest and among the highest. The same is true of counties containing large cities.

[1]This number is almost, but not exactly, the same as the total number of taxpayers in the county. If a man owns proerty in two townships, his name will appear twice on the county scrolls. Little error is involved, however, in assuming that the number listing property of any kind is the number of taxpayers.

TABLE 122—NUMBER LISTING SOLVENT CREDITS COMPARED TO TOTAL NUMBER ON THE TAX BOOKS IN REPRESENTATIVE COUNTIES IN 1927

(Fractions expressed in nearest whole number. Data taken from County Scrolls)

County	Out of Every 100 Persons Listing Property, the Number Listing Solvents Credits is
Buncombe	10
Burke	12
Cleveland	15
Craven	2
Guilford	8
Johnston	12
Mecklenburg	12
McDowell	7
Pasquotank	8
Pender	5
Person	10
Pitt	8
Richmond	3
Rowen	11
Scotland	4
Vance	8
Wake	5
Wilkes	16
Yadkin	23
Average for all 19 Counties	9

The conclusion seems inescapable that certain counties are much more diligent in seeking and finding intangibles than other counties.

Among townships within the same counties even more striking differences appear. The counties analyzed in Table 123 were selected, not through any desire to expose their particular shortcomings but because they are believed to be typical.

The townships within the same county show even greater variations than are found between counties. For example, in different townships:

In McDowell county, the number listing varies from 0 to 11 per 100.

In Guilford county, the number listing varies from 4 to 21 per 100.

In Johnston county, the number listing varies from 4 to 30 per 100.

In Pender county, the number listing varies from 0 to 35 per 100.

In average amount listed per person listing:

In McDowell county, the amount varies from $323 to $2,157.

In Guilford county, the amount varies from $861 to $4,002.

In Johnston county, the amount varies from $246 to $4,703.

In Pender county, the amount varies from $130 to $1,172.

Here are two townships in the same county (Pender) in one of which every third person lists intangibles, in the other only one person in the entire township so lists. In Johnston County the highest township produces seven and one-half times as many listings per 100 taxpayers as the lowest township. In amount per person listing, the highest township in Pender county, (Holly), produces nine times as much as the lowest, (Long Creek), while the highest in Johnston county, (Pine Level), shows 20 times as much as the lowest, (Boon Hill). All of these four townships last mentioned are rural. These

TABLE 123—SOLVENT CREDITS BY TOWNSHIPS IN REPRESENTATIVE COUNTIES IN 1927

(Data from County Records)

Township	Total Solvent Credits	Total Real Estate	Percentage Solvent Credits Are of Real Estate	Out of Every 100 Persons Listing Property the Number Listing Solvent Credits is:	Among Those Listing Solvent Credits the Average Amount Listed is:
McDowell County					
Marion	$ 446,501	$ 5,906,243	7.6	6	2,157
Old Fort	93,922	1,042,526	9.0	9	1,219
Nebo	37,687	1,442,573	2.6	11	1,018
Glenwood	21,275	196,869	10.8	11	851
Montford Cove	9,028	218,849	4.1	9	502
Higgins	2,585	78,565	3.3	8	323
North Cove	21,989	494,911	4.4	4	846
Dysartville	20,365	250,108	8.1	6	1,018
Bracketts	-------	65,549	-------	-------	-------
Crooked Creek	24,608	224,544	11.0	8	946
Guilford County					
Gilmer	1,940,263	40,167,959	4.8	10	2,200
Morehead	2,793,120	50,906,073	5.5	6	4,002
High Point	1,136,065	38,340,552	3.0	4	2,202
Bruce	75,038	1,035,241	7.3	10	1,172
Deep River	131,520	1,059,778	12.4	17	1,342
Friendship	195,906	1,776,124	11.0	12	1,531
Greene	95,214	689,623	13.8	19	1,107
Jamestown	329,584	2,698,364	12.2	8	3,544
Oak Ridge	132,664	1,252,698	10.6	11	1,525
Fentress	103,276	1,379,053	7.5	14	1,033
Clay	154,237	870,615	17.7	19	1,455
Monroe	90,733	1,266,464	7.2	11	1,019
Rock Creek	119,888	2,450,396	4.9	9	1,347
Sumner	83,490	1,098,245	7.6	13	861
Washington	102,900	682,172	15.1	21	1,143
Center Grove	63,780	843,606	7.6	12	1,063
Jefferson	160,465	1,076,214	14.9	17	1,486
Johnston County					
Selma	65,881	2,982,314	2.2	4	1,014
Smithfield	502,268	4,380,529	11.5	10	2,025
Bentonsville	59,544	756,773	7.9	13	805
Pleasant Grove	84,626	809,064	10.5	19	694
Meadow	94,296	1,129,567	8.3	15	742
Ingrahams	160,352	1,594,051	10.1	16	663
Elevation	158,634	1,416,532	11.2	20	1,023
Cleveland	89,340	842,399	10.6	10	1,942
Pine Level	164,608	843,685	19.5	7	4,703
Clayton	534,192	3,275,030	16.3	10	3,124
Wilders	49,946	1,781,445	2.8	5	1,086
Micro	62,777	817,040	7.7	6	1,902
Oneals	103,047	1,941,673	5.3	8	1,000
Wilson Mills	71,858	707,430	10.2	8	2,566
Beulah	87,395	1,811,861	4.8	17	802
Boon Hill	92,361	1,917,719	4.8	30	246
Banner	220,499	2,402,042	9.2	12	1,267

TABLE 123—SOLVENT CREDITS BY TOWNSHIPS IN REPRESENTATIVE COUNTIES IN 1927
(Data from County Records)
(*Continued*)

Township	Total Solvent Credits	Total Real Estate	Percentage Solvent Credits Are of Real Estate	Out of Every 100 Persons Listing Property the Number Listing Solvent Credits is:	Among Those Listing Solvent Credits the Average Amount Listed is:
Pender County					
Holly	23,451	466,664	5.0	4	1,172
Long Creek	130	403,674	0.03	0.2	130
Rocky Point	5,850	607,557	1.0	2	532
Top Sail	19,841	454,414	4.4	4	863
Union	26,109	843,428	3.1	5	580
Grady	2,965	173,903	1.1	3	297
Caswell	8,370	433,070	1.9	2	930
Columbia	6,233	481,175	1.3	2	445
Burgaw	63,547	1,326,694	4.8	6	895
Canetuck	11,505	232,148	5.0	35.0	131

extreme differences are certainly greater than the actual differences in ownership. Efficiency of the various tax listers is apparently revealed.

5. *How Much Revenue Are We Getting From Intangibles at Present?* As is generally known, our state government does not impose any tax on property. The revenue from intangibles, therefore, flows to the counties and towns. All intangibles pay a county tax, while those listed by town residents pay a town tax in addition. From the data gathered in 10 counties, it is possible to estimate the amount of intangibles listed by town people and country people respectively (See Table 114). These 10 counties show that about 61 per cent of the intangibles listed in these counties are listed by town people. Assuming that these counties are typical, then 61 per cent of the intangibles in the state pay a town tax in addition to the county tax. Furthermore, 75 per cent of property outside of towns lies in special charter school districts, according to data gathered by the Educational Commission. Taking all these factors into account we get the following:

TABLE 124—ESTIMATED REVENUE FROM INTANGIBLES, 1927

$150,469,000 paying an average county-wide tax rate of $1.23 per $100[1] yielded to the counties of the state	$1,850,769
Of the total amount of intangibles, 61 per cent ($91,786,000) paying an average town tax rate of $1.47 per $100,[2] yielded to the towns and cities	1,349,254
Of the intangibles outside of towns, 75 per cent lie in special school districts (75 per cent of $58,683,000 or $44,012,000) paying an average school district rate of .40 per $100[3] yielded to the school districts outside of towns	176,048
Total revenue from intangibles	$3,376,071

[1]Rate obtained by dividing total county taxes for 1927 by total assessed value of property in counties in 1927.
[2]Rate obtained by method similar to the above, except 1926 figures had to be used.
[3]Rate obtained by similar methods, using figures compiled by State Educational Commission for the year 1926.

It appears from this analysis that intangibles provided about $3,400,000 of revenue to our local governments in 1927. Since total local government revenues in that year amounted to approximately $62,000,000[1], it is evident that intangibles contributed approximately 5.5 per cent of total local revenue. It has been pointed out that listed intangibles constitute 5.2 per cent of the total assessed valuation of the state.

Summary: The amount of intangibles on the tax books has steadily declined since 1921, in spite of the growth of wealth and population in the state. We are now listing less than $52 per capita, compared with almost $74 in 1921, and compared with $160 in Virginia and $353 in Kentucky.

Only about 2 per cent of our intangibles listed consist of bonds, almost 20 per cent are bank deposits, over 50 per cent are notes and mortgages, and 25 per cent are book accounts and claims.

In 16 counties of the state averaged together, only 9 per cent of those listing property listed intangibles. In 10 counties studied, one in eleven country taxpayers listed intangibles compared to one in fourteen city taxpayers. The average listing of the city people was $2,310 compared to $1,357 for the country, the higher figure reflecting the listings of business firms in the cities.

In 12 fairly representative counties, corporations listed about 36 per cent of all solvent credits listed in those counties, although owning but 21.5 per cent of the real estate is the counties. A small sample of corporation tax abstracts shows one in every five corporations lists solvent credits to an average amount of $13,495.

Between counties adjacent to one another, marked differences appear in both the amount of solvent credits listed and in the percentage that intangibles are of total property. Each of several counties shows from three to five times as high a percentage as the adjoining county. There seems to be little relation between a county's tax rate and the amount of solvent credits listed. Between townships within the same county the number of taxpayers listing intangibles varies from zero to 35 per 100, and the amount listed runs from $246 to $4,703 per person.

Our counties, towns, and school districts collected approximately $3,400,000 in revenue from intangibles in 1927. This was about five and one-half per cent of their total revenues.

II. WHY IS THE PRESENT SITUATION UNSATISFACTORY?

Having ascertained the facts, it is next in order to appraise the situation. Are we getting satisfactory results from the present method of taxing intangibles? If not, why not?

We must not be unduly critical of the tax on intangibles nor expect too much of it, for we are dealing here with a type of property that has always and everywhere baffled tax officials. Intangibles are easily concealed. They are easily moved from one place to another. It is difficult, and in some cases impossible, for assessors to get them on the tax books unless the owner is willing to have them placed on the books. Many forms of intangibles, such

[1]Based on the actual amount levied in the countries for 1927 and estimated amount levied in towns and special school districts based on 1926 levy.

as bonds and mortgages, represent merely an interest in property already taxed. To tax the mortgage in addition to the real estate is double taxation, which seems to many persons unjust. Accordingly, we should judge the attempt to tax intangibles, not by standards of perfection, nor even by the standards we apply to tangible property such as real estate, but more leniently. It may be judged by its own past performance in this state, by its present performance in different counties of the state, and, to some extent, by comparing its experience here with the experience in other states. The chief criticisms that may be laid at the door of the intangible property tax in this state are:

1. The amount on the tax books is persistently declining.
2. Dishonesty and evasion are fostered, with relatively few persons bearing the tax.
3. Legal exemptions are developing an unbalanced investment situation in the state.
4. Serious differences in the efficiency of administration are found among counties.

1. *The Amount of Intangibles on the Tax Books is Persistently Declining.* In Table 111 and in Figure 20 the extent to which intangibles are moving off the tax books is shown. The effect of this movement is to throw a heavier burden on other forms of property, especially real estate. The relative burden carried by each class of property may be seen in Fig. 25 and in the following table:

TABLE 125—RELATIVE AMOUNTS OF DIFFERENT CLASSES OF PROPERTY ASSESSED IN 1921 AND 1927

(Data from Reports of Commissioner of Revenue)

Kind of Property	Amount Assessed in Thousands of Dollars in		Percentage of Total Assessed in	
	1921	1927	1921	1927
Solvent Credits	$ 192,829	$ 150,469	8	5
Real Estate	1,625,094	2,041,366	63	70
Tangible Personal	408,053	403,223	16	14
Public Service Companies, Corporation Excess, and Miscellaneous	353,797	324,558	13	11
Total	$2,579,773	$ 2,919,616	100	100

During these six years it is doubtless true that all of these forms of property increased in value, yet real estate alone shows increase on the tax books. Intangibles decreased more than any other item. It is evident, therefore, that other forms of property are now bearing relatively less of the tax burden and real estate is bearing relatively more than in 1921. Whether or not this is a desirable tendency is debatable, but assuming that we want each form of property to continue to contribute in proportion to its past contribution, we are departing farther and farther from the goal.

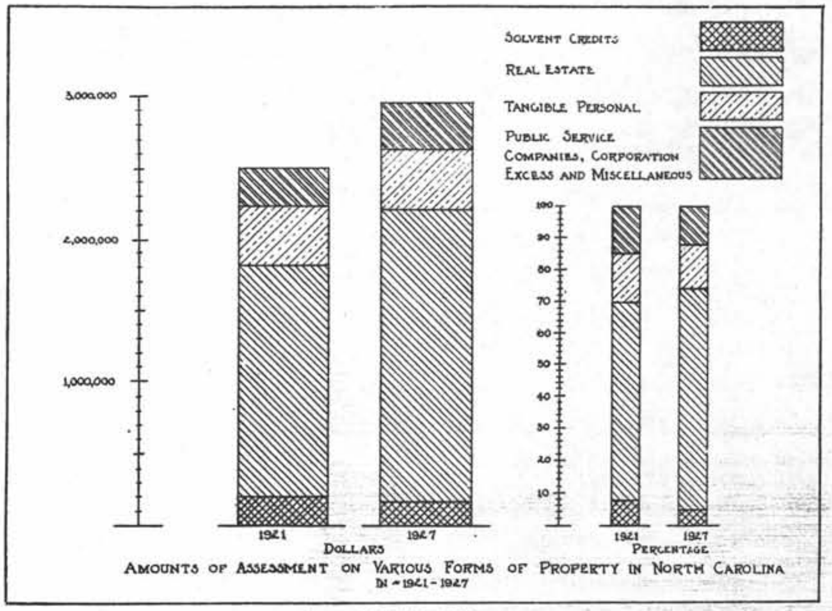


FIGURE 25

2. *Dishonesty and Evasion Are Fostered With Relatively Few Persons Bearing the Tax.* Taxing intangibles at the high rates imposed on other property encourages people to hide their intangibles, or place their money in exempt forms. The higher the tax rate, the greater becomes the incentive to evade the tax. The income return on most forms of intangibles is low. Bank deposits, commercial and savings, yield from 0 to 4 per cent. Safe bonds pay from 3½ to 6 per cent; promissory notes and mortgages are restricted by law in this state to not more than 6 per cent; conservative stocks yield about the same as bonds and mortgages. When the taxing authorities impose a rate

TABLE 126—PERCENTAGE OF INCOME TAKEN BY VARIOUS TAX RATES ON INTANGIBLES

If the Intangibles Yields an Income of:	1%	2%	3%	4%	5%	6%
And the Tax Rate is 1%, the Percentage of Income Taken is	100	50	33⅓	25	20	16⅔
A Tax Rate of 1½% Takes in Percentage	150	75	50	37½	30	25
A Tax Rate of 2% Takes	200	100	66⅔	50	40	33⅓
A Tax Rate of 2½% Takes	250	125	83⅓	62½	50	41⅔
A Tax Rate of 3% Takes	300	150	100	75	60	50

of 2½ per cent on the principal, it may mean the taking of 40 to 60 per cent of the income from the intangible property. The following table shows what percentage of the income from intangibles is taken by different tax rates.

Remembering that combined county and town tax rates average between 2½ and 3 per cent ($2.70 per $100 in 1927), it is clear that many owners of intangibles face virtual confiscation of their income, except as they may be able to shift the tax onto some one else. Our high taxes, therefore, in so far as they are actually paid, come out of the income of the owner of the intangibles. Whereas we would not for a moment consider imposing an outright income tax of 50 per cent, we attempt to levy just such a tax indirectly.

Nor can the owner, as a rule, escape the blow by seeing his intangibles under-assessed, in accordance with a practice commonly and openly employed with other property. Since the amount of principal is usually plainly stated on the face of the instrument, intangibles, when caught, ordinarily go down at full value. With assessment at 100 per cent of true value and confiscatory tax rates, it is little wonder that much of this property either hides or flees into exempt forms. Our policy makes it profitable for people to be dishonest. The ease with which intangibles can be hidden makes it possible for the owners to be dishonest. When one man knows that his neighbor is not listing his intangibles, he wonders why he should list his own. Thus a progressive deterioration is likely to ensue. Our tax laws ought to encourage honesty, but they actually do encourage dishonesty.

It should not be inferred that our particular system is responsible for all of the faults of intangible property taxation. Even if rates were low and assessments were made at a fraction of true value there would be dishonesty and evasion, as other states can testify. But other things being equal, there will undoubtedly be more evasion under high rates than under low rates[1].

In recent years our local tax rates have been steadily rising. County rates, shown in Table 127, probably represent fairly accurately the trend of all local rates.

TABLE 127—COUNTY TAXES, VALUATIONS AND TAX RATES IN THE STATE, 1921-1927

(Data from Reports of Commissioner of Revenue)

Fiscal Year	County Taxes On Property	Assessed Value of Property in Counties	Average County Tax Rate per $100
1921	$ 21,853,700	$ 2,579,772,023	$ .85
1922	22,533,185	2,576,338,426	.87
1923	27,626,451	2,657,141,169	1.04
1924	29,140,056	2,711,783,919	1.07
1925	31,746,117	2,746,915,916	1.16
1926	33,442,235	2,798,293,601	1.20
1927	36,105,822	2,934,011,733	1.23

According to this table, average county tax rates have increased in seven years from 85 cents to $1.23, or 45 per cent. Table 112 shows that during the same period intangibles listed decreased 22 per cent. The former has unquestionably helped to produce the latter. (See Figure 26 for assessed values of different forms of property by years.)

It would be unfair to leave the impression that the decline of intangibles on the tax books is due wholly to dishonesty and evasion. Even though it is doubtless true that some persons commit perjury when listing their property,

[1]It is true that Table 121 shows little or no relation between rates and amount listed. But other factors, especially efficiency of assessment, are at work here. Then, too, the differences in rates are comparatively slight.

it is also true that many persons carefully observe the law and still list no solvent credits, as there are ample legal avenues of escape.

Whether escaping honestly or dishonestly, those who escape outnumber those who pay ten to one. Table 116 shows that in several counties studied only two or three out of 100 paid a tax on intangible property. In one county the number rose to 23 out of 100, but the average for the 16 counties was only nine out of every 100. It is probably fair to say that the tax is falling on the conscientious who do not try to escape, on the ignorant who do not know how to escape, on estates which cannot escape, and on certain corporations.

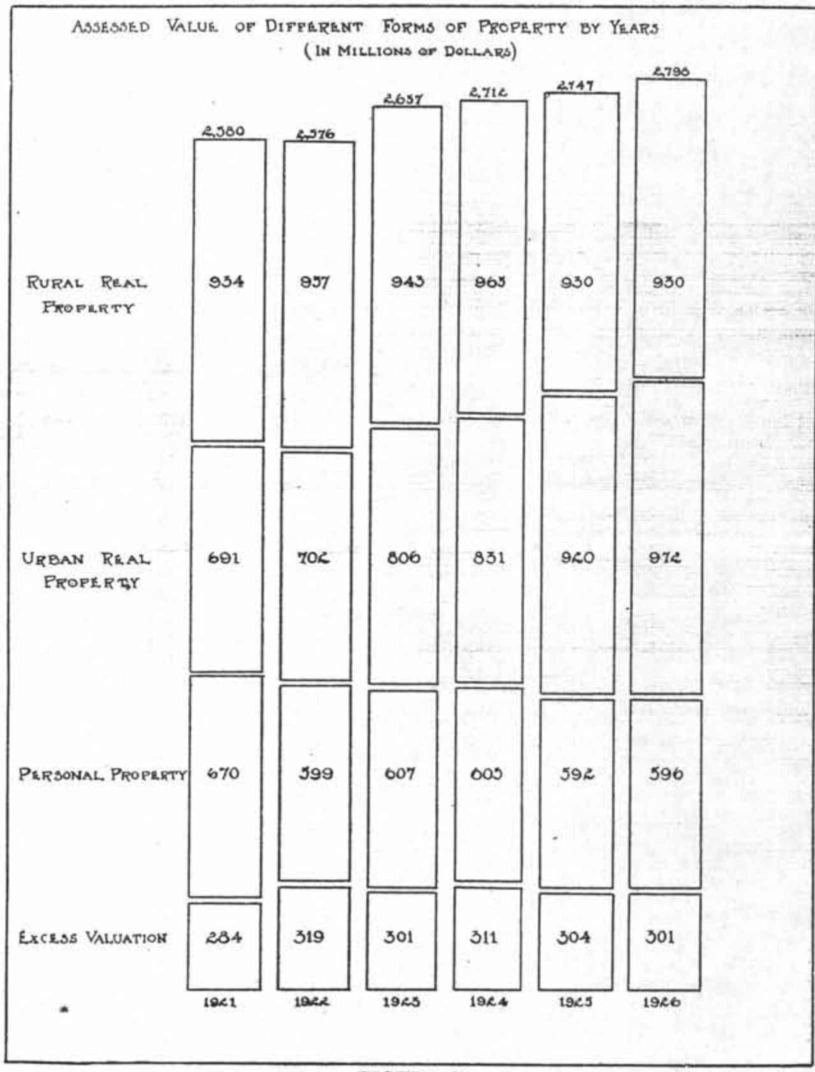


FIGURE 26

Incidentally, it may be pointed out that our system of taxing intangibles puts our state at a disadvantage in comparison with other states as a place of residence for the owner of intangibles. Some owners of intangible property are in a position to establish their legal residents in any one of several states. They will usually go to a state that deals leniently, or as they would say, fairly, with intangible property. It is not suggested that North Carolina should enter into competition with other states to attract wealthy residents by extending tax favors. We might, however, frame laws in line with the practice of other states, and not take the position of repelling such persons.

3. *Legal Exemptions Are Developing an Unbalanced Investment Situation in the State.* The methods by which our residents may lawfully escape the tax on intangibles are: (1) through indebtedness offsetting their intangibles; (2) through investments in tax-exempt bonds; and (3) through investments in shares of stock of domestic and foreign corporations.

The permission to deduct debts from intangibles owned doubtless increases the willingness of some persons to list their intangibles, knowing that they may offset their holdings, partially or wholly, by indebtedness. On the other hand it opens the door to evasion through the creation of fictitious debts. So long as we tax intangibles at a high rate, equity will demand that debts be deductible. If intangibles were segregated for taxation at a low rate, justice would not demand the deduction of debts[1].

Investments in tax-exempt bonds are a matter which is very largely beyond the control of our taxing authorities. Bonds of the Federal Government and of the Federal and Joint Stock Land Banks are made non-taxable by Federal law. State of North Carolina bonds are exempted by state law with a view to promoting their marketability as well as their issue at more favorable interest rates. County, municipal, and school district bonds are usually sold outside the state, hence raise no question of taxability in North Carolina. If they were sold within the state they would presumably be taxable. It should be noted that tax-exempt bonds yield to the owner approximately as much income as 6 per cent taxable bonds would yield, if the owner paid taxes on the latter at the average rate prevailing in the counties and towns at present.

The most serious avenue of escape for intangibles is the exemption of shares of stock. The exemption of shares of domestic corporations has some justification on the ground that the shares merely represent an investment in a corporation whose property has already been taxed somewhere, presumably in this state. But shares in foreign corporations cannot make a similar claim. True, the property of foreign corporations has been taxed somewhere, presumably, and if we wish to avoid double taxation the shares should be exempt. But if we propose to exempt foreign stock in order to avoid double taxation, we should, to be consistent, also exempt corporation bonds, since they too merely represent an investment in corporate property already taxed. Consistency would demand further, that all real estate mortgages be exempted on similar grounds. In fact, comparatively little intangible property would be left to tax if we started out to exempt all that represents an interest in property already taxed. Foreign stock exemption cannot be supported on the ground of avoiding double taxation without undermining all taxation of intangibles.

[1]Except, possibly, in the case of business firms whose current liabilities might properly be subtracted from cash, receivables, and securities owned.

The exemption of shares of foreign corporations has at least two objectionable results. First, it opens the door to evasion through the creation of holding companies, and second, it develops an unbalanced investment situation in the state by encouraging investment in stocks to the detriment of other forms, such as bonds and mortgages. The first result is obvious. If a resident owns taxable intangibles and desired to escape property taxation on them, he may incorporate a holding company to hold the intangibles. He, of course, owns the stock of the holding company, tax free. If he is careful to choose as the home of his corporation, a state having no tax on intangibles, such as Delaware, then neither he nor his corporation pay any tax on the property. He could not evade the tax by forming a domestic corporation, since North Carolina corporations are required to list and pay taxes on their net solvent credits.

The second result of stock exemption applies to a certain extent to domestic as well as foreign shares. Our citizens are encouraged to invest their money in stocks rather than in bonds and mortgages. This means that the state, by its tax laws, is fostering the relatively more risky forms of investment. Of course it is not meant that all stocks represent more risk than bonds or mortgages, but that in general bonds and mortgages, since they represent a loan of money, are better secured than shares of stock which represent a final and residual claim on the assets of a corporation.

That our citizens are investing in stocks much more heavily than in bonds, notes, and mortgages, is evidenced by the fact that the individual income tax returns to the Federal Government show that in 1925 North Carolina individuals received $26,763,000 in dividends compared to $8,234,000 in interest and investment income. This ratio is considerably lower than any of our neighboring states shows, as the following table reveals:

TABLE 128—PERCENTAGE RATIO OF INTEREST INCOME TO DIVIDENDS IN SELECTED STATES, 1925[1]

North Carolina	30.8 Per cent
Virginia	46.5 Per cent
Kentucky	38.1 Per cent
Tennessee	46.7 Per cent
South Carolina	84.1 Per cent
Average for United States	52.3 Per cent

[1]Data taken from United States Treasury Department, Statistics of Income for 1925, page 100.

Though our tax laws are only one of a number of possible factors contributing to this result, they undoubtedly do so contribute. They place a premium on stock investments. It seems rather anomalous for a county official to say to a taxpayer, "If you put your money in Virginia county or city bonds you will be taxed, but if you put it in the stock of a Virginia corporation you will not be taxed!"

A somewhat similar avenue of escape is provided by certain building and loan shares. Shares of these associations are commonly of two kinds: installment shares and paid up shares. The latter are in reality simply money deposits which may be made at any time by any person. They are essentially identical with savings deposits made in banks. Yet the savings deposit in the bank, paying typically 4 per cent interest, is taxable, whereas that in a build-

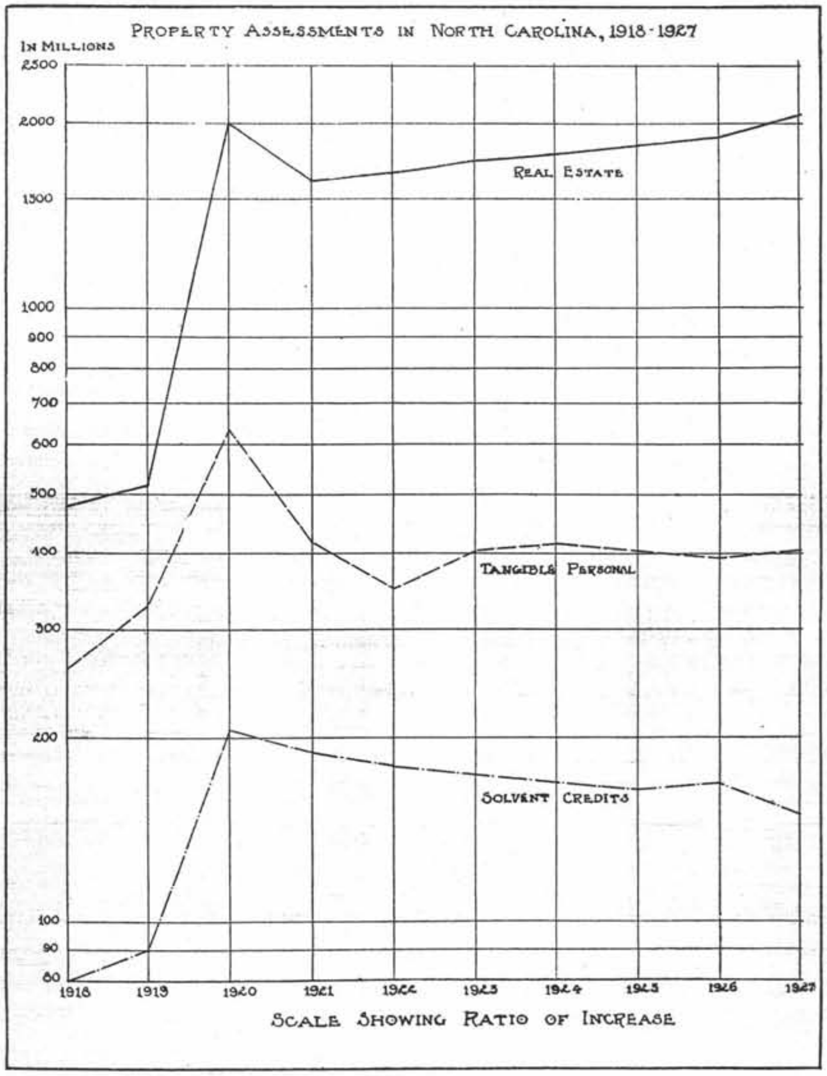


FIGURE 27

ing and loan association, paying typically 5 per cent interest, is non-taxable[1]. Building and loan associations are worthy enterprises, but it is doubtful whether the state is justified in giving them, through its taxation laws, such a competitive advantage over banks.

[1]Non-taxable, that is, to the holder of the paid-up shares. The association pays a tax of 12 cents per $100 share on all its shares. That the use of paid-up shares is increasing rapidly is shown by the fact that during the calendar year 1927 the amount of paid-up stock increased 17 per cent while that of instalment stock increased only 5 per cent. Paid-up stock, or its equivalent under other names, amounted to 24 million dollars on December 31, 1927, compared to 56 million dollars of instalment stock. (Figures from reports of the associations filed with the Insurance Department of the state.)

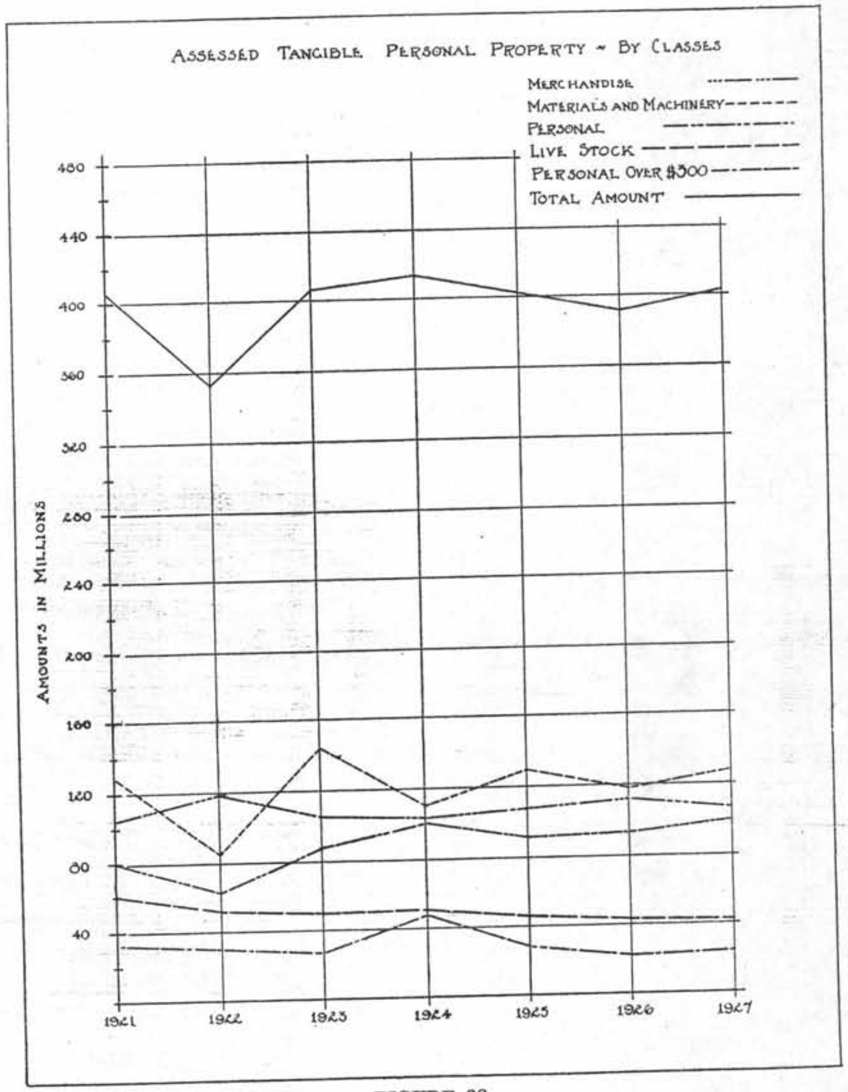


FIGURE 28

The same holds true of industrial and Morris Plan banks. It would seem to be better to tax money placed in these three institutions alike.

4. *Serious Differences in the Efficiency of Administration are Found Among Counties.* Tables 119 and 120 suggest that all is not well with the administration of our law. One county shows four times as high a percentage of solvent credits to total property as an adjoining county. The highest county shows 10 times as high a percentage of taxpayers listing intangibles as the lowest county in the group shows. Even greater differences are found among townships

within the same county (see Table 121). In view of these serious differences in listings, our system of administering the law is brought into question.

Our system is briefly as follows: The state authorities, in possession of certain information, regarding intangibles through income tax returns, corporation reports, and otherwise, lend no assistance whatever to local officials. Listing is left entirely to the county officials. The County Commissioners appoint a county supervisor of assessments, who may be and frequently is, a person holding another county office, such as accountant or auditor (Machinery Act, 192 Sec. 43). This supervisor appoints an assistant for each township (Sec. 43). Before these assistants the citizens are asked to appear and list their property as of the first day of May (Sec. 44 and 54). It is the duty of this list-taker "to ascertain by visitation, investigation, or otherwise the actual cash value in money of each piece or class of property in his townships," and "to be constantly looking out for property which has not been listed for taxation" (Sec. 44 and 49). These duties become practically impossible of thorough performance since listing begins on the first Tuesday after

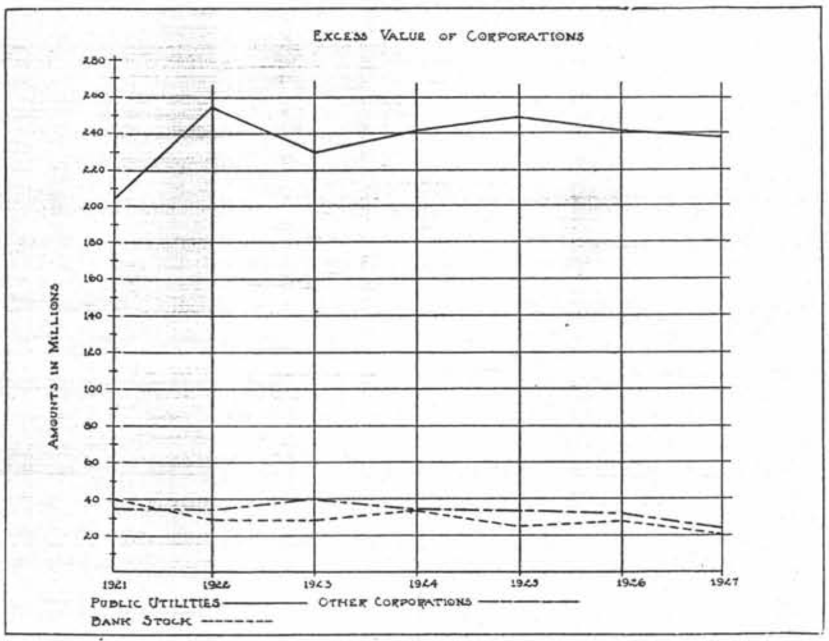


FIGURE 29

the first Monday in May and ends on the third Monday in June (Sec. 43 and 70). The County Commissioners have the power to summon any taxpayer to answer relative to the amount of his solvent credits and indebtedness (Sec. 64). Furthermore it is the legal duty of the commissioners to employ a man to make a diligent search for unlisted property (Sec. 73).

These various provisions testify to a somewhat haphazard procedure which has developed in the course of time. The responsibility for assessments is not concentrated and clean-cut. The commissioners are theoretically responsible. They delegate the work to a supervisor who undertakes it as a part time job. So far as personal property is concerned, taxpayers practically assess themselves. The entire procedure is carried out, with rare exceptions, in the courthouse, in six weeks or less. Then the assessment machinery is practically dissolved for a year. The system fails to keep a trained person on the job continuously. It fails to check up on unlisted property. It fails to transplant the best methods developed in other states and counties into counties needing better methods. Most of these faults in our assessment machinery, by the way, apply not only to intangibles but also to the more important forms of property, tangible personal property and real estate.

Figures 27, 28, and 29 give an idea of the annual rates of increase or decrease in the amounts of real and of personal property assessed, and also of property assessed by the State Board of Assessment. Figure 27 shows the changes from year to year in both real and personal property; Figure 28 shows the changes in the various classes of tangible personal property from 1921 to 1927; Figure 29 shows the same information for public service corporations and corporation excess assessed by the State Board of Assessment. It will be noted that the *trend* in practically every class of personal property is somewhat *downward*, although with the exception of livestock the change in amount owned in North Carolina from 1921 to 1927 has undoubtedly been upward. The trend of excess valuations has also been downward.

With a system lacking coordination and central supervision, the natural result is wide diversity in assessments. Some diversity in results would occur even under the best administrative conditions. But the diversity would certainly be less than now prevails if we had greater uniformity of practise. No one can travel from courthouse to courthouse, examining records and interviewing local tax officials as the Commission's investigators have been doing, without coming to the conclusion that the amount of personal property on the books could be enormously increased if the efficiency of all list-takers were brought up to somewhere near the level of the best 10 per cent.

Summary. The present situation is unsatisfactory because the amount of intangibles on the tax books is persistently declining when it ought to be increasing, thrusting a larger share of the tax burden onto real estate. Dishonesty and evasion are fostered by our high tax rates, which prove confiscatory when applied to the average item of intangible property. Only about one person in eleven lists intangibles, showing that the tax is now falling on a relatively few. These few are not necessarily the wealthy, but may only be the conscientious, the honest, the ignorant, and the estates whose records are public. Our tax system tends to put the state at a disadvantage in comparison with other states as a place of residence for the owner of intangibles.

Legal exemptions help to explain the present situation. Permission to deduct debts from one's holdings of intangible property relieves many persons, some honestly, some dishonestly, through the creation of fictitious debts. Tax-exempt bonds become attractive when high tax rates reduce the yield on other securities. Most serious of all is the exemption of shares of stock, especially of foreign corporations. This permits the organization of holding companies to own taxable securities, the individual owning the shares of the holding company tax free. The exemption of shares of stock furthermore encourages our people to invest their money in stocks rather than in bonds and mortgages, thus tending to produce an unbalanced investment situation in the state.

The administration of the law is unsatisfactory, as the glaring contrasts between counties in their listings of intangibles indicate. Allowing the tax-payer to assess himself on his intangibles, with little or no checking up on omitted and undervalued items, not only allows millions of property to escape but tends to bring all tax administration into disrepute with our citizens.

III. WHAT MAY BE DONE?

There are three possible courses of action that we might follow in dealing with the problem of intangible property taxation. They are:

1. Continue the present system of taxing intangibles under the general property tax.
2. Give complete exemption to intangible property.
3. Place intangibles in a separate class of property, applying a low rate to this class.

Several combinations of these methods are also feasible, by which some forms of intangibles might be exempt while other forms might be taxed, either as general property or as classified property at a low rate.

1. *We Might Continue the Present System of Taxing Intangibles Under the General Property Tax.* The present system is not entirely a failure. The fact that it produces over three million dollars in taxes annually marks it as a fair revenue producer[1]. It has the advantage of simplicity, all property being treated alike. It does not invite log-rolling and appeals of special interests to have their intangibles exempted or placed in an especially favored class.

If the present system is retained, careful attention should be given to improving its administration. The glaring discrepancies between neighboring counties and among townships within the same county should be lessened. Only intelligent and competent list-takers should be employed. They should be given careful instructions how to question taxpayers regarding their solvent credits. Every practicable check-up of intangibles should be made. When a man claims debts offsetting his credits he should be made to itemize the same in order to see whether those owing to persons in the county are listed for taxation. This is now required by law but is often not enforced. Mortgages recorded in the county should be checked against those listed for taxes. Banks might be required to report all collateral put up as security for loans. Estates settled in the county reveal intangibles which should be followed up. The State Department of Revenue obtains valuable information on intangibles through reports filed with it. This information might be made available to local assessing authorities.

The objections to maintaining the present system are serious. They have been discussed in Section II. As there shown, the tax is falling on a few, and on these few it is falling with almost crushing severity. More and more in-

[1]This figure may be compared with the amount yielded by low-rate taxes on intangibles in the following states in 1926:

Minnesota $1,242,000
Virginia $1,572,000
Kentucky $2,622,000

(Leland, *The Classified Property Tax in the United States*, p. 274.)

tangibles are sliding out from under the tax; such a process is made easy by our exemptions and weak administration. So long as many persons are escaping, there will be a widespread feeling, among both tax officials and taxpayers, that it is unfair to press vigorously the matter of listing. Our comparatively high rates of property tax also weaken the will of enforcing officials, since they realize the confiscatory nature of the tax.

2. *We Might Give Complete Exemption to Intangible Property.* Complete exemption of intangibles might be urged on several grounds. The first is administrative convenience. Since it is not possible to get anything like all intangibles on the tax books, and since it is unfair to the few who are caught that the many escape, the argument is advanced that the attempt to tax such property should simply be given up. Another reason advanced for complete exemption is that intangibles are, for the most part, merely paper representatives of real property already taxed. To tax intangibles means, therefore, double taxation. Since double taxation of property is assumed to be undesirable, the conclusion seems to follow that intangibles should be exempt. A third argument for exemption is that through our state income tax we are obtaining a contribution to government from the owners of intangibles, hence we need not tax them further. The adoption of the state income tax has been accompanied by the exception of intangibles from the property tax in New York, Massachusetts, New Hampshire, Delaware, Wisconsin, North Dakota, and Mississippi. In fact, the breakdown of the property tax on intangibles was a prime reason for the adoption of an income tax in several of these states. For this reason, perhaps, the income tax has often been considered an alternative to the property tax on intangibles. Of the 12 states which are at present using the personal income tax the seven named above exempt intangibles, three (Missouri, Oklahoma, and Virginia) tax them as property at a low rate, while only North Carolina and South Carolina continue to treat intangibles as general property.

Opposed to complete exemption are several considerations. The loss of revenue would be appreciable and would have to be made up by increased taxes elsewhere, probably on other property. There is serious doubt, also, whether public opinion in the state would ratify such a proposal. There is still a widespread feeling that the owners of intangibles are able to pay taxes and should pay taxes.

3. *We Might Place Intangibles in a Separate Class of Property, Applying a Low Rate on Them.* The movement to classify property, with the application of a different rate on each class, has attained considerable proportions in the United States. An investigation of the classified property tax, completed in 1927, showed that 30 states and the District of Columbia had the constitutional right to classify property for taxation[1]. The majority of these states were

[1]The states are:

Arizona	Iowa	Minnesota	Oklahoma
California	Kansas	Montana	Oregon
Colorado	Kentucky	Nebraska	Pennsylvania
Connecticut	Maine	New Jersey	Rhode Island
Delaware	Louisiana	New Mexico	South Dakota
Florida	Maryland	New York	Vermont
Idaho	Massachusetts	North Dakota	Virginia
	Michigan		

In addition, Alabama, through a liberal interpretation of her constitution by the state supreme court, is able to use one form of classification; namely, the mortgage registry tax. (Leland, *The Classified Property Tax*, pp. 88-96, Houghton-Mifflin Co., 1928.)

using the power, a few using it to classify real property into such classes as forest land, mineral land, and farming land, a few using it to classify tangible personal property such as livestock and household goods, but most of them using it for intangible property. For intangibles its use varies all the way from a special tax on bank deposits only, or a mortgage recording tax only, to elaborate systems of classification, with a different rate on each class of intangibles.

The arguments usually advanced for classification of intangibles are that low-rate taxation is both equitable and expedient for this class of property. It is equitable because this class of property yields, on the average, a low or moderate return and is usually assessed at 100 per cent of true value, when assessed at all. Justice demands, therefore, the imposition of such a low rate as not to prove confiscatory. The expediency argument stresses the difficulty, amounting almost to impossibility, of getting intangibles on the books when high rates are imposed. Low rates are much more likely to win the coöperation of the taxpayer, which is essential if large amounts of this property are to be placed on the books. A low rate invites a citizen to be honorable in listing his property. Then, too, it is argued that officials can zealously prosecute the search for intangibles if the rate is low and the tax is considered fair and just.

If low-rate taxation is to prove successful it should produce one or both of two results; namely,

1. The amount of intangible property listed should be greatly increased, thereby broadening the base of the tax and distributing the burden more widely.
2. The yield in revenue should be as large as, or larger than, intangibles have been giving under the general property tax.

Judging by the experience of other states changing to low-rate taxation, we might well expect to obtain the first result but might not obtain the second[1]. Much depends upon the efficiency of administration, both state and local, and whether or not certain intangibles are taxed at the sources.

A large part of the success or failure of classification can be laid at the door of administration. It will be found generally that states which are succeeding with the tax are states that have efficient administrators, especially in the State Tax Commission. States that have failed with the tax, or made merely an indifferent showing, can usually trace the trouble to poor administration rather than to the law itself. No law, least of all a tax law, will operate itself. This is especially true in dealing with evasive property like intangibles. Successful administration of a classified property tax on intangibles requires the active coöperation of state and local authorities. The state authorities must work on certain phases of the task of enforcement for which their information and authority equip them. Local officials, dealing with the individual property owner, must persistently search for and check up intangibles. Between state and local officials there must be exchange of information, development of high standards of procedure, and the transplanting of successful methods into areas where they are lacking. Unless

[1]The experience of states using classification is carefully set forth in K. M. Williamson's *The Present Status of Low Rate Taxation of Intangible Property* (published by National Tax Association, 1925) and in S. E. Leland's *The Classified Property Tax*, (Houghton-Mifflin Co., 1928).

we are reasonably sure of obtaining efficient administration, including thorough-going coöperation of state and local officials, we may as well keep the system we now have.

A second prerequisite to success is the collection of the tax at the source wherever practicable. It is especially practicable with bank deposits (taxed against the bank), with mortgages (taxed once and for all at the time of recording), and with certain shares of stock, such as those of building and loan associations and other financial institutions. Collection at the source avoids the necessity of going after the individual owner and persuading or forcing him to list his property. Moreover it gets practically 100 per cent of the property liable for the tax, and at an expense which is usually lower than the expense of the other method.

If classification and low rate taxation were adopted, the permission to deduct debts from solvent credits might well be withdrawn, except perhaps in the case of business enterprises. There is little or no injustice in asking the individual who owns securities as private investment to pay a light tax on his holdings without deducting his indebtedness. Such a policy would increase the listings of taxable intangibles, would simplify the task of listing, and eliminate the temptation to create fictitious debts. With business enterprises the case is somewhat different. A merchant may be doing a credit business, buying his merchandise on time and carrying customers on charge accounts. On May 1st he might have $200,000 of accounts receivable representing goods sold, but he might owe $150,000 for goods bought. Inasmuch as his goods on hand are taxable at full property tax rates, it may be unjust to tax him on the $200,000 of accounts receivable with no allowance for what he still owes on the goods. Similarly a company dealing in mortgages and other real estate paper might have a large amount of mortgage paper on hand but have borrowed heavily from banks and elsewhere to buy the paper. Ability to pay would be better represented by the excess of credits over debts than by the credit alone.

If classification were adopted, it might prove desirable to give the different types of intangible different treatment. The main types to be considered are:

1. Bank deposits.
2. Mortgages.
3. Shares of Stock.
4. Bonds and Notes.
5. Accounts receivable.

1. *Bank Deposits.* Judging by the bank deposits listed in 20 counties, summarized in Table 115, we got approximately $28,000,000 of deposits listed in the entire state in 1927, which is approximately 8 per cent of the total bank deposits of that year. Though we would unquestionably get a considerable increase in listings if we were to lower our rate of tax and still rely on the voluntary declaration of the taxpayer, that is not the most efficient way to tax bank deposits. To get all deposits to pay and to get them to pay at a minimum of expense and trouble, they should be taxed at the source, that is, against the bank.[1] Since the tax would be in lieu of a property

[1]The experience of Virginia and Kentucky is illuminating in this respect. In 1926, Virginia, with a low rate on bank deposits but depending on individual assessments, listed only 20 per cent of her bank deposits (425 millions of deposits according to the Comptroller of the Currency's Report, with 86 millions of deposits listed for taxation, according to Governor Byrd's address before the General Assembly January 11, 1928, p. 12). In the same year Kentucky, with a low rate but assessing the tax against the bank, got 83 per cent of her deposits listed, most of the balance being exempt (335 millions assessed according to 1926 Report of Kentucky Tax Commission, p. 99, out of 404 millions of deposits).

tax on the depositor, the bank should be authorized to charge the tax against the depositor's account. If the rate were quite low, say 10 cents on the $100 (Kentucky's rate), the tax would not be burdensome on the depositor. Some banks might prefer to absorb the tax themselves rather than to compute and debit the tax to each account. The banks would be spared the trouble now caused them by certain depositors who withdraw their savings just before May 1st only to return them a few days later.

Since building and loan associations handle what amount to savings accounts in the form of their paid-up shares, as pointed out on page 346, these shares should be taxed like bank deposits. The same is true of the investment certificates of industrial and Morris Plan banks. If no deduction were permitted from the amounts on the books of these institutions in 1927 the yield of such a tax would have been as follows:

ESTIMATED YIELD OF A TAX OF 10 CENTS PER $100 LEVIED AT THE SOURCE ON MONEY ON DEPOSIT

(Data from reports of Comptroller of the Currency and Insurance Commissioner of the State)

Type of Deposit	Amount in 1927	Yield of Tax of 10 Cents per $100
Deposits in Banks	$ 200,696,000	$ 200,696
Savings Deposits in Banks	156,071,000	156,071
Paid-up Shares in Building and Loan Association	24,127,000	24,127
Investment Certificates in Industrial Banks	4,624,000	4,624
Total	$ 385,518,000	$ 385,518

Under the present system bank deposits yield approximately $63,000 a year in revenue (since they comprise 18.7 per cent of all intangibles listed, according to Table 115, they are estimated to yield 18.7 per cent of all the revenue from intangible property). The yield under the proposed system would be approximately $385,000, or over six times the present amount[1].

2. *Mortgages.* Exemption from taxation is granted to mortgages in some states on the ground that the real estate behind the mortgage has been fully taxed and that to avoid double taxation the mortgage should be exempt. Some states make the exemption dependent on whether or not the real estate is situated in the state granting the exemption.

If mortgages are to be taxed at all, they should be taxed by means of a registration tax, levied once and for all at the time the mortgage is recorded. Thus the principle of taxation is applied at the source and the advantages of such taxation are gained. Evasion is rare, especially if an adequate penalty is imposed for failure to register the mortgage. Ordinarily no penalty is needed, for the mortgagee desires to protect his lien by placing it on the county records. Computation and collection of the tax are easily administered through the Register of Deeds or Clerk of Court in the county. One of the chief advantages for a state like North Carolina is that outside capital coming into the state for investment in mortgages would pay the same tax that local capital pays. Under the present system this outside capital pays no tax whatever in this state, although it is being protected by the state.

[1]In 1926 the following states taxed bank deposits at the source, the majority taxing savings deposits only: Connecticut, Kentucky, Maine, Massachusetts, Maryland, New Hampshire, New Jersey, Rhode Island, and Vermont. (Leland, *The Classified Property Tax*, p. 217; Williamson, "Bank Deposits Taxes in New England," *American Economic Review*, March, 1928, pp. 45 ff.)

It may be objected that the outside investor would not pay the tax, but would shift it to the borrower. If the tax were heavy, and if alternative investments were available, equally attractive and tax-free, the tax would probably be shifted. However, if the tax were light and other available investments were also taxed, shifting would probably not occur. Only time and experience with the tax could give a final answer to this question.

If a registration tax were adopted, short-term mortgages should not be discriminated against by being charged the same tax as long-term mortgages. The Minnesota plan of one rate for short-term and a higher rate for long-term mortgages is preferable to the single rate plan.[1]

Mortgages outstanding at the time the new tax goes into effect should be relieved of the property tax thenceforward by paying the registration tax. In this way, the revenue of the first year would be considerably greater than that of subsequent years.

The registration tax might, of course, be broadened to apply to mortgages on personal property, and even to leases, deeds, and contracts, which are registered in the county. To apply such a tax it would be necessary to require the true consideration to be shown on the document.

There are no figures available on which to base an estimate of the yield of such a tax. The experience of other states changing from an annual ad valorem tax to a registration tax indicates that the yield of the registration tax is generally somewhat higher but more variable from year to year than the property tax.[2] Much depends, of course, on the rates of the two taxes, and on the activity of the real estate market.

It is possible that, even without a constitutional amendment permitting the classification of intangible property, North Carolina could adopt a registration tax on mortgages as a privilege tax in lieu of all other taxes. Two states whose Constitutions are similar to our own (Alabama and Tennessee), have adopted such a tax, and their courts have upheld it.

3. *Shares of Stock.* Shares of stock of domestic corporations are now exempt from taxation on the ground that the real and personal property of the corporation has paid its tax, presumably within the state, and that to tax the shares separately would be objectionable double taxation. Also on the ground that in so far as the corporation has high earning power with little or no tangible property, we are reaching it through our corporate excess tax[3].

Shares of foreign corporations, as already pointed out, are at present entirely exempt. If the corporation owns property in this state, it pays on its tangible property but nothing on its corporate excess. If it owns no property in the state, neither it nor the resident shareholder pays anything. It is not the exemption of foreign stock *per se* that is objectionable, but the discrimination involved in exempting stock and taxing bonds and other intangibles.

[1]Minnesota charges 15 cents per $100 of debt secured by mortgage if the morfgage runs less than 5 years and 6 months; 25 cents per $100 if it runs longer than 5 years, 6 months. Other states use the following rates:

Alabama ....15 cents on each $100
Kansas ....25 cents on each $100
Kentucky ....20 cents on each $100
Michigan ....50 cents on each $100
Oklahoma .. 2 to 10 cents on each $100 depending on term of years the mortgage runs.
New York........50 cents on each $100
Tennessee ....10 cents on each $100 Small mortgages exempt.
Virginia ....10 cents on each $100 Applies also to deeds, leases, and contracts recorded in the county.

[2]A brief analysis of the experience of states using the registration tax is found in Leland, *The Classified Property Tax*, pp. 195-203.

[3]The corporate excess is the amount by which the value of the capital stock exceeds the value of the real and personal property listed for taxation. In this state only domestic corporations are taxed on this excess. It is taxed as property by the local governments, along with the real and personal property of the corporations.

If shares of stock are made taxable, instead of exempting domestic and taxing foreign shares, a different distinction might well be made. All shares could be exempted to the extent that the property of the corporation is taxed within the state. Conversely all shares owned by residents could be taxed to the extent that the corporation is not paying within the state on its property. This would mean that if a domestic corporation owned half of its property within the state and half outside, its shares owned by North Carolinians would be exempt only to 50 per cent of their value. If a foreign corporation had 25 per cent of its property in this state, 25 per cent of the value of its shares would be exempt on the part of the owner.

There is no reliable method by which to estimate the revenue obtainable from a low-rate tax on stock, levied on the basis suggested above. The Federal income tax returns for 1925 show $26,783,000 dividends received by North Carolina individuals filing returns. In addition some dividends were received by persons not filing a return to the Federal Government. Capitalizing these dividends at a rate of 6 per cent gives a value of $446,383,000 to these shares. But what proportion of the value of these shares is represented by corporate property taxed in the state is not known. Neither is it known how much stock is owned by North Carolinians, not represented in the dividends reported to the Federal Government. All that can be said is that since we get no revenue whatever from shares of stock in the hands of individuals at present, all that we might get from a low-rate tax imposed would be clear gain as compared with the present system[1].

4. *Bonds and Notes.* Of all intangibles, bonds and notes are the most difficult to assess. Whereas shares of stock, especially in domestic corporations, may be reached through the corporation, bank deposits through the bank, accounts receivable through the balance sheet of business firms, and mortgages through the recorder's office—bonds and notes defy detection at the source. In so far as they are owned by trustees or business firms which file reports with public officials, they may be checked. But in so far as they are held as private investments, their assessment depends very largely on the willingness of the owner to list them. Here is where low-rate taxation may help. It is easily possible that a low-rate tax on bonds and notes may not only bring onto the books a much larger amount of these holdings, thereby spreading the burden of taxation more widely, but also that it may actually produce more revenue than a high rate.

Another advantage of low-rate taxation would be that our state would become a better market for bonds, thus tending to correct the unbalanced investment situation already pointed out. Some of our larger corporations offer to pay, for their bondholders, the low-rate tax levied on their bonds by the various states. If North Carolina were included in such offers, we would obtain the revenue without involving any sacrifice of income on the part of our citizens.

5. *Accounts Receivable.* Table 115 indicates that about 25 per cent of our intangibles listed at present are book accounts, including miscellaneous claims against debtors. It is probable that most of these are listed by business enterprises. At present no attempt is made to check these listings against the reports filed with the state for income and franchise tax purposes. Under classification and reduced rates, all possible sources of checking should be used, in order to prevent a falling off in revenue from this source.

[1]In 1922, the last year in which we taxed stock in foreign corporations, the amount listed in the state was $22,650,414. (Report of Commissioner of Revenue, 1923, p. 15.)

THE TAXATION OF BANKS

SUMMARY

Authority for Taxation. In the taxation of banks, the several states are confronted with the fact that national banks may be taxed only in accordance with Federal law, which restricts the states to certain prescribed methods of taxing such banks. State banks, however, may be taxed as the particular state sees fit. This dual control over the power of taxing banking institutions has produced in North Carolina a system of bank taxation which is inequitable as between banking institutions and is inadequate as to the revenues produced.

Methods of Taxing National Banks. North Carolina levies on national banks the following taxes: First, the regular local property tax rates are applied to the real property of such banks, which consists of real estate, furniture and fixtures. In addition to the property tax on the real property, the bank shares are taxed as property, nominally to the stockholder, but in reality the tax is paid by the bank for the stockholder. In assessing such shares for taxation, the state law permits certain deductions from the book value of bank shares. An amount equal to 5 per cent of the receivables may be deducted as a loss for bad debts if proper banking authority attests to such a loss, and, in addition, there may be deducted from surplus and undivided profits an amount equal to the amount of United States, North Carolina, Federal Farm loan, and Joint Stock bonds which the bank holds. These deductions greatly reduce the assessed value of such bank shares and correspondingly curtail the taxes paid. That such is the case can be seen from the fact that over the four-year period from 1923 to 1926, inclusive, the ratio of assessed value of the real property of national banks to the book value of such property was 72 per cent, whereas the ratio of assessed value of the corporate excess value of bank shares to the book value of this item was only 35 per cent. National banks were obviously using their holdings of bonds during this period to reduce the assessed value of the bank shares, thus following a practice which the North Carolina law both permits and encourages by such permission. As a result the taxes paid to local governments in North Carolina by national banks in 1927 totaled some $334,000, which was approximately 12 per cent of their income of that year. In this connection it is to be remembered that all such property taxes are local taxes, and that the State of North Carolina does not receive a single cent in taxes from national banks.

Methods of Taxing State Banks. State banks in North Carolina are subject to the property tax exactly as the national banks are, but the state banks ordinarily do not hold such large amounts of deductible bonds and hence the assessed value of their bank shares is higher proportionally than the assessed value of national bank shares. As evidence of this fact, the ratio of the assessed value of the corporate excess value of state bank shares to the book value was 57 per cent while for the national banks this ratio was only 35 per cent. A considerably greater proportion of the book value of state bank shares is therefore being taxed. In addition to this disparity in the assessment of bank shares, the state banks are required to pay on their taxable net income the regular state income tax of 4½ per cent which national banks cannot be required to pay when their shares are taxed. As a result the tax burden of state banks is considerably heavier than that of national banks. The total tax burden of the state banks in North Carolina, including the local property taxes and the state income tax, in 1927 was some $826,000, which was 23.6 per cent of their income for that year.

Relative Tax Burden of National and State Banks. The disparity in the tax burden of state and national banks becomes at once obvious. While national banks were paying local taxes amounting to 12½ per cent of their income in 1927, state banks were paying to the various tax districts of North Carolina an amount equal to 23.6 per cent of their income. Measured in terms of the book values of the shares, the state tax burden would be 1.8 per cent of the value of such shares, and the ratio for national banks would be 1.1 per cent. Measured in terms of total resources the relative tax burden would be .26 per cent and .16 per cent for state and national banks. Under the present system of bank taxation, state banks are much more heavily taxed than national banks. It is pertinent, therefore, to inquire as to whether such a disparity in tax burdens may not in the future endanger the existence of the state banking organization, since bankers might prefer to operate under a federal charter rather than subject themselves to such a disproportionate tax burden. Recent banking legislation, state and federal, has tended to narrow the spread in privileges and powers previously existing between state and national banks, and correspondingly has increased the economic significance of the tax burden.

Is There a Remedy? Can anything be done, under existing law, to the end that substantial equality in treatment be accorded the respective banks and adequate revenue be provided the taxing districts? This query involves a careful analysis of the provisions of Section 5219 United States Revised Statutes, which stipulates the methods available to the state in taxing national banking institutions. Owing to the complexity of the methods permitted, the nature of the qualifications which surround and restrict some of the methods, and the complicated legal issues involved, adequate and accurate summary is impossible and the reader is directed to the latter half of the following report for a discussion of this phase of the problem.

CHAPTER XVII

THE TAXATION OF STATE AND NATIONAL BANKS

Legal Authority for Taxation. The taxation of banks by the several states in the Union is of necessity so intimately related to the question of the taxation of national banks that it is pertinent to begin this survey with a brief outline of the problem of the taxation of national banks.

National banks are the creatures and agents of the Federal Government and as such are taxable only in accordance with the limitations set by Congress. Section 5219 of the United States Revised Statutes constitutes the sole authorization which the several states have in the taxation of national banks. North Carolina and all other states can tax such banks only in the manner and degree permitted by that statute.

Prior to 1923 the only possible method by which the state could tax national banks, aside from their real property, was by the use of an *ad valorem* property tax on the shares of bank stock to the stockholder. Furthermore, this method was restricted by the provision that "the taxation shall not be at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of such state coming into competition with the business of national banks." For years this proviso had been in practice interpreted to mean moneyed capital engaged in the business of banking but the U. S. Supreme Court in 1921 (Merchants National Bank v. Richmond, 256 U. S. 635) held that moneyed capital in the hands of individuals—in brief, private investments of the type made by national banks—constituted competition with such institutions, and therefore national bank shares could not be taxed at a rate greater than that levied on such private investments.

Changes in Methods of Taxation. An attempt to change the meaning of Section 5219 was made in 1923 by an amendment to that statute; but the court subsequently held that the amendment, in this particular, did nothing more than incorporate the implications of the previous decisions into the statute, and the restriction on bank share taxation remained in effect as before. The amendment did, however, authorize the taxation of the net income of national banks to the bank, and the taxation of income from the dividends on national bank shares as personal income to the stockholder. A further amendment to Section 5219 was made in 1926 permitting, under certain conditions and limitations, a franchise or excise tax on national banks. More will be said about this in another connection; the immediate point of interest is that North Carolina, as well as all other states, must in its taxation of national banks keep within the limits set by Congress and interpreted by the Supreme Court.

Recent Banking Legislation in Relation to Problem of Bank Taxation. These limitations, futhermore, are more than simple legal restrictions. Fundamental economic forces as well as the character and integrity of the state banking organization are involved in them. Within the last two years two acts, one a Federal enactment and the other a law of this state, have further complicated and intensified the problem of the taxation of banks in North Carolina. The McFadden Act passed in 1927 by Congress considerably widened the scope of national banking powers; more loans on real estate mortgages were permitted; wider trust powers were authorized; national banks were granted the right to do an investment banking business; recognition of saving departments as legal activities for national banks was given; and the limit on loans to one person was made more liberal. Congress has thus considerably broadened the powers and in- creased the field of activity of national banks and correspondingly enhanced the vigor of competition of such institutions with banks chartered by the state.

Strikingly enough, at almost precisely the same time, the Legislature of North Carolina revised her banking laws by raising the capital require- ments reducing the amount which may be loaned to one party, and tight- ening up the law in other significant ways. It is not necessary at this time to pass judgment on either of these acts, but it is significant that both of these laws will tend to lessen the differences between the state and national banks and to increase the vigor of competition. Although there is still some disparity in the requirements of national as opposed to state banking privileges and powers, it may well be—if this tendency towards equality should continue until both types of institutions are under the same privileges and restrictions—that the state can no longer discriminate against the state bnas in the matter of tax burden without at the same time jeopardizing the state banking organization. It is not at all impossible that the differ- ence in tax burden may become the decisive factor in determining the ques- tion as to whether the banker shall work under a local or federal charter. With these observations in mind let us turn to a consideration of the present method of taxing banks in North Carolina.

TAXATION OF NATIONAL BANKS

For purposes of clearness and comparison it is well owing to the difference involved to separate the discussion of the taxation of national banks from that of state banks. Let us notice first the taxation of national banks. National banks in North Carolina are taxed in the following manner. In the first place their real property is taxed by local governments just as other real property[1] is taxed. A comparison of the assessed value of such real property with the book value (value as carried on the books of the cor- porations) during the period from 1923 to 1926 reveals an assessed value equal to 72 per cent of the book value, so it may be fair to conclude that in

TABLE 129—COMPARISON OF BOOK VALUE WITH ASSESSED PROPERTY VALUE
(000 omitted)

Tangible Property of Banks	1923		1924		1925		1926	
	State Banks	National Banks	State Banks	National Banks	State Banks	National Banks	State Banks	National Banks
Book Value as of June 30	$10,250	$ 7,232	$11,467	$ 8,197	$11,872	$ 9,151	$12,650	$ 9,920
Assessed Value	7,351	5,432	7,880	6,354	8,649	6,618	10,610	6,510

[1]Real property for purposes of this paper may be defined to include the real estate and furniture and fixtures of banks.

so far as the assessment of the real property of such banks is concerned there appears to be a reasonable return for taxation. This data is presented in the foregoing table.

Share Taxation of National Banks. In addition to the taxation on real property, North Carolina taxes the shares of national banks, nominally to the stockholders, but in reality to the banks. The basis of valuation of such shares (both national and state banks) is market or actual value, to be arrived at by taking into consideration among other things, the capital, surplus, and undivided profits of the bank, but the law provides for the following deductions from such values:

(1) From surplus and undivided profits there may be deducted for bad debts an amount equal to 5 per cent of its receivables, upon affidavit of the loss by the cashier. An amount equal to the investments of the bank in United States bonds, North Carolina State bonds, Federal Farm Loan bonds, and Joint Stock Land Bank bonds is also deductible from these items.

(2) From the remaining assessed value (never less than the capital of the bank) may be deducted the assessed value of the real property of the bank.

TABLE 130—COMPARISONS OF BOOK AND ASSESSED VALUES OF STATE AND NATIONAL BANKS WITH SUPPLEMENTARY DATA (000's omitted)

	1923		1924		1925		1926	
	State	National	State	National	State	National	State	National
1[1] Book Value of Stock	$38,876	$25,289	$40,677	$25,979	$39,454	$26,382	$41,828	$ 27,468
2[2] Assed Value of Stock	26,380	13,136	26,211	13,576	27,011	13,612	26,425	13,178
Percentage (2 to 1)	68	52	64	52	68	52	63	48
3 Assessed Value of Real Property	7,351	5,432	7,880	6,354	8,649	6,618	11,106	6,510
4 (2−3) Net Assessed Value of Shares or Assessed Corporate Excess	19,029	7,704	18,330	7,221	18,362	6,994	15,319	6,668
5 Book Value of Corporate Excess	28,626	18,057	29,210	17,782	27,582	17,231	19,178	17,548
6 Surplus and Undivided Profits	14,982	11,984	16,823	12,559	16,573	12,297	18,992	13,073
7 (1−2) Book Value of Shares Not Assessed	12,496	12,153	14,466	12,403	12,443	12,770	15,403	14,290
8 Investments in U. S., State, County, Municipal Bonds	9,485	18,984	11,297	17,848	10,743	19,452	13,808	19,521
9 Total Resources	269,677	173,133	280,619	178,798	287,477	187,712	309,567	196,324

[1]Book value as of June 30th.
[2]Assessed value as of May 1.
Sources: Reports of the Comptroller of Currency (U. S.)
Reports of State Department of Revenue (N. C.)

As might be expected the residual amount which is assessed is not large. Table 130 shows, for national and state banks, the actual results of this method of assessment during the years 1923-1926 after such deductions allowable under the law had been made.

Effects of Legal Deductions on Assessment. Upon calculation it will be established that the net assessed value of the shares of national bank stock (usually termed corporate excess) during the period, amounted to only 35 per cent of the book value[1] of such shares minus the deduction of assessed real property. Or to put the matter differently, after allowing the deduction of the real estate item, which is almost universally permitted by all states in bank share taxation, the other deductions from book value permitted by the North Carolina law and not as a rule permitted by the laws of other states, reduce the assessed value of the remainder to a mere 35 per cent of the book value of such remainder.

Amount of Taxes Paid by National Banks. What are the results of this practice on taxes? Obviously, it reduces the taxes derived from national banking institutions operating in this state to a relatively small sum. [2]A careful calculation of the local taxes paid by national banks in North Carolina in 1927 reveals the following results:

Taxes from real property	$163,367
Taxes on corporate excess value of stock	171,462
Total taxes	$334,829

In brief, local governments in North Carolina received in taxes from the national banks located in their midst a total of some $334,000, banks whose capital stock book value in 1926 was $27,468,000, whose total resources reached the sum of $196.000,000, and whose net earnings before taxes totalled $2,667,000. The ratio of local taxes paid to total income before state and federal taxes was 12½ per cent in 1927; in other words the tax burden on national banks operating in this state in so far as North Carolina levies are concerned was 12½ per cent of the income. Calculations for the years 1923-1927 indicate approximately the same relative burden during those years. It is to be noted in passing that all these taxes are purely local levies and that the state government of North Carolina does not receive one cent in taxes from national banks.

TAXATION OF STATE BANKS

State banks in North Carolina are taxed in two distinct ways. First there is the local property tax on real property and bank shares exactly similar to such taxes on national banking institutions. In addition thereto, state banks are subject to the state income tax for state purposes. Let us notice the significance of each tax.

Disparity in Assessment of Bank Shares. The law imposing property taxes on state banks is the same law which taxes the property of national banks but in its practical operation the results differ somewhat in degree. In so

[1]Book value of shares, for purposes of this paper, will be defined to include the capital, surplus, and undivided profits of the bank.

[2]These results were obtained by multiplying the assessed value of each bank by the 1926 tax rate obtaining in the town in which the bank was located, total assessed value and assessed corporate excess being calculated separately. Taxes on real estate were secured by a subtraction of corporate excess taxes from total taxes. The fiscal year for the property tax ended June 30, 1927.

far as the taxation of real property is concerned there appears to be no discernible difference of any significance. A comparison of book value of real property of state banks with the assessed value of such property for the years 1923-1926 reveals an assessment of 76 per cent of such values as opposed to a 72 per cent assessment of such property by national banks, but the ratio of the assessed value of corporate excess to the book value of corporate excess for state banks is 57 per cent, whereas for national banks it is only 35 per cent for these years. This variation of course reflects itself in the taxes paid by state banks. [1]In 1927 state banks paid in property taxes to the local governments the following amounts:

Taxes on real property	$213,703
Taxes on corporate excess value of stock	489,569
Total property tax	$703,272

Thus the state banks, with 60 per cent of the book value of all banks in North Carolina, pay 67 per cent of all the property taxes paid by these banks. The disparity is not striking but it does show that to an extent the allowable deductions work in practice to the advantage of national banks, since these have a relatively larger proportion of bonds which are legal deductions from the book value of the bank shares. Of course it is to be remembered that there is no legal inhibition preventing the state banks from investing more heavily in such deductible bonds and thus reducing the taxable corporate excess.

The Income Tax on State Banks. State banks are taxed not only by local governments under the property tax but also the state subjects them to the income tax of 4½ per cent on the taxable income of these institutions. A study of the income tax returns of the state banks in 1927 shows taxable income for that year amounting to $2,728,877, with $122,797 of income taxes paid into the state treasury. (It might be noted, in passing, that though state banks returned only $2,728,877 taxable income in 1927, dividends paid and the increase of surplus and undivided profits combined were $4,119,000.) The total state and local tax burden of state banks in North Carolina in 1927 was therefore approximately as follows:

Property taxes to local governments	$703,272
Income tax to the state government	122,797
Total taxes	$826,069

DISPARITY IN TAX BURDEN

If to the taxable income of the state banks for 1927 is added the amount of tax deductions of $765,285 as reported for that year, giving us the income before taxes, we find that state and local taxes are absorbing 23.6 per cent of that amount (income before taxes) and on the other hand that the local

[1]These results were obtained in manner similar to the calculations for national banks, the assessed values for each bank being multiplied by the tax rate in the town in which the bank was located. For some 41 small banks, whose assessed values did not appear inthe galley proof sheets of the State Department of Revenue, the assessed values were obtained by using the same proportion of book values which the assessed values of banks listed in that report bore to the total book value. It will be further noted that this calculation does not take into consideration the fact that branch banks of parent institutions are taxable, pro-rata to deposits, at the situs of the branch. Such data, however, was unavailable, and it is believed that the error involved would be slight. The error would be one of under-estimation rather than over-estimation.

taxes on national banks absorb only 12½ per cent of their income.[1] Measured in terms of income, therefore, the tax burden on state banks is appreciably heavier than on national banks. Measured in terms of book values of the shares the ratios of tax burden are as follows: for state banks 1.8 per cent and for national banks 1.1 per cent. Measured in terms of total resources the relative tax burdens are .26 per cent and .16 per cent for state and national banks respectively. It is, therefore, apparent that by whatever test employed, the state banks of North Carolina are more heavily taxed than national banks and the difference is an appreciable difference.

Significance of Tax Discrimination. The discrimination as between the state and national banks is unmistakable and is a serious discrimination. It is not at all unlikely that this discrimination in tax burdens may eventually become of sufficient importance to determine their choice of charter, particularly in view of the recent banking legislation previously referred to.

COMPARISON OF TAX BURDEN ON BANKS AND ON OTHER BUSINESSES

That banks are not as heavily taxed as certain other businesses in North Carolina is indicated by a comparison of the ratio of taxes to income in the several fields. In rented business property, according to a study made for this Commission, taxes absorbed 28.6 per cent of the income from such property before the taxes and interest on indebtedness had been deducted; on residential property, 34.5 per cent of such income was absorbed by taxes. Other studies reveal the fact that taxes on farm properties absorb 28.9 per cent of the income before taxes and interest on indebtedness; taxes on Class I railroads absorb 25.2 per cent of such income; and power companies pay some 15.5 per cent of such income in tax levies. When these tax burdens are compared with the 12.5 per cent for national banks and the 23.6 per cent for state banks of income before taxes but not before interest paid on indebtedness, it is apparent that banks are not so heavily taxed as certain other industries—at least in so far as the ratio to income is concerned. Whether or not the income test is the best or most adequate method of measuring tax burdens is of course a different question.

Earnings On Capital of Banks. Of some interest in this matter of tax burden is the profitability of capital invested in the banking business. The following table presents the earnings of national banks in North Carolina during the past five years, as reported by the Comptroller of Currency:

PROFITS (after taxes) OF NATIONAL BANKS IN NORTH CAROLINA

	1923	1924	1925	1926	1927
Profits to Capital	12.74%	14.81%	13.67%	13.86%	15.69%
Profits to Capital, Surplus and Undivided Profits	7.84%	9.08%	8.40%	8.48%	9.39%

Similar data for state banks is not available except for the year 1927 when

[1]Taxable income of State banks for state income tax purposes differs slightly from taxable income of National banks for federal income tax purposes but the difference in practice is not very significant. The bases are roughly comparable.

these banks reported income after taxes amounting to 11.13 per cent on their capital and 5.89 per cent on their capital, surplus and undivided profits.

POSSIBLE METHODS OF TAXING NATIONAL BANKS

But how can national banks be taxed? This question involves a careful analysis of the provisions of Section 5219, U. S. Revised Statutes (a copy of which is to be found in Appendix I), as amended in 1926, together with the probable financial results to be obtained by each of the several methods permitted by that act. Section 5219 provides, first of all, that the real property of national banks may be taxed by any state or local division thereof to the same extent as other real property. Bank real estate, furniture and fixtures are therefore taxable like similar property of other corporations and individuals. It is to be observed that the taxation of the real property of the national banks as outlined is possible irrespective of the choice of one or more of the remaining alternatives. After the real property of the bank has been taxed, national banks may be further taxed by one of the following methods:

1. A property tax may be levied on bank shares, subject to certain limitations to be discussed later, in those states which employ either a general property or a classified property tax.
2. The dividends on national bank shares may be taxed as personal income to the stockholder in those states where dividends on domestic corporations are similarly taxed.
3. The net income of national banks may be taxed to the bank in states which levy a corporation income tax on other corporations.
4. A franchise or excise tax *measured by net income* of the national banks may be used by states which tax other corporations either by an income tax or a franchise tax or by both.

In addition to the above methods used singly, it is to be noted that there is possible the following combinations of methods. Methods number (3) and (4) may be combined with method number (2); that is, a state may, if it meets certain conditions to be specified later, levy a corporation income tax on the national bank itself plus a personal income tax on the dividends from national banks to the stockholder, which we will call Combination A; it may levy a franchise tax on the bank measured by its net income plus a personal income tax on the dividends of the national bank shares to the stockholder, which we will call Combination B. If, however, a state elects to employ the property tax on bank shares (method number 1), it cannot tax national banks by any of the other methods. Each of these methods is qualified by certain restrictive clauses which merit closer attention. A survey of these provisions together with the revenue possibilities of each method will now be made.

Method number 2 merits but little attention. If used singly, it would produce but little revenue. It may, therefore, be dismissed as a sole way of taxing national banks.

Share Taxation as a Method of Taxing Banks. [1]The first method is the well known and widely used *ad valorem* property tax on bank shares; it is the method at present employed by this state. The results obtained from this type of tax in North Carolina have already been discussed. It should be noted,

[1]Among the states using property tax on bank shares are the following: Alabama, Georgia, Idaho, Indiana, Iowa, Louisiana, Minnesota, Missouri, Ohio, and Tennessee.

however, that there is no provision in the federal law which requires certain deductions from actual value permitted by the North Carolina law, deductions which are neither justified on grounds of theory or canons of practice. Take the 5 per cent deduction for bad debts for example. According to the Report of the Comptroller of Currency (U. S.) the average charge for losses on loans and discounts by National banks from 1918 to 1926 inclusive was .67 of 1 per cent, the highest ratio being in 1922 when the charge was 1.20 per cent and the lowest in 1920 when the ratio was .2 of 1 per cent. Furthermore, a large portion of the losses written off were recovered. The excessive 5 per cent limit fixed by the North Carolina law stands as an open temptation to bank officials, and though there is evidence that it has not been widely used because of the other legal deductions, the possibility for its unwise employment is still present.

Deductions of Bonds in Assessment a Unique Practice. [1]The deductions of United States bonds, North Carolina bonds, Farm Loan, and Joint Stock bonds also appear to be without adequate justification. There is nothing in Section 5219 which requires such deductions and the Supreme Court of the United States (66 M. 273) specifically held that deduction of tax exempt United States bonds from the value of capital stock of banks was not permissible. Furthermore, the tax codes of many of the other states fail to provide for the deduction of tax exempt bonds owned by the bank. Alabama, California, Georgia, Iowa, Indiana, Kansas, Kentucky, Louisiana, Michigan, Missouri, Montana, Ohio, and Virginia among others, make no provision for this deduction. Thus, Ohio with banks having a book value of $346,000,000 and real estate holdings of $111,000,000 assessed the bank shares at $250,000,000 which was only $15,000,000 less than the net book value (book value less real estate) despite the fact that these banks held at that time some $197,000,000 of United States government bonds. Similarly, Louisiana in 1924 had assessed the bank shares in that state at $28,000,000 when the net book value was $31,000,000 though the banks held some $13,000,000 of United States securities. California showed some $5,347,000 of taxes paid by banks in 1926 which at the state tax rate of 1.45 per cent would indicate an assessment of $368,000,000 against a gross book value of $346,000,000. Other instances might be cited to show the prevailing practise in this particular but it scarcely appears necessary to do so.

It could hardly be claimed that the purpose of the North Carolina law, in this particular, is to create and support the market for such bond issues, since there is outside the banks an ample market for just such tax exempt securities. Finally, it should be noted that the deduction as permitted plays into the hands of the national banks and further increases the disparity in bank taxation.

Elimination of Deductions Would Increase Revenue. If North Carolina is to retain the property tax on bank shares as her method of taxing national banks, therefore, increased revenue frum such institutions may be secured by a modification of the law eliminating the deductions permitted to be subtract-

[1]It is known that the N. C. Court in Pullen v. Corporation Commission held certain state bonds could be deducted to avoid "indirect" taxation but the tenor of that decision is quite contrary to the decisions of the U. S. Courts on similar issues and raises the question as to whether the N. C. Court might not take a different attitude on the issue if the law taxing banks were changed, eliminating the deductions. See Trust Co. v. Lander, 184 U. S. 111: Ban Allen v. Assessors, 3 Wall. 573: Bradley v. People, 4 Wall. 459.

ed from surplus and undivided profits. Such an amendment would permit an increase in revenue from national banks of approximately $300,000 or more for the local governments. It would also increase the taxes paid by state banks by some $325,000 since under the federal law no difference can be made in the methods of share taxation of state and national banks. Should this increase unduly the burden on state banks, relief could be obtained, in part, by exempting them from the state income tax.

Advantage of Share Taxation. The advantage of the share method of taxation lies in the amount of revenue which can be derived from its employment. It is easily the most productive type of tax which can be levied on national banks and its failure to produce more revenue in North Carolina is due to the peculiar provisions of the North Carolina statute and not to the method employed.

Objections to Share Taxation. There are, however, numerous objections to this method of taxing banks both from a revenue and from a banking standpoint. The chief objection, from the standpoint of taxing authorities, center in the proviso: "the tax imposed shall not be at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of such State coming into competition with the business of national banks: Provided, That bonds, notes, or other evidences of indebtedness in the hands of individual citizens, not employed or engaged in the banking or investment business, and representing merely personal investments, *not made in competition with such business*, shall not be deemed moneyed capital within the meaning of this section." This qualification on bank share taxation under recent decisions of the United States Supreme Court has been interpreted to mean that whenever a state or local government taxes other solvent credits which substantially compete with the business of national banks at a lower rate than it attempts to tax bank shares, the higher bank tax is illegal. In other words bank share taxation is most productive only when the *general property tax* is used and is relatively unproductive when the *classified property tax* is used since the tax on bank shares can in practice be at a rate no higher than the rate on credits which come into substantial competition with the business of national banks irrespective of whether the holder or owner of those credits be a banker or an individual.

Recent Court Decisions. A few illustrations from recent court decisions will clarify the point. Wisconsin attempted to exempt intangibles from the property tax and at the same time to tax bank shares at the regular rate. The United States Supreme Court in 1927 (First National Bank v. Hartford, 273 U. S. 548) held that individuals operating in notes, bonds, and mortgages were in competition with the operations of the bank in question and the bank shares could not be taxed if the competing intangibles were exempt. The rule laid down by the Court in this case was as follows: "Our conclusion is that Section 5219 is violated wherever capital, [1]*substantial in amount when compared with the capitalization of national banks, is employed either in business or by private investors in the same sort of transactions* as those in which national banks engaged and in the same locality in which they do business." Thus the operations of real estate firms in loans and mortgages amounting to from $250,000 to $300,000 and of bond houses selling bonds,

[1]Italics are the writer's.

mortgages and notes in the vicinity of the bank in Hartford, enjoying the privilege of tax exemption, are in competition with the operations of the national bank located there and thereby invalidate the personal property tax on bank shares.

The Minnesota Decision on Competing Moneyed Capital. On the same day the Court rendered another decision affecting the Minnesota law. (Minnesota v. First National Bank, 273 U. S. 561.) Minnesota taxes intangibles at the state rate of three mills on the dollar, whereas bank shares were taxed at the full local property rate on an assessment of one third of the value of such shares. In this case the attempt to collect taxes assessed on the bank shares was defeated, the Court holding that: "the evidence tends to show without material contradiction that there is a large amount of moneyed capital in the state employed in normal banking activities such as loans, purchases and sales of notes, bonds and real estate mortgages, and that large amounts of capital are invested and reinvested in such securities by individual investors within the state . . . . . The competition guarded against by section 5219 may arise either from the employment of capital invested in a business, even though the [1]*competition be with some but not all the phases of the business of national banks*, or it may arise from the employment of capital invested by *institutions or individuals in particular operations or investments like those of national banks*."[2]

From these decisions it appears clear that under the law it will be possible to tax without contests bank shares at no higher rate than that imposed on moneyed capital which comes into *substantial competition with any one or more of the usual operations of national banks*. Nor is there any escape from this difficulty through the device of assessing bank shares at a higher percentage of their value than other moneyed capital is assessed while retaining the *same rate of taxation* for the Court frowned on this device in an earlier decision. (Des Moines National Bank v. Fairweather, 263 U. S. 103.)

Significance of Recent Decisions. These decisions are pertinent for North Carolina in view of the possibility of a constitutional amendment permitting a separate classification of intangibles for taxation. Should such an amendment be ratified and intangibles taxed at a lower rate, it will likely be impossible to tax national bank shares at a rate higher than the rate levied on intangible credits. A low rate on notes, mortgages and bonds in substantial competition with banks must of necessity be accompanied by a low rate on national bank shares unless and until there is a further modification of Section 5219, U. S. Revised Statutes. A low rate on national bank shares in North Carolina of say, 5 mills, would reduce the taxes paid by these banks on corporate excess from $171,000 to $33,000 but would not disturb the tax on real property amounting to $163,000, the net loss being $138,000. In a word, share taxation of banks can be most productive only when the general property tax is employed; its effectiveness tends to disappear when the classified property tax with low rates on intangibles is used.

Other Objections to Share Taxation. Other objections to share taxation may be briefly summarized. It is contended that it penalizes a large bank

[1]Italics are the writer's.
[2]In a third case involving the laws of Kentucky (Georgetown National Bank v. McFarland, 273 U. S. 586), delivered the same day, the Court held that the evidence did not show that the amount of capital coming into competition with the national bank in question was substantial.

capitalization, thus weakening the position of the depositor whose claim on the double liability of the bank stockholder is reduced by the smaller amount of capitalized surplus. In this respect, the North Carolina law is particularly faulty because of the items deductible from surplus. There is both rhyme and reason in the policy of a large North Carolina bank which advertises a surplus nine times its capital stock. The share tax method is also subject to the discriminations inherent in the general property tax; a bank in Winston-Salem pays taxes on its assessed value at the rate of 1.55 per cent, while a bank operating in Louisburg pays at the rate of 5.18 per cent. Owing to the superior fluidity of bank funds as compared to real property, these discriminations offer some advantages to banks located in larger towns where the property tax rates are typically lower than in smaller towns. Finally, the property tax on bank shares has been and will continue to be a source of frequent litigation in those states in which intangibles are assessed or taxed at a rate lower than bank shares. In view of the ever-widening scope of national bank operations as evidenced by the McFadden Act and the recent expansion of certain leading banks into the field of consumer credit (previously held by industrial banks) it will be increasingly difficult to establish the non-competitive character of any type of private investment in intangibles, and, it will be equally as difficult to establish the fact that these invesments of individuals are not substantial in amount as compared with the capitalization of the national banks in the locality affected.

Income Tax as a Method of Taxing National Banks. The third method of taxing banks permitted by Section 5219 for states which have a corporation income tax is the taxation of the net income of the bank under a corporation income tax, plus, if the state so desires and taxes similarly the dividends of other corporations, a personal income tax on the dividends paid on bank stock to the stockholder. The two taxes are separable. A state may use the corporation income tax with or without the tax on the personal income derived from dividends on bank shares. This method of taxation meets, however, with the objectionable qualification that the income from non-taxable securities which the bank holds is not subject to the income tax as levied by the respective states. Since on June 30, 1927, the tax exempt securities held by national banks in North Carolina were more than 11 per cent of the total resources of those banks, it is obvious that the use of the income tax method would not touch something over one-tenth of the net income of such banks. The revenue produced by such a tax would be appreciably below the amount paid by national banks located in North Carolina last year. In 1927 national banks located in North Carolina reported taxable net income totaling $2,780,000. Allowing for 10 per cent of this as being exempt from taxation, the taxable remainder would provide under our present 4½ per cent income tax only $113,000 as against the present property tax on corporate excess of $171,000. In view of the fact that the income so produced is inadequate and because method number 4 permits of greater revenue from national banks without sacrificing any of the taxes from the state banks, it would appear unnecessary to give further consideration to the corporation income tax as a method of reaching national banks. Only one state in the Union, Wisconsin, whose corporation income tax taxes as much as 6 per cent of certain incomes, has found it advisable to employ the direct corporation income tax method of taxing banks, both state and national.

Franchise Tax Measured by Net Income. The fourth method permissible under the law is the use of a franchise or excise tax measured by net income, plus, if the state so desires and taxes the dividends of other corporations similarly, a personal income tax on the dividends of bank shares to the stockholder. Here again the two taxes are separable. A state may use the excise tax with or without the personal income tax on dividends to the stockholder. The franchise tax may be used by states which employ either a franchise or income tax on other corporations. Whether or not it may be used by states employing the property tax must await the decision of the Court. This method, which was provided for in the 1926 amendment to Section 5219, grew out of an attempt to get at *all* of the net income of national banks and is based upon a decision of the United States Supreme Court rendered in 1910.[1] (Flint v. Stone Tracey, 220 U. S. 108) in which the Court concluded that "the measure of taxation being the income of the corporation [2]*from all sources* . . . . . *it is no valid objection* that this measure includes, in part at least, property which as such could not be directly taxed." Behold the value of a word in the contemplation of the law. Though the total net income of a corporation cannot be taxed, a franchise tax measured by the total net income is valid. All, then, that is necessary in the matter of taxing the total net income of national banks instead of nine-tenths of that income is to call the tax a franchise tax measured by net income instead of an income tax.

Restrictions in the Use of the Franchise Tax. The imposition of a franchise tax measured by net income (and the imposition of a straight income tax previously referred to as method number 3) is subject to the following restrictions: "In case of a tax on or according to or measured by net income . . . *the rate shall not be higher than the rate assessed upon other financial corporations nor higher than the highest of the rates assessed by the taxing State upon mercantile, manufacturing, and business corporations doing business within its limits.*" Much depends upon the interpretation of these restrictions and as yet no case has been carried to the courts for adjudication. Just what the phrase "other financial corporations" and the word "rate" will mean when given judicial interpretation cannot be predicted with accuracy, but the ruling of the Attorney General of Massachusetts on this point is enlightening, particularly in view of the fact that the interpretation was made in response to a request of the Commissioner of Corporations and Taxation in that state. [1]By the phrase "other financial institutions" says this authority, is meant institutions substantially competing with the business of national banks and does not include insurance companies, savings banks, coöperative banks and credit unions. (This opinion was based on Mercantile Bank v. New York, 121 U. S. 138, in which the Court held that savings banks were not engaged in substantial competition with national banks.) It is hardly possible that the courts would take a different view of the meaning of this phrase, for were "other financial institutions" to include certain types of credit unions and coöperative banks, taxation under this method would prove futile. The word "rate" as found in the provision was interpreted by this same authority as meaning the ratio of the amount of the taxes paid to net income of the corporations concerned. A similar but somewhat broader interpretation of the

[2]This decision does not stand alone. A series of decisions from which the Court in this instance reasons appears to the layman to form adequate legal ground for action. See also Maine v. Grand Trunk Ry. Co., 142 U. S. 217.

[1]Annual Report of the Commissioner of Corporations and Taxation for year ending November 30, 1927, p. 98 et seq. Massachusetts.

statute was recently made by Mr. Phillip Nichols, Counsel for the Massachusetts National Bankers Association, who was largely instrumental in the framing of the Massachusetts law taxing banks. [2]He says "what that means

[2]Hearings before House Committee on Banking and Currency, May 11, 1928.

. . . . is that the tax on the income of banks shall not be greater than the proportion of income which manufacturing and mercantile corporations, taken as a whole, pay in taxes to the State and its political subdivisions." Thus for both authorities "rate" means the ratio of the amount of taxes paid to the net income, except that Mr. Nichols includes in the taxes paid both state and local levies. The two restrictions in the use of this method are therefore that the rate of franchise taxation on national banks shall not be higher than the rate levied on other financial institutions, nor higher than the highest tax levies on manufacturing, mercantile and business corporations doing business in the state. In the event the highest of the tax rates on "business' corporations is lower than the rate on "financial" corporations, then the first-named rate becomes the rate at which national banks shall be taxed; otherwise the rate applying to financial corporations shall be employed.

Methods of Applying the Franchise Tax and Estimated Results. Two methods of applying such a franchise tax are possible. It is possible to do as New York has done, namely, levy a straight franchise tax on national banks equal to the franchise (or income) tax on other banks. Thus the rate is written into the law and fixed by statute at 4½ per cent. This method has the effect of a 4½ per cent income tax on banks. North Carolina could pass such a law and in that event national banks would pay the regular property taxes on real property, plus a franchise tax equal to 4½ per cent of their net income. The yield from such a tax would be approximately as follows:

Property tax on real property	$163,000
Franchise tax 4½ per cent on $2,780,000	125,000
Total taxes—national banks	$288,000

Thus the amount derived would be somewhat less than the amount secured under the present method, which last year totalled $334,000.

If state banks should be taxed in the same manner, that is, by means of a franchise tax instead of an income tax, and if the tax on the corporate excess of state banks should be abandoned, the expected revenues from state banks would then be as follows:

Taxes on real property	$213,000
[1]Franchise tax of 4½ per cent	151,000
Total	$364,000

As compared with the present revenues obtained from state banks, $826,000, the above receipts would be some $462,000 less, which, combined with the $48,000 decrease from national banks, would make a total decrease in taxes amounting to $510,000. Under such a plan state and national banks would

[1]This amount was arrived at as follows: To the present income of $2,728,000 reported for income taxation was added $646,000 estimated income from non-taxable securities, that is, 4%—the estimated yield of the United States, State and County bonds held as of June 30, 1927, amounting to $16,166,000. It is believed that banks are now deducting from their income the gross income from non-taxable bonds and not the net income. (Should the calculation be made on the basis of the net income from non-taxable bonds the franchise tax would be some $30,000 less.) The total income as determined being $3,374,000, a 4½% franchise tax would yield $151,000.

be similarly taxed but the loss in revenues would be quite large. Should the state banks be taxed as they are at present and national banks taxed by a 4½ per cent franchise tax in lieu of the present bank share tax, the loss would not be more than some $48,000, which could probably be recouped through a further tax on the dividends of bank shares as personal income to the stockholder. It is to be observed, however, that this plan continues the discriminatory taxes as against state banks.

Advantages of the Straight Franchise Tax. The advantages of the straight franchise tax with the rate fixed by law are its simplicity, definiteness, and indubitable legality. North Carolina could levy a 4½ per cent franchise tax on national banks with or without disturbing in the least her regular income tax, or any other tax except the share tax on national banks, since the two restrictions, stipulating that the rate shall not be higher than the rate on other financial corporations and not higher than the highest rate on mercantile, manufacturing, and business corporations, foreign and domestic, are both observed by our 4½ per cent income tax on these corporations. Should, therefore, a constitutional amendment be passed providing for the classification of intangibles and their subsequent taxation at a lower rate, the tax from national banks can be maintained at approximately the present level by this simple shift in method from a share tax to a franchise tax measured by net income. But the question still arises as to the adequacy of such a tax. The evidence indicates that the national banks would still be getting off too lightly. Can, under the law, the national banks be more heavily taxed?

The Massachusetts Method of Applying the Franchise Tax. The method of applying the franchise tax which Massachusetts employs is illuminating in this particular. This state, instead of fixing a straight rate for its franchise tax on banks, specifies that the Commissioner of Taxation shall annually determine the rate of said franchise tax, provided the rate as fixed shall conform to the two restrictions stipulated by Section 5219 of the federal law. The degree of elasticity in the tax rate so levied on banks by the Commissioner becomes then to a greater degree conditioned by one's interpretation of the federal law upon which we have as yet no judicial guidance. If North Carolina were to use the Massachusetts application of 5219, several courses appear possible.

A Possible Use of This Method in North Carolina. First, it would be possible to adopt the following scheme of bank taxation. Tax state banks as follows: Place a franchise tax on them of 4½ per cent measured by net income and levy in addition the capital stock tax of one-tenth of 1 per cent now levied on most business coroporations in this state, easing up on their share tax if it is deemed necessary by changing slightly the basis of assessment to a lower percentage of the book value of the stock (a practise followed by several states, Minnesota for example). If this were done, then the franchise tax on state banks would total $151.000 and the capital stock tax would approximate $42,000 (the property tax on shares would depend on the rate of assessment). Using the combined franchise and capital stock tax as a basis, national banks would then be taxed at a rate determined by the Commissioner of Revenue which might be as high as 5.7 per cent. (The method of calculating this rate is as follows. The ratio of the combined franchise tax and capital stock tax of state banks to the net income of these institutions is as $193,000 to $3,374.000 or 5.7 per cent). Since both the capital stock and franchise taxes are state levies imposed on state banks essentially based on the right to do business in this state, they are substantially similar to the franchise tax levied on national banks and would therefore appear to guarantee the legality of the national bank levy. Furthermore, this tax would be in keeping with the other provision of Section 5219 that the rate imposed shall not be higher than the highest rate imposed on other business corporations, since business corporations as a rule have a higher ratio of capital stock to total assets than do banks. (In 1918 459 business corporations in the United States had 50 per cent of their total assets represented by capital stock alone, and an additional 25.4 per cent represented by surplus and reserves). Under this method of applying the franchise tax on national banks, the revenue received would total $158,000 instead of $125,000 under the straight 4½ per cent franchise tax on national banks.

A Third Possible Application of the Franchise Tax. A third plan of applying the franchise tax might be devised to meet the present situation. In the event a constitutional amendment should be passed providing for the taxation of intangibles at a lower rate, it appears probable that the tax on the corporate excess value of bank shares and other business corporations would have to be abandoned since such taxes are essentially share taxes. In that contingency these corporations might be taxed through a franchise tax measured by net income sufficiently high to equal the present income tax and the tax on corporate excess. In this event the franchise tax on national banks could likewise be stepped up to a point equal to the higher franchise rate levied on other financial and business corporations. It is not known just how heavy the tax on corporate excess on business corporations is, but that tax on state banks in 1926 amounted to $489,000 which, combined with the income tax of $122,000, took approximately 17 per cent of the income of banks before taxes. It is quite probable that the rate on business corporations is much lower, but the possibility of substituting a reasonably high franchise tax on banks and business corporations in lieu of the present income and corporate excess taexs would do much to equalize the present disparity in bank taxation in this state. Such a step would also simplify the tax system and would have the advantages which simplification possesses.

The Franchise Tax in Relation to State and Local Taxes. Under the present system of state taxation, can the disparity between the tax burden of state and national banks be further reduced by use of the franchise tax for banks? If the word "rate" in Section 5219 be interpreted to mean the ratio of the *total tax burden, state and local,* to the net income of the corporations embraced in that section, then it would appear that national banks could be taxed in the followiny manner. (This is the interpretation put upon that statute by Mr. Phillip Nichols, Counsel for the Massachusetts National Bankers Association.) Deduct the taxes on real estate paid by banks and "other financial institutions," mercantile, manufacturing, and other business corporations; take the total remaining taxes paid by those corporations and calculate the ratio of the taxes to the net income of these corporations to determine the rate of franchise tax to be levied by the tax commissioner on national banks. It is to be noted that three separate calculations are involved; (1) a calculation of ratio of the tax burden of state banks and other financial institutions to net income, (2) a calculation of the ratio of the tax burden to net income of mercantile, manufacturing and other business corporations chartered by this state; and (3) a similar ratio for "business" corporations chartered in other states but doing business in North Carolina. Since foreign "business' corporations are not taxed on their corporate excess, under the present system, the ratio for this class of corporations will be somewhat lower than for domestic "business" corporations doing business in the state. Section 5219 permits, however, the highest of the rates on business corporations to be taken as the base, and in this instance the rate on North Carolina companies would be the highest because of the tax on their corporate excess. Then if the rate on domestic business corporations were lower than the rate on financial corporations, it would be the rate to be applied; if it were equal to or higher than the rate on financial corporations, the rate imposed on such financial companies would be the one to be invoked.

If we assume that the ratio of the tax burden of mercantile, manufacturing and other business corporations in North Carolina was equal to or higher than the tax burden of state banks (the following possible procedure might be adopted.) State banks paid last year in taxes on corporate excess and income a total of $611,000, which was 17 per cent of their income before taxes. Under this interpretation, it would therefore be possible to place a franchise tax measured by net income on national banks amounting to 17 per cent of that income, which if figured on the earnings of 1927 would equal $463,000 in addition to the tax on real estate amounting to $162,000, producing a total of $625,000. This would be only slightly less than the total of $826,000 paid by state banks last year into local and state treasuries. To attempt such a tax it would, of course, be necessary to show that mercantile, manufacturing, and other business corporations were taxed as heavily as the state banks, which is probably not the case. This calculation is in terms of maximum levies and there is no reason why lower rates could not be imposed on national banks and defended on the same grounds. If such an attempt were made, no change in the revenue laws would be required other than in so far as it applies to the taxation of national banks.

Objections to the Franchise Tax When Based on State and Local Taxes. The advantages and objections to such a course are apparent. In the first place, the tax rate is not easily determined. Annual calculations, similar to those herein made by the writer for state banks, would have to be made for mercantile, manufacturing and other business corporations, domestic and foreign, and the rate assessed by the Commissioner of Revenue in line with his findings. In the second place, there is involved the question as to the legality of such a tax. Will the Supreme Court interpret the amended section 5219 as indicated? No one can say, but it is likely that some state, sooner or later, will test the principle involved unless the federal law is amended to permit more latitude in national bank taxation to states now employing the classified property tax. There appears to be ground for such an interpretation but the Court may also hold that "rate" as used in that provision refers to the ratio of the burden of *similar taxes* to net income and that local property taxes are not similar to state franchise or income taxes. Furthermore the Court might logically contend that if the local governments are employing the property tax, the state can permit them to tax bank shares as property, but not in effect—levy both property and franchise taxes. To stretch the franchise tax to cover both state franchise taxes and local property taxes might thus be contrary to the intent of Section 5219. The legality of this plan, therefore, appears doubtful.

The advantages of this application of the franchise tax on national banks are the increased revenue which is to be derived therefrom, and the possible approach to equality of tax burden as between state and national banking institutions.

Apportionment of State-Collected Taxes to Localities. In any application of the franchise tax measured by net income, whether it be (1) a straight franchise tax with the rate fixed by law or a rate determined by the Commissioner based on (2) either state taxes alone or (3) state and local taxes, it is to be noted that the tax is to be levied and collected by the state government. This removes the national banks from the power of local taxes except those on real property, thus depriving these localities of a source of revenue. To reimburse these tax areas, both New York and Massachusetts allocate the major portion of the franchise tax as collected to the localities, New York distributes the funds, other than a reserve for appeals and refunds, to the towns and cities where the banks are located, and Massachusetts proportions the funds to the towns where the domestic shareholders of these banks reside, keeping the remainder, the proportion of the tax representing shares held by foreign stockholders, for state purposes. The New York plan appears to the writer as more logical and reasonable, since bank shares are taxed at the situs of the bank and not at the residence of the stockholder.

Personal Income Tax on Dividends on Bank Shares. Finally, it is to be remembered that in *any use* of the franchise tax for national banks, it is possible also to combine therewith a personal income tax on the dividends from bank shares to the stockholder, provided the income from dividends of other corporations is also included in such individual returns. Should North Carolina require the dividends of other corporations to be included in the individual income tax returns, it may likewise require the inclusion of the dividends of national bank stock. Just how much additional income tax this will give the state is impossible to calculate with any accuracy, but the following estimate might be made. In 1927 national banks in North Carolina declared dividends totalling $1,643,000. Assuming that this income is paid entirely to residents of North Carolina and to persons whose rate of taxation is, on the average, 2 per cent, the increase in personal income tax from national banks would be $32,860. Similarly the dividends from state banks would be taxable as personal income, which would probably increase the personal income tax from this source by some $60,000.

SUMMARY

In summary, the following observations might be made. If North Carolina retains the share tax method of assessing banks, due consideration should be given to (1) the deductions from actual value of bank shares permissible under the present statute and (2) the serious discrimination against the state banks which results from the present law. In the event a constitutional amendment is passed permitting intangibles to be taxed at a low rate, it will become imperative to change the basis of taxing national banks if any appreciable revenue is to be received from this source. To attempt to tax intangibles at a low rate while applying the regular property tax rates to national bank shares will likely result in litigation such as is pending in Ohio, Kansas, Oklahoma, Washington, and other states. The most satisfactory change in method of taxing national banks, should such an amendment be adopted, would be a franchise tax on banks measured by their net income. This franchise tax could assume one of several forms, a straight 4½ per cent franchise tax, a franchise tax calculated upon the basis of the state tax burden of state banks or a franchise tax based upon the combined state and local tax burden of state banks. In each case, care must be taken to conform to the requirements of Section 5219 that the franchise tax rate shall not be higher than the rate on other financial institutions nor higher than the highest rate on mercantile, manufacturing or other business corporations. In addition to the franchise tax, as determined upon, it will be possible to tax the dividends on bank stock as personal income to the stockholder if the state so desires.

APPENDIX
TO
THE TAXATION OF BANKS

SECTION 5219 OF THE REVISED STATUTES OF THE UNITED STATES

(SECTION 5219 OF THE REVISED STATUTES OF THE UNITED STATES)
(PUBLIC—No. 75—69TH CONGRESS)
(S. 3377)

An Act to amend section 5219 of the Revised Statutes of the United States.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 5219 of the Revised Statutes of the United States be, and the same is hereby, amended so as to read as follows:

"Sec. 5219. The legislature of each State may determine and direct, subject to the provisions of this section, the matter and place of taxing all the shares of national banking associations located within its limits. The several States may (1) tax said shares, or (2) include dividends derived therefrom in the taxable income of an owner or holder thereof, or (3) tax such associations on their net income, or (4) according to or measured by their net income, provided the following conditions are complied with:

"1. (a) The imposition by any State of any one of the above four forms of taxation shall be in lieu of the others, except as hereinafter provided in subdivision (c) of this clause.

(b) In the case of a tax on said shares the tax imposed shall not be at a greater rate than is assessed upon other moneyed capital in the hands of individual citizens of such State coming into competition with the business of national banks: Provided, That bonds, notes, or other evidences of indebtedness in the hands of individual citizens not employed or engaged in the banking or investment business and representing merely personal investments not made in competition with such business, shall not be deemed moneyed capital within the meaning of this section.

"(c) In case of a tax on or according to or measured by the net income of an association, the taxing State, may, except in case of a tax on net income, include the entire net income received from all sources, but the rate shall not be higher than the rate assessed upon other financial corporations nor higher than the highest of the rates assessed by the taxing State upon mercantile, manufacturing, and business corporations doing business within its limits: Provided, however, That a State which imposes a tax on or according to or measured by the net income of, or a franchise or excise tax on, financial, mercantile, manufacturing, and business corporations organized under its own laws or laws of other States and also imposes a tax upon the income of individuals, may include in such individual income dividends from national banking associations located within the State on condition that it also includes dividends from domestic corporations and may likewise include dividends from national banking associations located without the State on condition that it also included dividends from foreign corporations, but at no higher rate than is imposed on dividends from such other corporations.

"(d) In case the dividends derived from the said shares are taxed, the tax shall not be at a greater rate than is assessed upon the net income from other moneyed capital.

"2. The shares of any national banking association owned by non-residents of any State, shall be taxed by the taxing district or by the State where the association is located and not elsewhere; and such association shall make return of such shares and pay the tax thereon as agent of such non-resident shareholders.

"3. Nothing herein shall be construed to exempt the real property of associations from taxation in any State or in any subdivision thereof, to the same extent, according to its value, as other real property is taxed.

"4. The provisions of section 5219 of the Revised Statutes of the United States as heretofore in force shall not prevent the legalizing, ratifying, or confirming by the States of any tax heretofore paid, levied, or assessed upon the shares of national banks, or the collecting thereof, to the extent that such tax would be valid under said section."

TAX ADMINISTRATION AND TAX DELINQUENCY

SUMMARY

The study of tax administration, particularly in respect to the general property tax, discloses a wide variation in the quality of administration in the one hundred counties of the state. In some the practices are generally commendable; in others they are very deficient.

Although the Constitution requires that all taxable property be assessed according to a uniform rule and at full money value, there is far from uniformity either as between different kinds of property or as between different taxing units. Real estate is usually assessed at a higher percentage of true value than personal property. Livestock is assessed relatively higher than household effects. On certain types of personal property, chiefly household effects, an exemption of $300 is allowed. Less than 12 per cent of the taxpayers in 21 representative counties listed personal property of the type to which the exemption applies in excess of $300. Only 40 per cent of the taxpayers in 16 selected counties listed any personalty of the type which is not subject to $300 exemption. Sixty-one per cent of the automobiles listed in 16 counties were listed for $100 or less; nearly 37 per cent were listed for $50 or less.

Personal property is usually assessed without being visited by the assessor, and hence amounts to no more than a listing by the owner at his own value. Much property, both real and personal, fails to get on the tax books at all.

The law prescribes that the assessing and listing of taxable property be completed during the month of May, but only 24 counties reported that the work was finished on time in 1928. Local assessors and list-takers are usually conscientious but often without the proper qualifications.

Property owners who are late in listing their property for taxation are subject to a penalty equal to 25 per cent of the tax, but in only 19 counties was this penalty imposed this year. Eighteen other counties indicated that they imposed a lesser penalty, and 54 no penalty at all. The penalties which the law prescribes for failure to list taxable property are rarely, if ever, imposed.

The most encouraging aspect of tax administration is the employment in 79 counties of a tax supervisor the year round. In only 8 counties, however, is he free from other duties. In some counties the tax supervisor has rendered a great service by instructing list-takers, making personal investigations, holding hearings, checking the tax books against transfer records, and in other ways. In many counties he has also supervised the preparation of the tax books with the result that they have been improved both in appearance and accuracy. More counties need to appoint as tax supervisor a person of energy and ability. A full, impartial, and scientific assessment is basic to a fair application of the property tax.

Of equal importance with a proper assessment is a prompt and impartial collection. Property and poll taxes become due the first of October, and yet rarely is a tax collector able to settle nine months later. In only nine counties had a settlement been effected by July 1, 1928, for 1927 taxes, and in many a settlement had not been made by the first of October. The North Carolina practice has been to put the burden upon the tax collector rather than upon the taxpayer. This practice makes tax collecting prolonged and costly, and encourages delinquency on the part of the taxpayers. Last year discounts were not granted or penalties imposed except in a few counties; hence a taxpayer was privileged to defer payment for several months without penalty. Never have the penalties been sufficient to encourage prompt payment.

The law prescribes that the sheriff shall levy on personal property before advertising the land of a delinquent taxpayer, but rarely does he do so. In 1928 there were 101,325 land owners advertised in the 95 counties which advertised by publication, and the amount of taxes represented was $4,257,254. In 13 counties over 2,000 names were advertised. The amount of taxes advertised varied from $458 in Camden county to $512,373 in Buncombe; the average was $44,780. Thirty-one counties exceeded the average, and in 9 counties the amount advertised was in excess of $100,000. Altogether 9.32 per cent of the levy in the 95 counties included in the study was advertised as delinquent. In 13 counties over 20 per cent of the levy was advertised. On the other hand, there were 10 counties which advertised less than 3 per cent of the levy.

Of the amount advertised $1,783,714 was paid before the date of sale or the tax claims were purchased by individuals at the sale. Thus the counties acquired tax claims to the amount of $2,457,254, which is equivalent to 5.38 per cent of the gross levy in the state. In 21 counties the percentage was in excess of 10 per cent, and in 15 others it was less than one per cent. In 5 counties the tax certificates were all acquired by individuals. Unredeemed certificates in the hands of the county on or about June 30, 1928, totaled $4,433,243, more than half of which represented certificates issued following the sale of 1927 taxes.

An indirect cost of collecting taxes is the interest paid on money borrowed in anticipation of taxes. Information was obtained from 99 counties in respect to such loans and it was found that 87 counties borrowed money last year in anticipation of taxes. The amount borrowed ranged from $740,000 in Wake county to $1,983 in Clay. Fifteen counties borrowed more than $200,000 each; seventeen reported that they had not borrowed in excess of $20,000; and twelve had borrowed none. Interest paid on such borrowings amounted to $307,209, or an average of $3,572 per county.

The direct and indirect costs of collecting taxes amount on the average to 2.27 per cent of the gross levy, and in some counties to as much as 5 per cent. There is a considerable difference, too, between the gross and net levy; errors, releases, and insolvents causing a shrinkage of about 2½ per cent, and if land sales are included about 8 per cent. Thus only about 93 to 95 cents of the taxpayer's dollar reaches the treasurer and less than 90 cents reaches him within the fiscal year.

The study of administration thus reveals that there are serious losses resulting from incomplete and unsatisfactory assessing, other losses because of inaccuracies in the records, and further losses from costly and dilatory collecting. To reduce the margin of loss in each of these particulars would be to make a larger portion of the taxpayer's dollar available for constructive purposes.

In concluding this section of the report it may be stated that no tax law is any better than the degree to which it is enforced. Failure to enforce the tax laws completely, consistently, and impartially not only invites criticism and evasion, but is a real injustice. To permit the delinquent taxpayer to escape from paying his full portion is to impose an added burden on the conscientious taxpayer. Moreover, taxpayers will justly resent mounting tax rates if they know or believe that a substantial portion of their payment is made necessary because of inefficient practice. To exhaust five to ten per cent of the taxes imposed in collecting and distributing them is an inexcusable waste and an unnecessary hardship on the taxpayers. The largest possible fraction of the taxpayer's dollar should be available for constructive purposes. If the administration of the general property tax in North Carolina could be made five per cent more efficient, the saving would be equivalent to a new revenue of three million dollars. And probably in no county is administration so efficient that a 5 per cent improvement is not possible. It may be that improved administration is now the most hopeful field of tax relief.

CHAPTER XVIII

TAX ADMINISTRATION AND TAX DELINQUENCY

In North Carolina the property tax is reserved for the use of the local units of government—counties, cities, and special tax districts; and in these units it constitutes the major source of revenue. It is supplemented by relatively small receipts from the poll tax, the dog tax, a few privilege taxes, and certain fines and fees. Cities derive additional revenue from special assessments and from the earnings of public utilities. It is with the county, however, that this study is mainly concerned and hence mainly with the administration of the property tax.

FIELD SURVEY OF ADMINISTRATION

In order to secure a true picture of administrative practices in the counties of the state, the Tax Commission sent investigators to each courthouse to interview the tax officials and to examine the tax records. Inasmuch as there are one hundred counties in the state and the Tax Commission was limited in time and money, these visits had to be brief.

Altogether 98 counties were visited, only Dare and Clay being omitted. Although not visited by representatives of the Tax Commission, these counties were not ignored. A questionnaire was submitted to them by mail, and through this means they were included in the survey.

Six persons participated in the study, namely: Professors E. E. Peacock and P. W. Wager of the faculty, and C. J. Bradley, E. A. Terry, and H. L. Macon, graduate students and research assistants, at the University of North Carolina; and W. E. Easterling, assistant secretary of the County Government Advisory Commission, Raleigh. Messrs. Peacock, Bradley, and Terry visited 47 counties; Messrs. Peacock and Bradley 21 counties; Messrs. Easterling and Terry 6 counties; and Messrs. Wager and Macon 24 counties. The field survey was begun July 18, 1928, and was completed September 20th. The time spent in each county courthouse was from three to six hours. It was the practice of the investigators to arrive unannounced, explain their mission, and request the coöperation and assistance of the county officials. The latter were almost invariably gracious and coöperative. The county accountants, the tax supervisors, and the sheriffs were the officials most often interviewed. In many counties the same person acts as county accountant and tax supervisor. In several instances valuable assistance was rendered by certified public accountants.

The information sought was of two kinds: (1) a financial statement showing the settlements of the tax collector (usually the sheriff) for each of the last four levies—1924, 1925, 1926, and 1927; (2) answers to a rather comprehensive questionnaire touching all phases of assessing and collecting taxes. In order to give the reader a better idea of the scope and nature of the investigation, the form of the financial statement and of the questionnaire are shown in Appendix II, page 483. In 71 counties the tax records were examined and a sample checked for errors in computation or transcription.

It must be borne in mind that the time available for each visit was too short to permit an exhaustive investigation. Furthermore, it was not the desire of the Tax Commission to subject any county to an audit. All that was desired or that could be expected was a general picture of the tax situation and of administrative practices in each of the counties. More particularly, the study was to determine the kinds and extent of delinquency which exist in the several counties and in what respects the present tax machinery is ineffectual.

Unfortunately it was not always possible to get all the facts. Sometimes the accounts were not set up in a way to furnish the information desired. Last year was the first year that most counties operated under a budget and many did not make detailed appropriations; neither was their classification of disbursements so itemized as to answer all questions included in the questionnaire. Oftentimes the figures supplied were only estimates. Neither was it possible to secure the information in respect to the sheriff's settlements for all four years in every county. In fact, in only 73 counties was the information available for all four years. Only 22 counties had completed a settlement for the 1927 levy at the time they were visited, although many others mailed in statements later. Sometimes settlements have covered more than one levy, thus rendering them useless for purposes of comparison.

The settlement figures were secured wherever possible from official audits, though in many cases there was no other source of information than the minute docket of the board of county commissioners. In a few cases the statement had to be built up from ledger accounts. In nearly every case extraneous items, such as discounts, penalties, and commissions, had to be sifted out. Though the final figures cannot be accepted as accurate in every case, it is believed that the degree of inaccuracy is not large enough to distort the general picture.

SETTLEMENTS WITH TAX COLLECTORS

The information obtained relative to tax settlements, when tabulated, furnishes some interesting comparisons. The settlement or a statement for the 1924 levy was obtained in 77 counties; for the 1925 levy in 89 counties; for the 1926 levy in 98 counties; and for the 1927 levy in 100 counties. A few details of course, were missing in some instances. The most satisfactory method of showing the results of these tabulations is perhaps to present each item in the order and under the sub-title in which it appears on the form used by the investigators.[1]

Aggregate Amount Regularly Listed Taxes. No tabulations were made of the figures reported under this item, for the amount of this item has no significance apart from Item 2.[2] It is the ratio which is significant.

Delinquent or Late-Listed Taxes and Discoveries. It is interesting to note the amount of late-listed taxes and discoveries in the several counties, and what percentage of the gross charge this item represents. By late-listed taxes is meant the tax on property listed for taxation voluntarily but after the legal date set for closing the books. Legally, listing should be completed by the first Monday in June, but often the work is not finished until much later. Frequently nothing is considered delinquent or late-listed until the scrolls have been written up and totaled. By discoveries is meant the tax on property which the owner failed to list but which was discovered and listed by the

[1]These results are presented in statistical form summarized by counties in Tables 138-142 of the Appendix, to which the reader is referred in reading the following paragraphs.
[2]Item 2 on the financial statement. See Appendix II, page —.

tax officials. In the years when there is no assessment of real property there are many taxpayers who depend on the officials to carry forward their previous year's list. Such property is not usually considered a discovery. Most counties make no distinction in their records between late-listed property and discoveries, and none is made in this report.

The amount of these items depends (1) on the local practice as to the time of considering a list delinquent, and (2) on the relative diligence of the list-takers and the other tax officials. A small amount of late-listed property and discoveries may reflect thoroughness on the part of the list-takers or it may reflect negligence on the part of the tax supervisor and the board of commissioners. On the other hand a large amount of late-listed taxes and discoveries may be due either to unusual carelessness on the part of the list-takers or unusual diligence in the follow-up work. Thus the size of this item throws no light on the quality of work being done by a particular official or on the accuracy of the final valuation. The fact that there is each year a considerable amount of delinquent or late-listed taxes suggests that our method of listing property for taxation is unsatisfactory.

Reports from 72 counties for 1924 show that on the average 1.75 per cent of the total tax charge was added to the books after the work should have been completed. In 1925 the average for 81 counties was 1.61 per cent; in 1926 the average for 91 counties was 1.91 per cent; and in 1927 the average for 92 counties was 1.23 per cent.

Gross Charge to Sheriff or Tax Collector. The gross charge to the sheriff or tax collector is determined, of course, by adding the after-listed taxes to the original charge. In 1924 the gross charge in 77 counties averaged $396,725; the range was from $22,194 to $1,600,736. In 20 of the counties reporting, the gross charge or total levy was in excess of $500,000.

In 1925 the average levy in 89 counties was $414,247, and the range was from $24,928 to $1,699,146. In 25 counties the figure was in excess of $500,000.

In 1926 the average levy in 98 counties was $438,546, and the range was from $49,398 to $2,169,278. The levy was in excess of $500,000 in 32 of these counties.

In 1927 settlement reports were obtained from 100 counties; the average gross levy in these counties was $456,957, and the range was from $55,539 to $2,358,412. In 30 of the reporting counties the gross levy or charge exceeded $500,000.

When we reflect on the fact that the average county is now making an annual tax levy of $457,000 and that in 30 per cent of the counties the levy is in excess of a half million dollars, we ought to be impressed by the need for the most improved methods of administration.

Releases for Errors, Overcharges, Etc. It must be understood that the gross charge is not all collectible. With thousands of names on the tax list it is inevitable that there be some errors. There are always some errors in computation or transcription, and there are always some double listings, that is, the same property listed under two names. This can easily happen when a transfer of property has been made and the grantor fails to notify the tax officials of that fact. Or it may happen as a result of a taxpayer's signing his name differently on different occasions, as Frank Smith last year and J. F. Smith this year. The releases granted for errors of this nature often amount to a considerable percentage of the total levy, the percentage depending, of course, on the accuracy of the original work. The releases for errors are quite often about the same in amount as the after-listed and discoveries, and settlements have sometimes been made on that assumption.

The settlements for the last four years show releases for errors ranging all the way from 0.03 to 8.55 per cent of the gross charge. In 1924 the average for 70 counties was 1.51 per cent; in 1925 for 82 counties 1.58 per cent; in 1926 for 86 counties 1.54 per cent; and in 1927 for 94 counties 1.51 per cent. These figures include the counties which do not separate errors and insolvents.

Insolvents Allowed. No sheriff or tax collector can ever hope to collect 100 per cent of the taxes charged to him, for the reason that some of the people charged with a tax will die, move away, or become insolvent between the time of listing and the time of paying taxes. The tax collector in making settlement is, therefore, relieved of these charges. Sometimes, however, an insolvent list is presented which includes the names of persons who are still living in the county and known by the commissioners to be solvent. There are persons so improvident and so unreliable that it is almost impossible to collect a tax from them, yet there is no legitimate reason why they should be excused. Probably some boards are too readily disposed to accept insolvent lists while others are too hesitant.

Fifty-two counties reported the amount of insolvents allowed in making settlement with the tax collectors for the 1924 levy. The taxes relieved under this item in these counties amounted to $175,346, or an average of $3,372 per county. The percentage of the insolvents to the gross charge ranged from .13 of one per cent in Vance County to 2.51 per cent in Bertie. The average percentage was 0.85. Several counties did not separate errors and insolvents in their settlement statements and hence these counties had to be omitted in making these tabulations.

In 1925 insolvents allowed in 47 counties amounted to $197,216, or an average of $4,196 per county. Stated as a percentage of the gross levy the range was from .14 of one per cent in Clay County to 5.81 in Columbus. The average percentage was 0.94.

In 1926 insolvents allowed in 62 counties amounted to $302,956, or an average of $4,886 per county. The percentage which the insolvents were of the gross charge ranged from .17 on one per cent in Chowan County to 3.43 per cent in Robeson. The average percentage was 1.04.

In 1927 insolvents allowed in 62 counties amounted to $306,781, or an average of $4,948 per county. Stated as a percentage of the gross charge the range was from 0.03 of one per cent in Cabarrus County to 4.44 per cent in Richmond. The average percentage was 1.02.

The reports for each year include several counties which did not separate insolvents and releases for errors. While it is not essential that they be separated for purposes of settlement, it is necessary that they be separated if we are to measure the efficiency of the tax collector. The amount of releases in no way reflects the ability and energy of the tax collector, but the amount of insolvents does to some extent. It is generally true that the length of the insolvent list is in di[illegible] proportion to the tax-collecting period. The sheriff who collects taxes in season is the one who shows few insolvents.

Land Sales to County. It is difficult, indeed theoretically impossible, for the owner of real estate to escape paying his taxes, for the tax becomes a lien on the property. On a certain day, legally the first Monday in June, the tax claims against the land of delinquent taxpayers are advertised and sold. The purchaser receives a tax sale certificate for the amount of the tax, plus the cost of advertisement and sale. The certificate is in the nature of a mortgage, and if it is not redemmed within eighteen months the holder may foreclose as in the case of a mortgage.

In the absence of other bidders the county is considered the buyer and the certificate is made out to the county. Quite often the county finds it necessary to take the major portion or even all of the certificates. Inasmuch as foreclosure proceedings cannot be instituted for many months, the certificates are turned over to the county accountant, county attorney, or register of deeds, and the sheriff or tax collector is credited with the amount of uncollected taxes which they represent. Of course, if the sale is made to an individual, he pays the taxes and the tax collector is charged therewith.

Before beginning an analysis of tax sales, or land sales as they are commonly called, it is well to point out that not all taxpayers whose names are advertised are delinquent. We have already explained how double listings may occur, in which case the person who is erroneously charged with a tax may remain unaware of the fact until he sees his name advertised as a delinquent. If he is not a resident or does not read the papers carefully, his land may be sold without his knowledge. Even if he sees the advertisement and knows it to be in error he may not notify the officials. The purchaser of the certificate will eventually discover that it is an error, and if it is an individual he can call on the county to reimburse him, the amount of his payment with interest.

Sheriff's settlements for the last four years reveal a wide variation in the amount of land sale certificates acquired by the counties. Settlement reports for 1924 show that in 56 counties land sales to the county amounted to $742,782, or an average of $13,264 per county. The county which bought the largest volume of certificates that year was Pitt, the amount being $61,327. Reckoned as a percentage of the gross levy, the counties range from .23 of one per cent in Chatham to 11.80 in Craven. The average of the percentages is 3.55. Seven counties report no land sales that year or no certicates made to the county. Thirty-seven counties made no report on this item for that year.

Settlement reports for the 1925 levy from 69 counties include 7 counties which either had no land sales or had only individual bidders. In the 62 counties in which the sheriff was credited with land sale certificates held by the county, the certificates total $947,630, or an average of $15,284 per county. The county with the largest volume of certificates is Craven, where the amount is $66,597. In three other counties, however, the figure is approximately $50,000. These counties are Beaufort, New Hanover, and Duplin. The county with the least amount of certificates is Gates, that county having a certificate or certificates to the amount of $11.01. Reckoned as a percentage of the gross levy, the counties range from 17.33 per cent in Hyde to .01 of one per cent in Gates. The average of the percentages is 4.17.

Settlement reports for the 1926 levy from 87 counties show that there were no sales to the county in five, and that in the remaining 82 the certificates range in amount from $147,599 in Buncombe to $13 in Chowan. Other counties showing a large volume of sales to the county are: Cumberland, $113,541; Henderson, $97,893; Beaufort, $76,302; Craven, $63,931; and Robeson, $56,667. The percentage in terms of the gross levy ranges from 20.47 in Jones and 19.80 in Hyde to .01 of one per cent in Chowan. The average of the percentage is 5.16.

In the reports for 1927, land sales to the county are set up as a credit to the sheriff or tax collector in 89 counties. In five counties there were no sales except to individuals and in the remaining six counties no figures in respect to land sales are available. In the 89 counties where there were sales to the county the amounts vary from $324.50 in Gates county to $342,488 in Buncombe. Sales were in excess of $50,000 in the following counties: Beaufort, Brunswick, Buncombe, Columbus, Craven, Cumberland, Duplin, Guilford, Henderson, Mecklenburg, New Hanover, Pender, Pitt, Robeson, Rutherford, Sampson, and Wake. Expressed as a percentage of the gross levy, the taxes bid in by the county range from 21.69 per cent in Brunswick to 0.21 of one per cent in Gaston. The average of the percentage is 5.64.

The amount of land advertised and sold for taxes in a county depends mainly on general economic conditions, but in a great many counties other causes contribute, such as local custom, the presence of non-revenue producing property, and lack of diligence on the part of the collecting officer. Note what percentage of the 1926 levy had to be collected through land sales in these two groups of counties, the one in the northeastern part of the state, the other in the eastern and southeastern part:

Martin	None	Hyde	19.80
Bertie	None	Beaufort	13.18
Northampton	None	Pamlico	15.73
Hertford	1.22	Craven	12.52
Gates	.27	Carteret	13.53
Chowan	.01	Jones	20.47
Perquimans	1.21	Onslow	9.65
Pasquotank[1]		Duplin	9.03
Camden	None	Pender	17.81
Currituck	None	Bladen	9.53

[1]No report, probably no sales.

Another factor which always operates is the aggressiveness of the tax collector. A sheriff who is fearless and energetic and who does not hesitate to levy on personal property will have very little real estate to advertise. As a matter of fact, very few sheriffs make an attempt to exhaust personalty before resorting to real estate.

The whole question of tax collecting and tax delinquency will receive full treatment in another part of this report and so can be dismissed at this point.

Total Deductions. Only the three items, (1) releases for errors and overcharges, (2) insolvents allowed, and (3) land sales to the county were figured as credits in the settlement statements prepared for the Tax Commission. Commissions paid to the tax collector were treated as a collection.

Penalties, discounts, schedule B taxes, and other minor items were sifted out. This was done so as to make the statements comparable. Local officials should keep this in mind in comparing the figures in the Tax Commission's report with the figures which appear in the local records.

Net Charge to Sheriff or Tax Collector. When the three credits mentioned above are deducted from the gross charge, the amount for which the tax collector is accountable is ascertained. Likewise this is the portion of the levy which becomes available for county use including collecting costs. The difference is the shrinkage which has taken place. It is true that there is an offsetting asset in the tax sale certificates. These are, however, a questionable asset, or at least they have been in the past. Many of the certificates represent errors. The others ought to be collected with interest, but such is not always the case. Sometimes the interest is remitted. Sometimes the collecting agent is given a generous commission. Sometimes the certificates are lost. The method of handling tax certificates set up by the last General Assembly may result in an improvement, but in the past tax sale certificates have been an uncertain asset.

In 1924 the net charge in 42 counties from which settlement figures were obtained bore a ratio to the gross charge ranging from 87.97 to 99.46 per cent The average ratio was 95.47 per cent. In other words the shrinkage was 4.53 per cent.

In 1925 reports from 40 counties from which settlement figures were obtained show net charges ranging from 85.78 to 99.67 per cent of the gross charge, the average ratio being 95.78 per cent. This is a shrinkage of 4.22 per cent.

In 1926 the ratio of net charge to gross charge in 50 counties from which final settlement figures were obtained ranged from 77.05 per cent to 99.58 per cent. The average percentage was 93.48. In other words there was a shrinkage in these 50 counties of 6.52 per cent. In 18 counties there was a shrinkage of more than 10 per cent.

In 1927 final settlement figures were obtained from 50 counties, and in these counties the net charged ranged from 74.59 to 99.62 per cent of the gross charge. The average percentage was 93.72. Stated inversely the shrinkage was 6.28 per cent.

Cash Turned to County and District Treasurers. Since the investigators for the Tax Commission prepared their statements in most cases from the same figures as those used by the sheriffs in making their settlement, no discrepancy will appear between the net charge and the amount turned over to the county and district treasurers, except where a final settlement had not been effected at the time the figures were secured. If the investigators were assured that final settlement had been made on the basis of the figures submitted, they did not always check this figure against the deposits with the treasurer. In many instances, particularly in respect to the 1927 levy, there were unsettled balances at the time the counties were visited. Subsequent statements from some of these counties show these balances have been paid.

Balance Not Settled. This item has less significance than it would have if, in every instance, it had been the balance unsettled on the same date. Unfortunately, it was not possible to secure the data with this refinement. The statements in some cases reflected the condition at the end of the fiscal year, in others at the time of an audit, in others at the time of settlement, and in others at the time the figures were submitted to the representatives of the Tax Commission. Because of these variations the reports for each year have been divided into two classes: (1) those where final settlement had been made; (2) those where there was a balance unsettled at some previous date, and it is not know whether these balances are still outstanding.

Statements for the year 1924 were secured from 76[1] counties, and of these 42 had made final settlement. The dates of settlement ranged from June 30, 1925, to June 30, 1927. Only 15 had settled by the first week in October, 1925, the legal time for turning over the 1926 tax books to the collector, although six others settled during the month of October. Thirty-four counties showed balances unsettled at the time the statements were prepared. The dates of these statements varied from June 30, 1925, to September 20, 1928, and the unsettled balances ranged from $105 to $314,898. It should be explained that in some cases these figures included insolvents, and in several instances the land sales had not yet been held.

Statements for the year 1925 were obtained from 89 counties, and in 40 of these counties final settlements had been made. The dates of settlement ranged from June 30, 1926, to November 20, 1928. In six cases the date of settlement was not obtained. Of the others only 8 had settled by the first week in October, 1926, and only 15 by the first of November. Forty-nine counties showed balances unsettled at the time the statements were prepared. The dates of these statements varied from June 30, 1926, to February 24, 1928, and the unsettled balances ranged from $5 to $438,411. Where there were large balances it was usually early in the season and often before land sales and insolvents had been deducted. Probably most of the balances were settled subsequently and perhaps some of them very soon after the statements were prepared.

Statements for the year 1926 were obtained from 98 counties, and of these 51 had effected settlements. In nine cases the date of settlement was not obtained, and in the others the dates ranged from May 1, 1927, to Novmber 20, 1928. Eleven counties settled the first Monday in July, 1927, which is now the legal date of settlement. Thirteen others had settled by the first week in October. Forty-seven counties showed balances unsettled at the time the statements were prepared. The dates of the statements varied from June 30, 1927, to June 30, 1928, and the unsettled balances ranged from $47 to $145,306. As in previous years some of these balances included insolvents and some of the statements were prepared before the land sales were held. No doubt many of these balances were settled within a short time after the statements were prepared. On the other hand, it is known that some of them are still outstanding.

For the year 1927, reports have been obtained from all of the one hundred counties, in 50 of which final settlements had been effected by November 23, 1928. Settlements had been made prior to July 1, 1928, in two counties; and seven counties—Brunswick, Chowan, Cleveland, Edgecombe, Lee, Pitt, and Wilson—made final settlement on the day prescribed by law, that is, the first Monday in July. Six others settled during July, seven in August, five in September, 20 in October, and three in November. From indirect sources it has

[1]Carteret omitted in this total because of no information as to amount paid to treasurer.

been learned that at least 11 additional counties had settled by November 15. The Tax Commission does not have the settlement figures.

Counties that had effected final settlements for 1927 taxes and had reported them in time for inclusion in the report are listed below, with the date of settlement in each case, ranging from May 10, 1928, to November 23, 1928:

County	*Date*	*County*	*Date*
Northampton	May 10	Currituck	Sept. 21
Graham	June 30	Franklin	Sept. 29
Brunswick	July 2	Watauga	Oct. 1
Chowan	July 2	Stanly	Oct. 1
Cleveland	July 2	Person	Oct. 1
Edgecombe	July 2	Dare	Oct. 1
Lee	July 2	Moore	Oct. 1
Pitt	July 2	Rockingham	Oct. 1
Wilson	July 2	Pasquotank	Oct. 6
Union	July 9	Alleghany	Oct. 6
Davie	July 9	Ashe	Oct. 6
Madison	July 12	Duplin	Oct. 8
Haywood	July 28	Jackson	Oct. 8
Cumberland	July 31	Montgomery	Oct. 9
McDowell	Aug. 1	Nash	Oct. 12
Gates	Aug. 6	Mitchel	Oct. 15
Scotland	Aug. 6	Rowan	Oct. 15
New Hanover	Aug. 14	Beaufort	Oct. 17
Martin	Aug. 15	Yadkin	Oct. 19
Stokes	Aug. 23	Gaston	Oct. 22
Wake	Aug. 30	Rutherford	Oct. 26
Vance	Sept. 3	Pender	Oct. 30
Clay	Sept. 4	Randolph	Nov. 10
Tyrrell	Sept. 5	Orange	Nov. 20
Surry	Sept. 14	Durham	Nov. 23

In 22 counties which had not completed a settlement when visited by representatives of the Tax Commission in August and September, statements were obtained showing the balance unsettled on June 30, 1928. The total amount not settled in these counties was $1,093,319, or an average of $49,696 per county. The figures ranged from $28 to $318,988, but in only eight counties was the amount in excess of $25,000. Several counties had not held their land sales at the time of these statements because of court restraining orders.

In the remaining 28 counties statements were either secured by the field workers at the time of their visit or were supplied later by the county officials. The dates of the statements range from July 9 to November 17. In at least a few cases it is evident that the 1928 books were delivered to the tax collector before a final settlement for 1927 was effected. The balances unsettled in these 28 counties totaled $350,640, or an average of $12,523 per county. The figures ranged from $155 to $105,064. In only four counties was the amount in excess of $25,000.

It should be explained that the counties from which the Tax Commission got statements showing balances not settled are not necessarily more delinquent than those which reported final settlement. The fact is that some counties which furnished satisfactory statements when visited were not communicated with further, whereas the counties which could not furnish statements when visited were kept in touch with until, in some cases, final settlements had been made. Some counties furnished both preliminary statements and copies of their final settlements, but naturally the Tax Commission carried on more correspondence with the counties about which it had no information than with those from which it had secured one report.

The data relative to sheriff's settlements for the last four years are admittedly incomplete. To have filled out these sheets satisfactorily in some counties would have required an elaborate audit. In others it would never have been possible to secure all the information. In only a very few counties was the information readily secured for all four years.

Incomplete as the picture is, it reveals that tax collecting in the counties of North Carolina is slow, costly, and unsatisfactory. The tax collecting period begins, or should begin, the first of October; and nine months later only an occasional collector is ready to make a settlement. Frequently there is a considerable balance uncollected after a year of collecting. This dilatoriness in collecting taxes is costly in many ways. It makes it necessary for the county to borrow money to meet its current expenses. It results in a larger shrinkage than there would be if taxes were collected promptly. It makes the collecting cost large because of the time, effort, and expense involved. Most of all it invites and condones delinquency on the part of the taxpayers. When a taxpayer knows that his tax does not have to be paid at any regular time he is not likely to make the preparation that he would if it had to be paid by a certain date. Collecting practices have become so lax that the adoption of a more vigorous policy is imperative.

Uncollected Tax Sale Certificates. In a previous section we have described what is meant by a tax sale certificate and have indicated the amount of taxes of land owners which becomes delinquent and is bid in by the county. Prior to 1927 the holder of a certificate, if an individual, might apply for a deed to the property if the owner failed to redeem it within twelve months. The county or its assignee could not take a tax deed but was required to foreclose the tax certificate. The result was that in many counties no action at all was taken. The law enacted in 1927 makes it the right and duty of the county, as well as the individual, to foreclose on the certificates which are not redeemed. Foreclosure proceedings may be instituted by the county at any time after fourteen months from the date of the certificate of sale and shall be instituted within eighteen months. The new procedure applies to all certificates of sale dated prior to May 1, 1927, if by May 1. 1928, they had not been made the basis of sheriff's deeds, as well as all certificates of more recent date.

In every county visited by representatives of the Tax Commission an effort was made to ascertain the amount of tax sales certificates for the years 1924, 1925, 1926, and 1927, uncollected on June 30, 1928. The information secured is tabulated in the Appendix, Table 142. In many counties, the date is other than June 30, 1928, but in few instances does the date used vary more than sixty days from June 30, 1928.

It should be explained that many of these uncollected or unredeemed certificates are due to errors in the tax books and hence are not collectible. It may be that a large proportion of those remaining of the earlier levies are of this kind. Too often in the past, however, it has been assumed that certificates were in error when they are not, and delinquent taxpayers have profited thereby. A careful and vigorous enforcement of the new law will result in a great reduction in the number who permit their land to be sold for taxes in the hope and expectation that nothing further will be done and that they will be the winners.

The large amount of 1927 certificates still uncollected is due, of course, to the fact the sales had just been held (the first Monday in June) and there had been few redemptions by the end of the month. Henceforth, there ought to be no certificates more than two years old.

District Taxes. The last three items on the schedule in respect to district taxes were included for the purpose of determining whether special tax districts within a county bear more or less than their proportionate share of the shrinkage due to releases, insolvents and land sales, and whether the levies of these separate taxing units were kept entirely distinct from county funds.

Th field investigators soon found that with the limited amount of time at their disposal it was impossible to obtain this information. They observed, however, that when there was an audit there was generally a careful allocation of all debits and credits and that the special taxing districts got all that was due them. Until there is an audit, a common practice is to distribute the collections in the same proportions as the district levy bears to the total levy. Most counties distribute the collections periodically, giving each fund or district exactly the amount that has been collected. In the main, it appears that the local districts are paid as promptly and as fully as the collections justify and often far in advance thereof. In some instances counties were paying the local districts the full amount of the levy and letting the county suffer all the shrinkage. In one instance, a special charter school district had been overpaid year after year. Later the county attempted to recover the surplus but the money had been spent and it seemed useless to press the matter. On the whole, there appeared to be more instances where special districts had been overpaid than where they had been underpaid.

THE ASSESSMENT AND LISTING OF TAXABLE PROPERTY

If the general property tax is to remain the chief sources of revenue for the support of local government it is imperative that there be an improvement in the method of getting taxables on the books. It is recognized by everyone that there is a vast amount of taxable property which does not get listed and that there is no uniform standard of evaluating that which is listed. This is partly due to inherent weaknesses in the general property tax and partly due to poor administration. Of course one is related to the other.

In this state real property is assessed for taxation quadrennially, the years being 1923, 1927, and so on. A county may, however, secure permission from the General Assembly to make a general revaluation in some other year if conditions seem to warrant it. Individual properties may be legally revalued in off years only in case a structure worth one hundred dollars or more has been erected or destroyed, or the value of the property has been otherwise affected by some extraordinary circumstance. Thus ordinarily, real property is carried on the books for four years at the same figure. Personal property is listed and assessed annually.

Prior to 1919, valuations were so low and inequalities so flagrant that the state undertook to make a thoroughgoing revaluation and to assess all property at its true money value as the Constitution requires. The slogan was, "Make the tax books tell the truth." As a result real estate listed for taxation increased from $430.618,432 to $1.700.989.063 and all property from $1.099.296.290 to $3,156,243.202. Unfortunately the revaluation came at a time of inflated prices, and as soon as the slump came land values in many instances fell below the assessment figures. It was at this time that the state decided to relinquish the property tax, and so it authorized boards of county commissioners to make such horizontal reductions in their respective counties as they saw fit. As a result, sixty-two counties made horizontal reductions ranging from ten to fifty per cent and eight others had revaluations in 1921. Thus the main purpose of the general revaluation was partially defeated. There was just as much inequality as before, at least *among* counties; there was, however, more equality *within* a county. Another gain was the discovery and listing of a large amount of property which had not been on the tax books at all before. Even after the reductions of 1921, the listed taxables of the state remained more than double what they were in 1919. Since there was little change in land values between 1921 and 1923, the counties were permitted to omit the revaluation that year and most of them did. A few counties had a re-assessment in 1925, but in most counties there was no new valuation until 1927. The last revaluation corrected some of the inequalities that had crept in in six years, but the goal set up in 1919 is still far from realization. Despite the great development which has taken place in the state during the last eight years tax values have not reached the 1920 level, and the amount of intangibles listed for taxation is steadily decreasing. It is a universal experience that as tax rates rise the difficulties of administration increase.

It is not necessary in this report to describe in detail the machinery with which the general property tax is administered in North Carolina. In most respects it is not unlike that in use in other states nor is its administration any more beset with difficulties.

THE QUADRENNIAL ASSESSMENT

The county commissioners of each county are required on the first Monday in April in each year to meet and appoint a resident freeholder as county tax supervisor. In those counties which have an auditor, tax clerk, all-time county chairman, or other similar official, he may serve in this capacity. The county tax supervisor has general supervision of the assessment of all real and personal property for taxation in his county. He appoints an assistant for each township, and in populous townships more than one. In quadrennial years the township assistants become assessors; in other years they are merely list-takers. The law provides that in assessment years the commissioners may, in their discretion, appoint a board of three members instead of a single supervisor. Likewise, the county supervisor or board of supervisors may appoint in each township a board of three assessors instead of a single assessor.

Stated briefly, the law requires that in quadrennial years the county supervisor and the township assessors shall meet in the courthouse soon after their appointment to consider the best methods of securing a complete list of all real and personal property and of valuing the same in an equal manner in the several townships. The work is to be begun not later than the first day of May and is to be completed as soon as possible, but not later than the first day of June.

It is the duty of each assessor personally to visit and inspect all of the real and personal property which he is to assess, make diligent inquiry as to its value, and assess it at its true value in money. An adequate classification and description of the property is to be entered on the blanks prepared for the purpose. The township assessors are to work under the supervision and with the advice and coöperation of the county supervisor. He is supposed to assist, encourage and instruct, them in every possible way. In order to arrive at the true value in money of each and every parcel of land, the county supervisor and the local assessors may examine the owner and other persons under oath.

As soon as practicable after each of the assessors has completed his work and made his return, the county supervisor is required to call them all together and permit them jointly to review their valuations and assessments to the end that it may be ascertained whether the same standards have been used in the several townships. Any obvious errors or inequalities are then to be corrected.

It is the duty of the county supervisor to prepare then a complete roll or list for each of the several townships, giving the names, arranged as nearly alphabetically as possible, of all the taxpayers and the property and valuations of each. This roll is then filed as a permanent roll for the quadrennial period. To it may be added from time to time such real property as may have been omitted.

The local assessors are relieved of all responsibility for the assessment of public service corporations operating within the state. Such properties are assessed by the State Board of Assessment, which certifies to the register of deeds of each county the valuation apportioned to that county. The physical property of domestic corporations is assessed by local assessors, but if the valuation given to the local assessor is less than the present worth of the capital stock as reported to the State Board of Assessment, the difference is reported as corporate excess. The corporate excess is subject to the same rate of tax as the physical property. Partnerships and foreign corporations are taxed only on their physical properties and at a figure determined by the local assessors.

Having described the machinery of assessment, it is worth while to examine its operation. It is well to begin by observing the personnel. Although the law gives the county supervisor the sole power to appoint the township assistants, in actual practice the appointments are made with the advice and consent of the board of commissioners. This is not necessarily bad, though it does frequently open the way for patronage. If a commissioner has a friend who wants to be an assessor, he feels that he must create a place for him.

Nevertheless, appointment by either the county supervisor or by the board of commissioners is probably better than popular election. The main reason why counties so often fail to appoint capable assessors is that men who have the qualifications are not available for thirty-day appointments at $3 to $8 a day. Only a high sense of public duty will induce a man of the type qualified to assess real property to lay aside his own affairs to undertake such an unpleasant and unremunerative task. It is rather surprising that good men are secured as often as they are. There are occasions, of course, when the work is entrusted to men who do not possess the judgment, courage, and independence which the work demands.

A serious objection to current assessment practices is the lack of a uniform standard of valuation. Although the constitution requires that all property be assessed at full money value, no county attains this ideal. It is easy to find individual properties, particularly farm properties, which are assessed at full market value, but that is because of a temporary depressed market. Rarely is property assessed at full value, and the percentage of true value at which it is assessed varies widely. There is no equality between counties, or between two sections of the same county, or between different classes of property in the same section. In some cases, local assessors try to protect their constituencies by adopting a standard as low as that which they think is being used by the assessors of a neighboring township. It is not so much a willful desire to be partial as a desire to protect a township or section. There will be no uniformity within counties until the county becomes the unit of assessment and the assessors work in other than their home territory. The appointment of a county supervisor was a step in the right direction.

Not only must assessors be so chosen and their territory so assigned that the sectional bias will be overcome, but there must be more state supervision and assistance. So long as the property taxes are locally raised and locally expended there is no great need for uniformity among the counties; but if the Equalizing Fund is to be distributed on the basis of assessed valuation or tax rate, it is imperative that there be a uniform standard of valuation throughout the state. This will demand that the state assist in the assessment of property, perhaps somewhat in the same manner as it did in 1919.

Not only are there territorial inequalities in valuation but there are inequalities between different classes of property. Real estate is usually assessed at a higher percentage of true value than personal property. Livestock is assessed relatively higher than household effects. Intangible property is assessed at full value; hence the owner of such property is tempted to conceal it rather than suffer unmerited discrimination. There is a tendency for small or moderate-sized properties to be assessed relatively higher than large properties. Farm land appears to be assessed higher than town property. These inequalities are partly a reflection of untrained assessors and partly an admission of the merits of classification. Assessors will weigh the value of a piece of land rather carefully; they will give furniture and fixtures a very superficial appraisal; they will not attempt to run down intangibles. Thus in the assessment they accomplish, perhaps quite unconsciously, what is sometimes accomplished through classification with graduated rates. Some of the shortcomings of the assessing procedure and practice are inherent in the general property tax under modern conditions.

To the extent that the inequities and iniquities of assessment are due to incompetent assessors there is some hope for improvement. Some counties are witnessing remarkable improvement as a result of the employment of a full-time competent county supervisor. The preparation of assessment maps and the adoption of improved forms of records have sometimes resulted. In Kentucky, and perhaps in other states, assessors must pass a special civil service examination. More and more the assessment of corporate property, water-power sites, mineral deposits, and other unusual forms of property will have to be delegated to experts. The responsibility for the assessment of such property should probably be assumed by the state. The counties of North Carolina are in particular need of assistance in the assessing of water-power developments and electric transmission lines.

The investigators of the Tax Commission when visiting the counties attempted to find out to what extent assessment practices fell short of the standards prescribed by law. They found, in addition to the deficiencies already described, (1) that in quadrennial years the assessment is rarely completed during the month of May; (2) that personal property was assessed usually without being visited and inspected and land frequently so; (3) that the assistance rendered the township assessors by the county supervisor varied from constant coöperation in the field to no assistance at all. In respect to completing the assessment during the month of May, it should be stated that the time is altogether too short.

The County Board of Equalization. Mention has been made of the inequalities in valuation which exist after assessors have completed their work. Of course an effort is made to iron out these inequalities. The board of county commissioners constitutes the County Board of Equalization and Review. On the second Monday in July this board, after having given ten days' notice by publication, meets for the purpose of equalizing the valuations. Any property owner who considers that his property has been assessed for taxation at an amount in excess of the actual value of such property (in practices in excess of the percentage at which other property is assessed) may file a formal complaint and have his property reassessed. Likewise any citizen of the county may file complaint of the undervaluation of any real property in the county, or the board may of its own motion revise the valuation of any property that it finds to be valued at more or less than it should be. Not later than the 15th of July the board must meet again and consider the applications for reassessment. It may subpoena witnesses to appear and testify concerning the property in question. Upon such hearings, it may increase, decrease, or confirm the valuation fixed by the assessors. If the property owner is still dissatisfied, he may appeal to the State Board of Assessment. In order to equalize valuations as between townships the board may make horizontal increases or decreases in whole townships. The law requires that the Board of Equalization and Review shall keep detailed minutes of its proceedings.

According to the testimony of county officials given the representatives of the Tax Commission, the county commissioners sat as a board of equalization and review in 1927 at the time and manner prescribed by law in 92 of the 97 counties from which information was obtained. In Mecklenburg county there was no revaluation in 1927; in Stokes there were no complaints and hence no meeting; in Vance the meeting was not held until August; in Surry the county accountant was delegated to make the adjustments; in Johnston the commissioners did not meet as a board of equalization and review, but adjusted valuations from time to time throughout the year. In several counties, the board of commissioners continued to change valuations after it had adjourned as a board of equalization, though the practice does not appear to be so prevalent as formerly. The officials of 25 counties admitted that there had not been adequate minutes kept of the meeting of the board of equalization in 1927.

The board of commissioners as such has no power to alter valuations other than to correct errors. It is only when it sits as a board of equalization and review that it has that power, and it sits in that capacity only once a year. And only once in four years may it change real estate valuations unless the value of the property has been affected by an extraordinary circumstance. These provisions have been violated very often and not infrequently in the interest of justice. It is possible that the law ought to be liberalized somewhat in respect to adjustments in off years. Furthermore, if a change in valuation has been made either in the quadrennial year or in an off year the landowner should be given a written report of such change.

Listing of Taxables. In the years when real property is not assessed the property owners are entrusted with the task and duty of listing their personal property. In fact, there is often no inspection and assessment of personal property in the quadrennial years. The law gives the county supervisor the power to appoint the list-takers but, as in the case of assessors, the commissioners are usually consulted in making the appointments. There is usually one list-taker in each township, though there may be additional ones in the more populous townships.

The law provides that the county supervisor and assistants (list-takers) meet at the courthouse on the first Monday in May of each year for general instructions, begin work the next day, and try to complete the listing by the end of May. Reports from 95 counties show that in 1928 only 42 counties began listing at the time prescribed by law, and this number includes Mecklenburg, which began the work the first of April. Mecklenburg is operating presumably under a special act. Fifty-one counties began listing the second week in May and two the third week. The work was completed in only 24 counties by the first Monday in June. Twenty-four others had finished, according to the testimony of the county officials, by the middle of June. Twenty-three others had completed the listing by the first Monday in July. Eleven counties finished during the latter half of July, nine in August, two in September, and in seven counties the date is not known.

Until a few years ago the listing date in North Carolina was the first of January and there is a considerable sentiment in favor of returning to that date. In Indiana, property is listed for taxation as of the first of March, and that date might be an improvement over the first of May. If the listing is delayed, as it so often is, it is liable to result in a delay in beginning collecting. If this happens the county is deprived of the use of its money until well toward the middle of the fiscal year.

The law requires that a property owner shall list, sign, and deliver to the list-taker a statement verified by his oath, giving all the real and personal property, moneys, credits, investments in bonds, annuities or otherwise, and the value of improvements on real estate since it was assessed, in his possession or under his control on the first day of May. And it requires that the list-taker shall obtain such list from each taxpayer, and that it shall be his further duty to ascertain by visitation, investigation, or otherwise the actual cash value in money of each piece or class of property in his township, and to list such property at its actual value for taxation. He has full power to take such action as may be necessary to get unlisted property on the tax lists. It is the duty of the list-taker, before receiving the returns of any taxpayer, to administer the oath required by law, and failure to do so makes him guilty of a misdemeanor.

These provisions of the tax law are not enforced with any degree of uniformity. The list-takers do not make a practice of inspecting and appraising personal property. As a result, a great deal of personal property fails to be listed for taxation at all, and that which is listed is valued at only a fraction of its true worth.

Great improvement in the appearance and correctness of the township scrolls has resulted usually when the work has been taken away from the list-takers and performed under the supervision of the county tax supervisor. Investigations made by the Tax Commission reveal that last year the scrolls were prepared by the list-takers in only 32 counties. In 46 counties the work was done by, or under the direction of, either the tax supervisor or the county accountant. In many cases the county accountant is also the tax supervisor. In 14 counties the work was done by the register of deeds, in some instances the register of deeds being also county accountant. In 8 counties no independent township scrolls are prepared, the tax duplicate being prepared directly from the abstracts. Where this is done the duplicate or ledger may be designed to carry certain information that has heretofore been shown only in the scrolls. It is thus apparent that notable gains are being made with this phase of the tax work. Capable supervisors can and do render other valuable assistance, of which mention will be made later.

Compensation of List-takers. The Tax Commission instructed its field workers to ascertain in what manner the list-takers were being compensated in the several counties. Answers to this inquiry were obtained in 91 counties, and according to these answers list-takers are paid by the day in 51 counties, by the name in 14, and by the job in 21. In five counties both of the first two methods of compensation are used. When paid by the day the prevailing rates are \$3, \$4, or \$5, and usually there is additional compensation for making out the crop census schedules. When paid by the name the rates vary from five to fifteen cents, exclusive of the pay for filling in the farm schedules. When paid by the job the amount depends, of course, on the size of the township.

Listing and Assessing Costs. An attempt was made by the Tax Commission to ascertain the cost of listing and assessing taxables in each county. The results of the investigation are not very satisfactory, for the reason that the county accounts were not always kept in a way to show these costs. The compensation of list-takers and assessors was usually shown, but the cost of record books and office supplies that could be considered a tax-computing cost were not always separated from the cost of other supplies. Likewise, it was difficult to distribute the salary of a county accountant who was also tax supervisor. There is thus a margin of error in the figures secured, and deductions made therefrom are not wholly reliable. The cost of listing and assessing taxes in the fiscal year 1927-28, the year used, is probably larger than it would be in an average year, for real estate was reassessed in 1927 and the cost in an assessment year is somewhat greater than in an off year. Although most of the work was completed prior to July 1, the assessors were not paid in many instances until after that date.

The cost in the 95 counties from which information was obtained amounts to $449,521, or an average of $4,732 per county. The range was from $235 in Alleghany county to $45,019 in Mecklenburg. In 16 counties it was less than $1,500, and in 24 counties greater than $5,000. Stated as a percentage of the gross levy the average (absolute) was .99 of one per cent. The range was from .25 of one per cent in Edgecombe to 3.60 per cent in Currituck. In 47 counties it was less than 1 per cent and in seven counties more than 2 per cent. (See Table 143 of the Appendix.)

The County Tax Supervisor. A further word should be said relative to the office of the county tax supervisor. This office, created in 1925, has not yet developed the prestige of the other courthouse offices. Too often the appointment has been given to an individual without aptitude for or interest in the work, with the result that the appointee has done little more than draw his salary. In other instances, the supervisor has taken the work seriously and has rendered a distinct service. In most counties the appointments are made for only two or three months of the year, although in several the office is now on a full-time basis and is developing into an important arm of the administration.

Mention has already been made of the improved appearance and quality of the tax scrolls when their compilation was turned over to the tax supervisor. That has not been uniformly true but more often true than not. All depends, of course, on the ability and faithfulness of the tax supervisor. Likewise, the assistance rendered to the list-takers and assessors in their field work has greatly varied. Inquiries were made by representatives of the Tax Commission relative to this phase of the supervisor's work. The answers obtained reveal that the supervisor ordinarily assembled the list-takers for conference and oral instructions before they began their work. Ninety-three counties reported that this was done, and in the others the question was not answered suffciently to determine whether or not the conference was held. In at least 19 counties the tax supervisor supplied the list-takers with written instructions, and in 45 he prepared personal property schedules of valuations for them. In 15 counties automobiles were valued by the tax supervisor himself. A capable, alert tax supervisor can be of great service by insisting on the application of a uniform standard of valuation within the entire county, by personally investigating questionable lists, by holding hearings, by comparing current lists with lists of previous years, and in a multitude of other ways. In some counties the tax supervisor adds to the tax roll more than enough property to pay his salary.

With the rising standard of living in the state the income of the people is being invested more and more in personal property, yet the ratio of personal to real property on the tax books becomes smaller and smaller. To overcome this unfair tendency it is imperative that there be instituted a more scientific and more energetic method of listing taxables. The individual property owner can not be expected to be more generous in his estimates than the prevailing standard. By leaving the assessment of personal property so completely to the owner, it is natural that he should try to value his property as low as the average. This means a progressive decline in total personality at the expense of the landowners.

In only a very few counties is there anything which approaches a permanent tax roll, because each year there is a new one. Such is the case because there has been no whole-time official devoting his efforts to the perfection of the tax roll. There are now a few counties—Forsyth and Durham for example—where this is no longer true, and in these counties it is not easy for a taxpayer to be overlooked. With a full-time tax official it is possible to devise various aids, such as maps, transfer records, poll lists, and automobile lists. In many cases county accountants who are also tax supervisors have found time to devise aids of one kind or another and to improve materially the quality and completeness of the tax roll.

Answers to inquiries by representatives of the Tax Commission show that the tax supervisor is an independent official in 25 counties, but a full-time official in only seven counties. In two counties the office is filled by popular election and in 93 by appointment of the county commissioners. In 61 counties the same person serves both as county accountant and as tax supervisor, and in every case except one the office is filled by appointment. In 10 counties the register of deeds serves as tax supervisor and in three of these counties he serves also as county accountant. In three counties the chairman of the board acts as tax supervisor, and in one county (Mecklenburg) there is a special tax commission. It thus appears that the office of tax supervisor is filled by appointment in 84 counties, and in 79 counties the incumbent is a whole-time official, either with or without other duties. If we assume that when the chairman of the board does the work he becomes a whole-time official, the number of whole-time tax supervisors becomes 82. Nevertheless, only eight of these 82 officials devote their entire time to tax work. No doubt a combination of duties is satisfactory for a majority of the counties, yet there are probably more than eight counties which would find it profitable to employ a full-time tax supervisor. Whatever his tenure, however, it is important that the post be given to one with the right qualifications.

Delinquency in Listing Taxables. The law makes it the duty of the chairman of the board of commissioners to compare the current year's tax list from each township with the previous year's list and insert in the current list a description and valuation of all property not given in, and charge the owners of such property with 25 per cent in addition to the tax with which they would otherwise be chargeable, unless satisfactory excuse for the failure to list is given to the commissioners on or before the first Monday in October. All persons who own property and willfully fail to list it before the list-takers or board of commissioners within the time allowed are guilty of a misdemeanor; the failure to list is *prima facie* evidence that such failure was willful, and it is the duty of the board of commissioners to present to the grand jury the names of all such persons.

If any person liable to be charged with taxes willfully refuses to answer any questions respecting his property, or refuses to file, sign, and swear to his return, he is guilty of misdemeanor, and on conviction may be punished by a fine not exceeding fifty dollars, or imprisonment not exceeding

30 days, and it is the duty of the assessors or list-takers to have the offender prosecuted; and the list-taker is required to complete the list from the best information he can obtain. Every list-taker or chairman of the board of commissioners has power to send for persons and papers, and to examine witnesses and administer oaths.

Any persons, firm, or corporation owning or holding personal preperty which is subject to assessment, who intentionally makes a false statement to the list-taker or to the board of equalization for the purpose of avoiding the payment of the just and proportionate taxes thereon, is subject to a penalty of ten dollars for every hundred dollars, or major fraction thereof, so withheld. The law makes it the duty of the sheriff, upon complaint made to him by any taxpayer of the assessment district in which it is alleged that property has been withheld, to investigate the case forthwith and bring an action in the superior court in the name of the state against the person so complained of.

Any person, who, to evade the payment of taxes, surrenders or exchanges certificates of deposit in any bank in the state or elsewhere for tax-exempt securities or surrenders any taxable property for non-taxable property, and after the date of listing property has passed, takes said certificates or other taxable property back, and gives up the tax-exempt securities or property, or executes any fictitious note or other evidences of debt for deduction from his solvent credits, is guilty of a misdemeanor, and upon conviction may be fined not less than fifty or more than two hundred dollars (one-half of which shall go to the informer), or imprisoned not less than one month nor more than six months, or both.

The above paragraphs indicate what constitutes delinquency in listing taxables and the penalties which may be imposed. It is necessary to state, however, that though the violation of these laws is common there is rarely a penalty imposed.

The Tax Commission made inquiry in the several counties in regard to whether the penalty for late listing was imposed. Answers from 94 counties indicated that 54 made no pretense of imposing a penalty; 19 reported that the 25 per cent penalty was imposed; three reported that a penalty of from 5 to 20 per cent of the tax was added. Fifteen reported that they imposed only the nominal fee of 25 cents. Two declared that indictments had been made by the grand jury, and one reported that the commissioners had authorized that delinquents be double-taxed. Thus it appears that the penalty for late listing is not imposed at all in over half of the counties and that it is not imposed uniformly or consistently in the others. The law in respect to other forms of delinquency does not appear to be invoked at all.

THE ASSESSMENT OF PERSONAL PROPERTY

Within recent years there has been much discussion as to the advisability of continuing personal property taxation in its present form. Much has been written with reference to the escape of personal property, both tangible and intangible, from taxation. Because of these and other reasons, the Tax Commission made a brief survey of personal property assessment in the state. Only selected phases of this many-headed subject were studied because of a lack of time and funds. The result of the survey is tabulated below.

The increase from 1921 to 1927 in the amount of personal property, exclusive of solvent credits and that type of personal property on which there is a legal exemption of $300, is shown in the accompanying table. There is also shown on a per capita basis and as a percentage of total property assessed.

TABLE 131—AMOUNT OF PERSONAL PROPERTY (Items 48-81[1]) LISTED 1921 to 1927

Year	Amount in Thousands of Dollars	Amount per Capita	Percentage of Total Property Assessed
1921	$ 79,062	$ 30.25	3.1
1922	63,512	23.97	2.5
1923	87,309	32.51	3.3
1924	100,549	36.93	3.7
1925	94,578	33.63	3.4
1926	97,187	34.00	3.5
1927	101,893	35.17	3.5

[1]These items include automobiles, motorcycles, bicycles, carriages, boats, seines, guns, radios, pianos and other musical instruments, typewriters, cash registers, safes, office furniture and fixtures, scales, refrigerators, business or professional libraries, cotton, tobacco and other products not produced by taxpayer, stone, brick and other building materials, and money on hand (not deposited in banks). The $300 exemption does not apply to this class of personalty.

The relatively low percentage of taxed personal property in North Carolina is no exception to the nation-wide status of such property. With the greatly increased number of automobiles, radios and pianos, more and finer office equipment, greater supplies of building material, and larger libraries, it would appear reasonable to doubt that the wealth included in these items (48-81) represents only 3.5 per cent of the state's taxable wealth.

The personal property reported in excess of the $300 exemption, when reckoned on a per capita basis and as a relative percentage of the whole, declined markedly from 1921 to 1927. Here again it is hard to believe that the assessed valuation of such property represents a fair measure of its true value, especially with the greatly increased sales of home furnishings during the period under discussion. More detailed information for this class of property in the state is given in **Table 132.**

TABLE 132—PERSONAL PROPERTY OVER $300 OF THE CLASS WHICH IS SUBJECT TO $300 EXEMPTION, LISTED 1921 to 1927

Year	Amount in Thousands of Dollars	Amount per Capita	Percentage of Total Property Assessed
1921	$ 33,128	$ 12.67	1.3
1922	31,401	11.85	1.2
1923	27,938	10.40	1.1
1924	47,077	17.29	1.7
1925	26,645	9.47	1.0
1926	24,293	8.50	0.9
1927	25,015	8.63	0.9

Personal property valuations for the above two classes were also studied in selected counties. The results of this study are set forth in detail in Table 133.

TABLE 133—PERSONAL PROPERTY (Items 48–81) IN SELECTED COUNTIES, 1928

County	Number listing personal property 48-81	Amount personal property 48-81 listed	Average Amount per Person listing	Total No. listing property of any kind	Percentage listing P.P. 48-81 to total No. listings
Buncombe	9,655	$ 3,176,601	$ 329	29,142	33.1
Craven	3,691	1,512,457	312	12,615	29.3
Guilford	15,376	5,748,138	376	42,201	36.4
Johnston	8,878	1,399,836	158	18,627	47.7
McDowell	1,690	350,573	207	6,311	26.8
Mecklenburg	14,108	5,671,720	402	27,077	52.1
Pasquotank	2,966	838,255	283	6,473	45.8
Pender	2,324	331,158	142	6,125	37.9
Person	2,678	394,727	147	4,996	53.6
Pitt	6,707	1,457,524	217	16,233	41.3
Richmond	4,052	820,206	202	10,405	38.9
Rowan	8,490	1,945,339	229	15,689	54.1
Scotland	1,926	658,811	342	5,777	33.3
Vance	2,930	761,385	260	7,141	41.0
Wake	10,006	2,523,395	252	33,489	29.9
Yadkin	2,953	561,751	190	5,167	57.2
Total	$ 98,430	$ 27,827,876	$ 283	247,468	39.8

The counties varied widely, after compensating allowances have been made for differences in per capita wealth and other economic factors, both in the amount listed per capita and the percentage of persons listing such property.

Detailed information relative to personal property reported in excess of the $300 exemption on which such exemption is allowed is given in Table 134.

Here again the counties varied greatly both in the average amounts reported and in the percentage of taxpayers reporting property in excess of $300.

In ten counties detailed comparisons between urban and rural townships were made with respect to the same classes of personal property. The percentage of taxpayers reporting personal property, not including the two classes originally excepted, was 41 per cent in the rural townships as compared with 36.4 in the urban townships. However, the valuation reported for the latter townships was much larger. The townships classed as urban or rural are not always strictly one or the other, but predominantly so. The average amount per person listing personally in the urban townships was $402 as compared with $182 for the rural townships. The counties included in this comparison are Mecklenburg, McDowell, Richmond, Pasquotank, Craven, Pitt, Guilford, Buncombe, Wake, and Rowan. The counties varied a great deal in total amounts reported, averages, and percentages. Eighteen per cent of the taxpayers reported personal property in excess of $300 in the urban townships as compared with 7 per cent in the rural townships. For

TABLE 134—TAXPAYERS IN SELECTED COUNTIES LISTING PERSONAL PROPERTY OVER $300 EXEMPTION

County	Number listing personal property over $300	Amount of personal property over $300 limit	Average amount per person listing	Total number of taxpayers	Percentage listing P.P. over $300 to total No. listing
Buncombe	3,618	$ 1,441,425	$ 398	29,142	12.4
Camden	149	17,599	118	1,565	9.5
Craven	886	355,885	402	12,615	7.0
Currituck	129	25,120	195	968	13.3
Guilford	6,928	2,481,615	358	42,201	16.4
Hyde	171	43,629	255	2,176	7.9
Johnston	1,757	335,596	191	18,627	9.4
Mecklenburg	5,543	1,215,060	219	27,077	20.5
McDowell	140	41,239	295	6,311	2.2
Pasquotank	929	201,342	217	6,473	14.4
Pender	228	36,704	161	6,125	3.7
Person	434	92,453	213	4,996	8.7
Pitt	2,928	479,096	164	16,233	18.0
Richmond	709	198,010	279	10,405	6.8
Rowan	2,058	377,884	184	15,689	13.1
Scotland	358	107,334	300	5,777	6.2
Tyrrell	189	34,931	185	1,702	11.1
Wake	1,884	475,339	252	33,489	5.6
Washington	228	45,372	199	3,367	6.8
Vance	759	203,260	268	7,141	10.6
Yadkin	319	46,440	146	5,167	6.2
Total	30,344	$ 8,255,333	$ 272	257,246	11.8

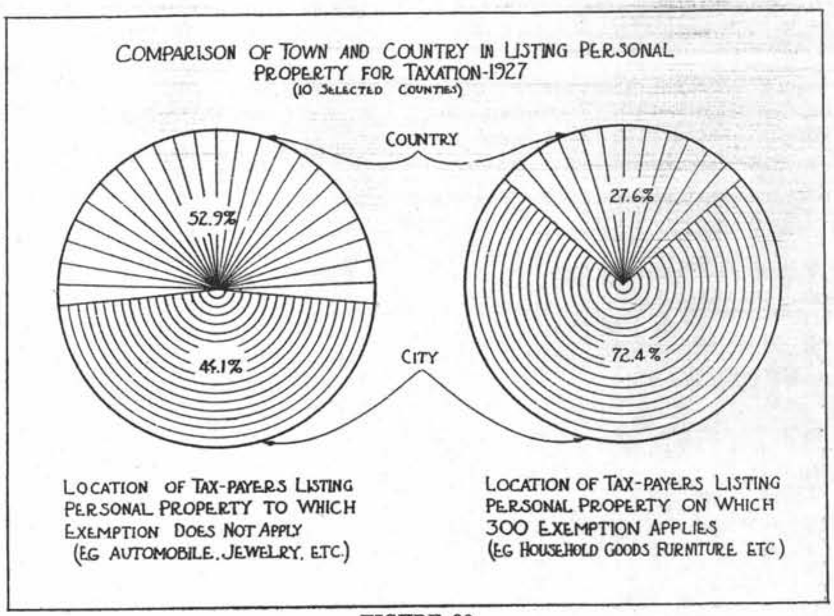


FIGURE 30

TABLE 135—NUMBER OF TAX PAYERS IN SELECTED COUNTIES LISTING PERSONAL PROPERTY IN VARIOUS AMOUNTS IN EXCESS OF THE $300 LEGAL EXEMPTION

	Ashe	Burke	Camden	Catawaba	Cumberland	Currituck	Davie	Hyde	Pasquotank[1]	Tyrrell	Wake	Washington	Wayne	Wilkes	Total
Up to $25	11	27	29	154	56	21	55	29	67	27	174	42	152	71	915
$ 26 – $ 50	15	33	22	125	79	19	71	15	101	19	174	34	160	79	946
51— 75	9	21	20	95	33	15	34	23	75	24	85	17	89	47	587
76— 100	7	0	22	73	110	13	36	18	116	25	260	20	114	46	860
101— 150	13	0	17	127	73	21	40	24	87	22	41	22	129	62	678
151— 200	5	0	12	101	154	8	35	14	109	9	118	21	119	61	766
201— 250	7	39	4	84	45	10	17	12	51	17	304	12	97	31	730
251— 300	3	0	6	45	70	3	17	8	55	10	44	10	65	27	363
301— 350	2	0	8	27	20	4	18	8	28	9	125	10	50	15	324
351— 400	1	0	3	24	31	3	14	3	27	8	36	6	21	7	184
401— 450	3	31	0	17	11	1	7	3	14	4	54	5	29	10	189
451— 500	2	57	0	14	28	1	5	0	13	3	11	11	21	6	172
501— 600	2	35	2	17	17	1	10	3	18	1	139	5	32	11	293
601— 700	2	19	1	14	21	3	6	3	12	2	0	4	28	4	119
701— 800	0	10	0	14	7	2	3	1	8	2	0	2	15	2	66
800— 900	1	5	2	6	3	1	2	2	10	3	0	1	16	3	55
901— 1000	0	6	0	7	6	0	5	3	8	1	0	2	9	3	50
Above 1000	2	23	1	16	21	3	12	2	14	3	94	4	25	9	229
Total	85	306	149	960	785	129	387	171	813	189	1659	228	1171	494	7526

[1]One township omitted.

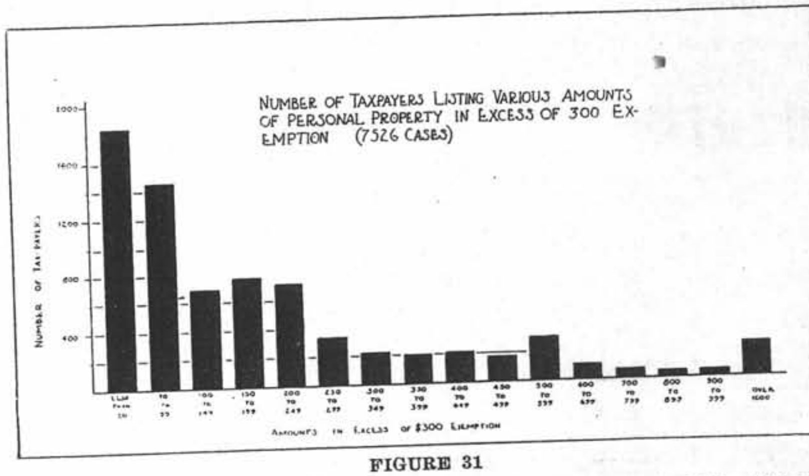


FIGURE 31

further details the reader is referred to Figure 30, and to Tables 144 and 145 in the Appendix.

A frequency distribution of the taxpayers reporting personal property valuations in excess of $300 in fourteen counties was made. The details of this distribution are given in Table 135, and the situation is shown graphically in Figure 31.

The number of taxpayers in these counties was then related to the number of polls. Extreme variations are shown when these two items are related. The number of polls was used in these counties because the number of

TABLE 136—RELATION BETWEEN THE NUMBER OF POLLS AND THE NUMBER OF TAXPAYERS LISTING PERSONAL PROPERTY IN EXCESS OF THE $300 LEGAL EXEMPTION, IN SELECTED COUNTIES.

County	I Number of polls	II Number of taxpayers listing personal property in excess of $300	Percent II is of I
Ashe	2,768	85	3.07
Burke	3,127	306	9.79
Camden	833	149	17.89
Catawba	5,347	960	17.95
Cumberland	4,044	785	19.41
Currituck	1,110	129	11.62
Davie	1,802	387	21.48
Hyde	1,190	171	14.37
Pasquotank[1]	2,576	813	31.56
Tyrrell	806	189	23.54
Wake	11,426	1,659	14.52
Washington	1,673	228	13.63
Wayne	7,438	1,171	15.74
Wilkes	4,336	494	11.39
Total	48,476	7,526	15.53

[1]One township omitted.

taxpayers was not known. Actually there are more taxpayers than polls in these counties; hence a table based on the number of taxpayers would only magnify and accentuate the variations shown in Table 136.

Assessed automobile valuations were obtained in sixteen counties, and a frequency distribution of these valuations was made. This distribution shows that 25,646 automobiles of the 42,071 assessed in these counties were valued at $100 and less. The percentage of automobiles so valued is 61. The counties varied in the percentage of automobiles valued at this figure from 76.7 in Camden to 47.8 in Burke. The total percentage of automobiles valued at $250 and less was 82.8, and the range was from 92.5 in Camden to 74.8 in Burke. The valuations are given in detail in Table 146 which appears in the Appendix. The result is shown graphically in Figure 32.

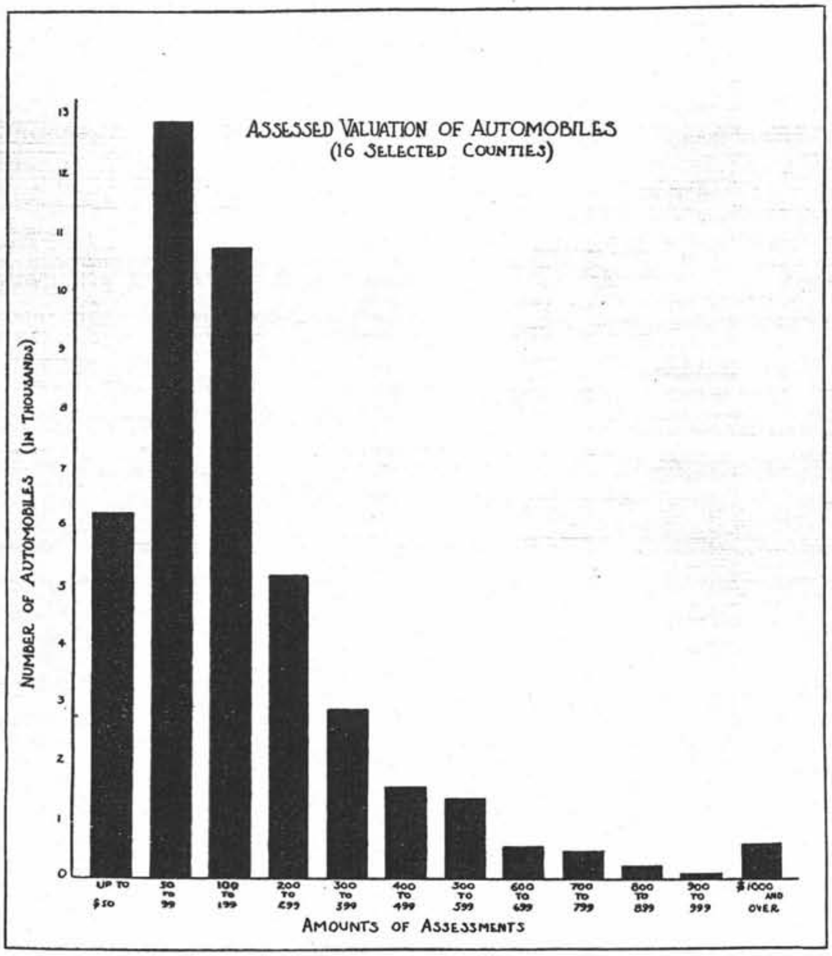


FIGURE 32

In 56 counties the question was asked as to whether commercial signboards were listed and assessed for *ad valorem* taxes. In only three counties were they taxed at all. In these three counties a total valuation of $11,120 was returned for assessment in 1927 and $10,000 of this amount was in one county. In the latter county such property is assessed according to the size of the billboards.

Certain deductions may be made with the personal property data just cited as a basis. Personal property valuations in the state are low. Counties vary a great deal in the diligence and thoroughness with which personal property is assessed. Most taxpayers interpret the $300 exemption as *carte blanche* with respect to personal property and accordingly report little personal property in excess of the legal exemption. During the period from 1921 through 1927, conditions with respect to assessed personal property valuations in the state appear not to have improved, and the present status can hardly be considered satisfactory.

COUNTY TAX RECORDS

There is great diversity among counties in the care with which their tax records are made and in the accuracy which prevails in making transcriptions and computations. Field workers for the Tax Commission examined the tax records at some length in 71 counties for the purpose of determining their accuracy. Cursory examinations of the tax records were made in 17 additional counties.

Method. A random sampling from the tax records of representative townships was taken. Wherever possible, five distinct operations were made in the examination of the tax records. First, the actual additions as entered on the individual tax abstracts were tested for accuracy. In many counties this test could not be made because no totals or sub-totals were entered. Next, a check was made of the transcription of totals from the abstracts to the township scrolls. Then the township scrolls were checked against the tax list or ledger. In several counties this examination could be omitted because township scrolls and tax lists no longer exist as separate books. Combination scrolls and ledgers are used, or the tax is computed directly on the township scrolls. A fourth step consisted of the checking of the tax receipts against the tax list. Here again local custom precluded the making of this test in several counties. Such was the case when tax receipts are not prepared in advance but are prepared by the sheriff or tax collector upon the payment of taxes. Thus duplicate tax receipts are filed chronologically, whereas the tax list is arranged alphabetically. To check the correctness of individual tax receipts in these counties would have been a tedious and laborious undertaking. Counties become aware of this fact whenever an audit of the tax charge or levy is made, because of the almost prohibitive charges for such audits. The cost of an audit in Wake county, where tax receipts are handled in this manner, has recently received wide publicity. Finally, an effort was made to determine the practice of the individual counties in carrying forward real estate valuations from 1927, an assessment year, to 1928, a year in which there was no re-assessment. It was difficult to determine what the local practice was in this regard because of the lack of land transfer records. Probably not more than five, certainly not more than ten, counties in the state maintain permanent and active records of land transfers. One county which has an adequate record of land transfers requires all deeds to be filed with the county accountant before they are recorded by the register of deeds. One city-county maintains a permanent record of all building permits issued.

If John Smith listed land for taxes in Beaver Dam township in 1927 and none in 1928, there was no way for the field workers to ascertain whether he had disposed of his land or whether it was an error in the tax record. Presumably there had been a transfer of title, and the investigator considered that there had been. Furthermore, it was not considered an error when changes in valuation, due to the erection of new buildings or the destruction of old ones and the like, were explained on the abstracts. The question is asked on each abstract as to whether there have been improvements or a sale or purchase of land during the year. Only in rare instances, except with respect to the sale of land, are these questions answered. Only unexplained changes in land valuations of 1928 as compared with those of 1927 were reckoned as errors in this report. In only a few counties were the records adequately filed and in good order. Not infrequently township scrolls, bound volumes of tax abstracts, and even tax ledgers, were out of the courthouse and thereby not available for checking.

Results. The additions were checked on 18,049 tax abstracts in 88 counties. A total of 447 errors in addition, amounting to $80,139, was noted. In other words, 2.48 per cent, or one in forty of the abstracts examined, were found to be in error. Considered as a whole, this percentage is not great, but in particular counties the story is different. Many counties accept as final and accurate the tax abstracts and township scrolls as prepared and turned in by the township tax listers. One such county had 25 errors in addition on the 191 abstracts checked and 32 errors in the transcription of the same amounts from the abstracts to the scrolls. In a second county 22 of 128 abstracts checked were added wrong; in a third, 27 of 150; in a fourth, 21 of 95; and in a fifth, 31 of 212. In such counties the correct tax charge would likely vary from that actually charged by thousands, or even tens of thousands, of dollars. Thus the state average of errors is not high because of good work in many counties, but in certain other counties the tax records are deplorably inaccurate. A very common error in addition was the failure to include items of solvent credits in totals. Also incorrect deductions were often made in determining the total amount of net solvent credits. In one instance, a note of $2,500 was not included, in another instance one of $5,500.

An examination of 15,031 transcriptions from the tax abstracts to the scrolls showed 390 to be in error, or a percentage of 2.59. These errors amounted to $103,961 and do not include instances in which county officials insisted that the amounts shown on the scrolls were correct and that the abstracts had not been changed after proper authorization for changes had been passed by the county commissioners. In one county the amount carried forward to the scroll was $4,000 less than that on the abstract; a second amount was $12,900 less. Had explanations of county officials not been accepted, the total amount of such differences would have been easily twice, possibly three times, as great as that reported. A common error is the omission or addition of naughts in transcription, such as $10,000 carried forward as $1,000 or $100 carried forward as $1,000. In either instance the county stands to lose, since the person charged with too little will probably remain silent and the one charged with too much is very likely to discover the error and to demand and secure a refund.

Entries of amounts on the tax lists from the township scrolls were checked for accuracy and out of 14,923 transfers 120 were wrong. These errors amounted to $53,667. Of 11,201 receipts checked against the tax ledgers, 32 were found to be in error. The reader will note that, relatively and absolutely, errors in transcribing amounts to the tax ledger and from the tax ledger to the tax receipts are markedly fewer than in the first two phases of the examination reported upon. This improvement is probably due to the fact that in most counties the tax lists and receipts are now made up in central county offices with skilled or semi-skilled clerical assistance. Formerly these tax records were made largely in the office of the register of deeds, but now much of this work is done in the office of the county accountant. The work is too detailed and intricate to be entrusted to the unskilled countrymen who usually serve as township list-takers. Many counties, in the interest of better assessments, are limiting list-takers to the entering of amounts on the abstracts. No additions are made by them, and township scrolls are either omitted or are made up in a central tax supervisory office.

Finally, 6,611 land valuations for 1928 were compared with those returned for the same land items in 1927. A total of 160 unexplained and apparently unauthorized changes in land values, amounting to $69,883, was noted.

The following summary sets forth in detail the results obtained in the examination of county tax records:

	Number checked	Number of errors found	Percent in error	Amount in error	Average error
1. Abstracts	18,049	447	2.48	$ 80,139	$ 179.28
2. Transcription to Scrolls	15,031	390	2.59	103,961	266.57
3. Transcriptions from Scrolls to Tax List	14,923	120	0.80	53,667	447.23
4. Transcriptions from Tax List to Tax Receipts	11,201	32	0.29	98	3.06
5. 1928 Land Valuations Against 1927 Valuations	6,611	160	2.42	69,883	436.77

Conclusions. Differences in amount of solvent credits as recorded on the tax abstracts and township scrolls were explained by county tax officials in several counties in this way: Whenever it becomes necessary to sue on notes for collection, such notes to be collectible must have been listed for taxes. Officials in these counties charged local attorneys with entering notes on the tax abstracts after suits are instituted. Whether the charge is true or not, the fact that current tax records are easily accessible to all comers and goers is admitted by such accusations from responsible authorities. An examination of the tax records shows that in many counties loose methods are followed by individual commissioners and by other officials in changing assessments after such records are completed and, under the law, closed. In some counties very few tax abstracts are signed in person by the taxpayers. In many, if not most, counties the individual oath of persons listing property is either disregarded or is lightly regarded. Records of the authorization of assessment changes are lacking in many counties. The initials and spelling of the name of a taxpayer differ on the several tax records for the same year. On 1927 land classification sheets were quite generally allowed to suffice for tax abstracts when only real estate was reported. Often tax records are not arranged alphabetically. This lack of good order in keeping tax records causes counties to pay dearly for audits of their tax charges. In several instances the tax owed by one taxpayer was charged to another and often it was paid by the second party.

In closing, a word is not amiss with reference to the $300 legal exemption allowed on certain classes of personal property. The deduction or failure to deduct this amount accounted for many of the errors in addition found on the abstracts. It may be entirely legal for the exemption of $300 to have been allowed as hereinafter noted, but the ethics of such grants may well be questioned. The $300 exemption was allowed to a doctor on his office equipment; to a bank on its furniture and fixtures; to a veneer factory; to two lumber companies and one construction company; to two of the large western North Carolina hotels; to several cafes; and to mercantile establishments of various kinds. One large resort hotels of the state reported no personal property of any kind. Individual abstracts are usually filled out with so little detail as to be practically worthless for determination of values and for compilation purposes.

On the whole, tax records were decidedly superior in those counties with whole-time tax supervisors or accountants whose duties definitely include the supervision of tax assessing and listing than in counties without whole-time tax supervision.

COLLECTING TAXES

No less important than a systematic and impartial assessment of taxes is a prompt and impartial collection. To fail in either respect produces a condition which is unjust, wasteful, and demoralizing. In so far as this situation can be corrected through the improvement of administrative practices it should be corrected.

Time of Collection. Property and poll taxes become due the first of October of each year, but because of delay in computing the taxes or delay in making settlement with the collector for the previous year it is often several weeks later before collecting can begin. The fiscal year begins the first of July; hence, there is at best a period of three months during which the county must be supported with borrowed money unless it is so fortunate as to begin the year with a substantial balance. Even if collecting is begun the first of October, the amount collected the first month or two is likely to be less than the current expenses, thereby necessitating further borrowing.

It would hardly be wise to suggest that collections begin at an earlier date than the first of October, since in a predominantly rural state such as North Carolina the farmers do not sell their crops until October or later. Although they should not be compelled to market their crops prematurely, it is probably unwise to permit them to delay payment until spring, for to do so is to encourage them to exhaust their money for other things and to make collecting well-nigh impossible until the following fall. It has been a common practice to pay taxes a year late, though there has been some improvement since the passage of the new fiscal control act. To those who receive salaries or wages it makes little difference what time in the year taxes become due, provided the property tax is not payable at the same time as the income tax. If taxes are to be paid in one payment, late fall or early winter appears to be the best time. In several states taxpayers are permitted to pay their property tax in two or more installments, and this method has virture, at least, in the case of the larger taxes.

The most serious objection to North Carolina's practice has probably arisen from the protracted period of tax collecting. In most states taxes become delinquent after a relatively short period of collecting—generally sixty or ninety days—after which substantial penalties are imposed. In North Carolina there has been no definite date when taxes become delinquent. For several years prior to 1927, there was a provision in the Machinery Act authorizing the county commissioners of any county to grant a discount of one per cent on taxes paid in October and one-half of one per cent on taxes paid in November, and to impose a penalty of one-half of one per cent in February, one per cent in March, and one and one-half per cent in April. If the tax was paid later than April the penalty could not exceed one and one-half per cent. This schedule simply deducts or adds 6 per cent interest. It imposes no real penalty on delinquents. Even this schedule has never been in general use, and it was not carried forward in the 1927 Machinery Act. A few counties are operating under special acts which grant a larger discount and impose a heavier penalty.

In the main, the North Carolina practice has been to put the burden upon the tax collector rather than upon the taxpayer. This principle may be criticized on the ground that it subjects the tax collector to unnecessary effort and embarrassment. Furthermore, it makes tax collecting unnecessarily protracted and costly. There is no just reason why each taxpayer should not assume the responsibility for delivering his tax to the courthouse at the proper time, and, if he does not do so, to pay for his own delinquency. Taxes ought to become delinquent at a definite time—say the first of February—and a penalty should be imposed thereafter of sufficient magnitude to discourage delinquency.

In many states the treasurer is "receiver" of taxes. He has an office at the courthouse and it is the responsibility of the taxpayer to deliver his tax there. At the beginning of the tax-collecting period each taxpayer is mailed a statement so that he may mail in his check. Several North Carolina counties now send out statements, and this is the proper thing to do. It is not fair to the taxpayer to require him to travel to the county seat to inquire the amount of his tax. On the other hand, it ought not to be necessary for the county to have to go after the tax. There is perhaps no objection to the tax collector's making one circuit of the county as a matter of convenience to the taxpayers, but after that the taxpayers who have to be coerced should pay for their delinquency. Those who pay promptly and without coercion should be granted a moderate discount or at least be excused from sharing the expense of collecting delinquent taxes.

The Sheriff as Tax Collector. Since Colonial days it has been the custom in North Carolina for the sheriff to serve as tax collector. Possibly the practice was introduced on account of the rebellious attitude of the early settlers toward taxes, but more likely it was adopted because the sheriff had been a tax collector in England.

Tax collecting has been left in the hands of the sheriff because of the notion that neither tax collecting nor his other duties alone would occupy enough of a person's time to justify a full salary. It has been believed that the combination was in the interest of economy. It is doubtful, however, if the combination of duties results in any real economy. The sheriff's work as a police officer requires an entirely different type of ability from his work as a tax collector, and few sheriffs qualify in both respects. Many counties have suffered serious losses because they entrusted the handling of huge sums of money to sheriffs who did not understand the first principles of bookkeeping. Not infrequently an excellent police officer has been ruined financially as a result of serving a term as sheriff and tax collector.

Furthermore, the sheriff, as an elective officer, is constantly importuned to grant favors. He is asked to make contributions, sign notes, advance taxes, withhold advertising, and in other ways to be easy with the taxpayers. One frequently hears the remark—"Mr. X is a fine sheriff; he never presses me for my taxes." It is risky to delegate tax collecting to an officer who is subject to so much political pressure.

If a saving of a few hundred dollars in salary results in more delay or delinquency than would be the case with an independent collector, it is, of course, no economy. As a matter of fact, North Carolina sheriffs have been well paid, usually far more than the other county officers and often as much as the best paid state officials. The character of their performance has not always been commensurate with the cost. It is possible that the tax collecting work could be separated from the sheriff's office without additional cost and with improved service in both departments.

Cost of Collecting Taxes. An attempt to ascertain the cost of collecting the 1927 taxes in each county was beset with unusual difficulties. In most counties taxes are collected by the sheriff, but his salary or commission covers his work both as tax collector and as sheriff. Likewise, expenses other than for salary are charged to the office rather than to the separate functions. The task is further complicated because of the various ways of compensating deputies and the varied amount of time which they devote to tax collecting.

The figures represent roughly the cost of the sheriff's office, less such items as the cost of capturing stills, conveying prisoners, feeding prisoners, and other items that bear no relation to tax collecting. The compensation of deputies whose work is mainly police work is also deducted. The figure does not include the cost of telephone service nor the cost of heating, lighting, and equipping an office. It does include the premium on the sheriff's surety bond when that is paid by the county. Though the final figures are not exact, the cost in one county is fairly comparable with that in another. As soon as the counties have gained a little more experience in the use of modern accounting methods they might profitably ascertain collecting costs with more refinement.

If these figures are accepted, the cost of collecting taxes in 98 counties was $732,386, or an average of $7,473 per county. (See Table 143 of the Appendix). The figures ranged from $1,549 in Tyrrell county to $37,383 in Wake. In 20 counties the collecting cost was reported to be in excess of $10,000, and in 23 less than $4,000. Stated as a percentage of the gross levy the average for the state is 1.60, and the range is from .5 of one per cent in Johnston county to 5.24 in Montgomery. In 14 counties it is less than one per cent and in 14 counties it is in excess of 3 per cent. See Figure 33.

The direct cost of collecting taxes does not represent the whole cost, however. There are indirect costs. Interest paid on tax anticipation loans is largely a cost which grows out of delay in collecting. See Figure 33.

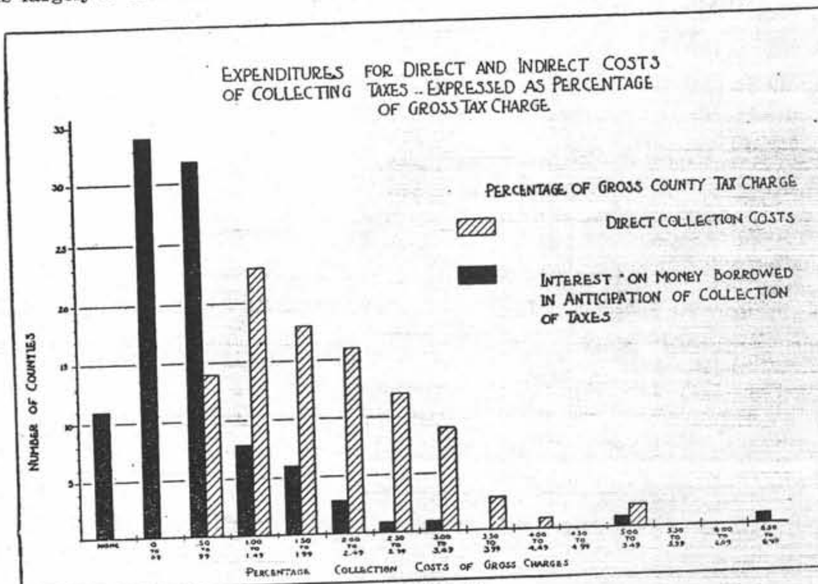


FIGURE 33

Loans Made in 1927-1928 in Anticipation of Taxes. Inquiries were made in each county as to the amount of money borrowed in the fiscal year 1927-28 in anticipation of taxes. Temporary loans in anticipation of bond issues, renewals, and debts carried over from the previous year were excluded. The figure used is in reality the largest amount of tax anticipation loans outstanding at any time during the year. In a few cases the figure used is an estimate.

Information was obtained from 98 counties, and 12 of these reported no money borrowed in anticipation of taxes. The amount borrowed in the others ranged from $1,983.50 in Clay county to $740,000 in Wake. Fifteen counties borrowed more than $200,000 each, but on the other hand there were 17 counties which reported that they had not borrowed in excess of $20,000. The total amount borrowed in the 98 counties from which information was obtained was $10,893,474, or an average of $112,304 per county. (See Table 143.)

Interest on Tax Anticipation Loans. The interest paid on money borrowed in anticipation of the collection of taxes amounted to $307,213 in the eighty-seven counties which borrowed for this purpose, or an average of $3,572 per county. (See Table 143, and Figure 33.)

The range was from zero in twelve counties to $22,832 in Wake. The figure was in excess of $10,000 in Alamance, Iredell, Durham, Rockingham, Johnston, and Cumberland.

Stated as a percentage of the gross levy the interest paid on money borrowed in anticipation of taxes in the eighty-six counties which borrowed ranged from .03 of one per cent in Clay county to 6.55 per cent in Jones. In twenty-four counties it was less than .25 of one per cent, and in twenty others it was in excess of one per cent. The total interest charge in the state represented .67 of one per cent of the total levy in the state.

The fact that twelve counties got along without borrowing any money in anticipation of taxes and twenty-four others borrowed less than one-fourth of one per cent of the levy suggests that it might be possible for any county to eliminate this expense by careful financing. Such an accomplishment would require not only promptness in collecting but the development of a reserve upon which to draw for the first three months of the fiscal year. It could be arranged to have no interest payments on funded debts payable during the first three months of the fiscal year.

It should be stated, too, that some counties realize interest on daily balances during the flush season to offset interest paid in anticipation of collections.

Another indirect item in the cost of collecting taxes is the loss incurred as the result of an unnecessarily large insolvent list. Quite often individuals subject to a poll and to some tax on personality, who might later move away or become insolvent, would pay if solicited early in the year. Of course, not all taxes finally accepted as insolvent could have been collected if an early effort had been made, but no doubt a considerable portion of them could have been.

Another indirect loss is that resulting from the failure of the sheriff to levy on personal property when the taxpayer is a land owner. The law requires that the sheriff or tax collector shall exhaust personalty before resorting to the advertisement and sale of land, but rarely does he do so. Under the system which prevailed prior to 1927 no hardship was imposed on a taxpayer through the advertising and selling of his land by the county. It often amounted to no more than an extension of one year in which to pay his tax. If penalties were imposed, they were frequently given as compensation to the collector. In this way, the county often lost the use of this revenue for a considerable period, and not infrequently lax methods of administration resulted in the loss of the tax altogether.

Relation of Collecting Methods to Tax Delinquency. In Tables 147, 148, 149 of the Appendix, the cost of collecting taxes, the amount of land advertised for taxes and the amount of tax claims bought by the county are shown for each of several groups of counties, the counties being grouped according to the method of collecting taxes. Table 147 compares the counties in which taxes are collected on a commission basis with those in which they are collected by a salaried officer, and with the counties of the state as a whole. Table 148 shows how the counties with an independent tax collector compare with the other counties and with the counties of the state as a whole. Table 149 compares the half dozen counties in which tax collecting is divided between the sheriff and township collectors with the remaining counties.

It will be noticed that collecting costs, stated in absolute figures, are higher in the counties which compensate the collector on a commission basis than in those which compensate on a salary basis. When reduced to a percentage of gross levy, collecting costs are markedly higher in the commission counties. The amount of land advertised for taxes does not appear to be effected by the method of compensating the collector, but the amount of tax certificates acquired by the county is less in proportion to the levy in the commission counties.

When the counties with independent collectors are compared with those in which taxes are collected by the sheriff, it is found that collecting costs represent a much smaller percentage of the gross levy—1.09 compared with 1.71. This difference may be partly accounted for, however, by the fact that a sheriff's salary includes compensation for other work than collecting taxes. The table shows a much larger volume of land advertised and sold for taxes in the counties which have collectors, but it may be that a large volume of delinquency was the main cause for separating tax collecting from the sheriff's office. At any rate, separate tax collectors have been employed too short a time and in too few counties to make any deductions from the figures derived.

There is a group of six counties in which taxes are collected by township or district collectors, the sheriff collecting in one township. Usually the sheriff collects also all the taxes paid by public service corporations. These counties show a higher collecting cost than any of the other groups. On the other hand there is a relatively small amount of delinquency. Land advertised for taxes amounts to only 3.51 per cent of the gross levy, whereas in the rest of the counties of the state it is 10.04 per cent. Land sales to the county represent 1.70 per cent of the levy compared with 5.84 per cent in the rest of the state. Tax collecting in these counties is so superior to that in the average county that there must be some virtue in the system, even though, there is in it no uniformity. In Gaston and Mecklenburg counties, district collectors are elected by popular vote. In Northampton and Gates, township collectors are elected. In Hertford, township collectors are chosen by the county commissioners. In Halifax, township or district collectors are appointed by the sheriff.

Similar comparisons were made between the ten urban counties which do not share in the school equalizing fund and the ninety participating counties. These are shown in Table 150 of the Appendix.

It will be observed that the gross tax charge in 1927 averaged $1,331,059 in the ten non-participating counties and $359,835 in the participating counties. Items of cost and delinquency consequently average much larger in the ten counties of the first group than in the ninety others. If the items are stated as a percentage of the gross levy, however, the wealthier counties make a more favorable showing in several respects. The cost of collecting taxes is 1.38 per cent of the levy in the non-participating counties and 1.60 per cent in the participating counties. Land advertised for taxes is 8.87 and 9.50 per cent, respectively. Tax claims bought by the county represent 4.90 per cent of the levy in the ten urban counties and 5.57 in the others. The average size of the taxes advertised for delinquency is slightly larger in the non-participating counties than in the others, the figures being $45.18 and $41.98, respectively. The volume of uncollected land sale certificates, though larger in the urban counties than in the others, is not as large in proportion to the levy.

On the whole, the ten counties which do not participate in the equalizing fund appear to be better administered than the others, though the margin in their favor is not at all pronounced. The largest difference is in collecting costs, but there would normally be diminishing costs as the size of the unit increases.

Partial Payments. The present law provides for the full payment of the annual property tax *at one time*. The tax is due and payable October first. This investigation attempted to ascertain whether usual practice followed the provision of the law with respect to the full payment of the entire year's tax at one time. It was found that the usual practice of the average taxpayer is to pay his entire tax at one time, but that in the majority of counties the tax collector allows individuals to make partial payments and gives a full receipt at the time of the final payment.

The property tax load is at present so heavy in the counties that the Commission believes the General Assembly should consider carefully the advisability of making legal provision for partial payments of taxes especially of amounts above a fairly small minimum, somewhat after the method of the Federal Government in income tax payments. Such provision, while it would necessarily add somewhat to the cost of collection and the work of the collector's office, would be a real accommodation to the taxpayer and might reasonably be expected to lower the present high percentage of delinquent taxpayers.

If provision should be made for partial payments, the first installment could be made payable October first as at present, and the final payment February first or March first following.

Cost of Collection Compared With Other States. It may be stated that the tax collecting procedure in North Carolina appears to be unnecessarily slow and costly. Very likely such is the case because so much responsibility is placed on the collector and so little on the taxpayer. The penalties imposed for delinquency are not heavy enough to encourage one to pay his taxes promptly. On the other hand, it is doubtful if the practice in North Carolina is any more deficient in this respect than the practice in some other states. In some respects the North Carolina practice appears to excel.

A study made at Cornell University of the collection of general property taxes on farm property in the United States, with emphasis on New York, throws some light on the practice and cost in other states. According to this study the average cost of collecting all property taxes, both general and school, from farmers in New York is 1.29 per cent. The cost in North Carolina, as determined by the Tax Commission, is 1.60 per cent. The figures may not be strictly comparable because of differences in what is included, but they are probably fairly comparable. In New York the general property tax for township, county, and state purposes is collected by township collectors. The collector is paid by a fee of one per cent on taxes paid within 30 days and 5 per cent thereafter. The fee is added to the face of the tax, hence a delinquent pays for his own delinquency. The system may be criticized on the ground that the collector receives a larger fee for collecting late than for collecting on time. On the other hand, the fact that the penalty attaches so soon probably stimulates prompt payment. Apparently the bulk of the taxes are paid within the month or the average collecting cost would be greater than 1.32 per cent of the amount paid by the taxpayers.

In Connecticut the cost of collecting ranges from 0.21 to 1.11 per cent. The average for the state, including the towns, is 0.33 per cent. In contrast with this surprisingly low figure, the collecting cost in 29 counties of Pennsylvania is 2.99 per cent of the amount collected. In Massachusetts the average collecting cost is estimated to be 2 per cent, and in Michigan it varies from 1 to 4 per cent.

These figures would have greater value if it were known what proportion of the levy in each state is collected within the current year, and particularly within the first few months of the collecting period. The indirect cost of collecting can easily outweigh the direct cost. Interest paid on money borrowed in anticipation of collections is an indirect cost that cannot be ignored. The percentage of insolvents allowed is another factor to be considered in computing collecting costs. North Carolina appears to be collecting a larger percentage of its levy within its fiscal year than Connecticut, and approximately the same percentage as New York, but not collecting it at such a low cost and not collecting so much of it in a brief collecting period.

THE ADVERTISEMENT AND SALE OF LAND FOR TAXES

After a tax becomes delinquent the sheriff or tax collector is permitted to seize and sell enough of the delinquent taxpayer's property to satisfy the tax. The law requires that the personal property of a taxpayer be levied upon and sold for the satisfaction of his taxes before resorting to real estate, if sufficient personalty subject to levy and sale can be found. It further states, however, that "it shall be incumbent upon the taxpayer, mortgagee, or other lien-holder on taxpayer's realty, if said mortgagee or other lien-holder has notified the sheriff that he holds such mortgage or other lien, to point out to the sheriff personalty out of which the taxes may be made, or else such taxpayer shall forfeit his rights under this section and his real estate shall be subject to the lien for taxes as if no other property had been listed by him." The method of selling personalty for taxes is governed by the general laws regulating levy and sale under execution.

Personalty Not Exhausted. As a general practice sheriffs have not been levying on personal property before advertising land, because it is an unpleasant thing to do, and because the lenient and irregular practices which have prevailed in the sale and redemption of land have made the sale of land the lesser hardship. As conducted hitherto, a land sale has amounted to little more than granting an extension of time to a taxpayer. In 1927 the General Assembly set up a new procedure, which is designed to remedy this evil, but the time has been too short for any pronounced improvement to be discerned.

Date of Sale. Heretofore the date fixed by law for the sale of real estate for taxes has been the first Monday in May, but the law contained the proviso that the commissioners might postpone the sale until the first Monday of any subsequent month, after giving the required notice. As a matter of practice sales have been held as much as a year late, and few counties have been holding them regularly on the first Monday in May.

The new law provides that real estate shall be sold for taxes on the first Monday in June, and that there shall be no extension of time for such sale, except that the sale may be continued from day to day until completed. Despite this provision the 1928 sales were held on June 4, the prescribed day, in only sixty-five of the ninety-eight counties which had sales. Twelve of the others had sales later in June, eight in July (six of them being on July 2), five in August, five in September, and three in October. In some cases, the sales were not held on the legal date because of court restraining orders. (See Table 151).

Advertisement Prior to Sale. The law requires that before any land shall be sold for taxes, the sheriff shall give public notice of the time, place, and cause of such sale by advertisement at the courthouse door and in some newspaper published in the county, if there be any, for four successive weeks immediately preceding the day of sale. Such advertisement must set out a list of the land to be sold and the amount of taxes and costs due by each delinquent owner, giving his name. Information gathered by the Tax Commission indicates that in a few instances property was sold without having been advertised.

Manner of Sale. All sales of real estate for taxes must be at public outcry to the highest bidder. Usually the sheriff or one of his deputies acts as auctioneer. All the advertised real estate of each delinquent must be sold at the same time as one body, and no bid is accepted unless sufficient in amount to discharge all the taxes due by the delinquent, together with all costs and expenses of sale. There is no uniformity in the amount added as costs. Inquiries were made in several counties as to the size of this item and in these counties the range was from 90 cents to $2.30. Though the law gives the county commissioners some discretion, it is not sufficient to justify these extreme variations.

If no individual bids on the land, or more correctly the tax claim against the land, the county is considered the purchaser. In some counties practically all of the sales are made to the county. In others individual bidders may buy a large part, or even all, of the claims. Sometimes one individual takes them all. Taking the state as a whole, however, the county is the principal purchaser.

Whoever the purchaser, it is the duty of the sheriff to make a record of the sale in a "tax sale record book." As a matter of fact, many sheriffs keep no such record. At the time of the sale it is the further duty of the sheriff to give the purchaser a tax sale certificate. When the county is the purchaser the sheriff is not always prompt in making out the certificates. He considers the uncollected tax receipts evidence of the sale. It is a better practice, however, to tear out the receipts and pin them to the certificates.

At any time the county commissioners may assign a certificate which it holds to any person wishing to buy, for the amount of the tax, the costs, and the accumulated interest.

Under the law which was operative until 1927 a purchaser of land at a tax sale was entitled to a deed to the property, provided it was not redeemed within one year, and provided he complied with the legal requirements as to serving notices and advertising. Actually it was rare for an individual to acquire a deed in this way, and never did a county acquire one.

Under the new law tax deeds are no longer to be granted, the holder of the certificate having only the right to foreclose as in the case of a mortgage. When the county is the holder of any certificate of sale, it must bring action to foreclose within eighteen months from the date of the certificate. The certificate bears interest at the rate of 20 per cent on the entire amount of taxes and sheriff's costs for a period of twelve months from the date of sale, and thereafter at the rate of 10 per cent until paid or until the final judgment of confirmation is rendered. In any action to foreclose, the cost is taxed as in any other civil action, and includes an allowance for the commissioner appointed to make the sale, which shall not exceed 5 per cent of the amount at which the land is sold, and one reasonable attorney's fee for the plaintiff.

The law requires that tax sale certificates held by a county shall, upon being allowed as a credit in the settlement with the sheriff, be delivered to the county accountant, county auditor, or other clerical officer of the board, and it becomes his duty to collect. Such officer shall call upon the county attorney to conduct the action to foreclose the certificate of sale, and it is the attorney's duty to prosecute the action as vigorously as may be necessary to obtain early final action. After the institution of an action by the county, the taxpayer has no right of redemption except upon the payment of the full tax, interest, costs, and allowances. The county board has no authority to remit or reduce the interest due under the certificate of sale, or otherwise interfere with the action to foreclose. An action to foreclose a certificate of sale may be instituted after fourteen months from the date of issue, and shall not be instituted after the expiration of three years.

Inasmuch as the new procedure did not go into effect until 1927, and fourteen months after the first sale thereunder had not elapsed until October 1, 1928, no foreclosure proceedings had been instituted at the time of the Tax Commission's study. Some counties, however, were instituting proceedings to foreclose certificates issued in earlier years, the new mode being applicable if no deeds had been executed under the old mode.

The representatives of the Tax Commission found that certain counties were failing in some respects to carry out the law. It was not uncommon to find that tax certificates had not been made out several months after the date of sale, or if made out, were still in the hands of the sheriff. Often he was permitting the certificates to be redeemed without interest. On the other hand, the officials in a few counties interpreted the law to mean a flat 20 per cent penalty, and were imposing a full 20 per cent even though the certificate was redeemed within two or three months from the date of sale.

The investigators heard the new procedure both praised and condemned. Many praised it on the ground that under its provisions much less land would be sold for taxes, whereas others condemned it on the ground that the penalties were exorbitant. The 20 per cent interest rate was denounced, and many who denounced it appeared to be unaware of the fact that this was the same rate as that provided in the old law. This lack of familiarity with the old law suggests that it had not always been enforced. Others condemned the new law on the ground that it permitted exploitation by the lawyers, that each county attorney had his own idea of what constituted a "reasonable attorney's fee." The fees which the counties had agreed to allow varied from $7 to $20, and one county reported that an attorney was asking $50 each for handling some of the suits.

LAND ADVERTISED FOR TAXES IN 1928

Method of Making This Study. One of the most exhaustive studies made by the Tax Commission was of the land advertised by counties for taxes in 1928. The newspapers containing the first advertisement were secured from 95 counties. For the list of newspapers used as sources in making this study see Table 153½, page 479, in the appendix. In Johnston and Macon counties there had been no sale of land for taxes at the time the information was compiled because of court restraining orders; in Currituck, Davie, and Northampton comparatively few items were advertised, and they were advertised only by posting on the courthouse door.

In one county and in a few townships of other counties it was necessary to use the newspapers containing the second advertisement, which probably contained fewer names than the first advertisement. Thus the figures shown in the tabulation, which appears as Table 152 of the Appendix, are too small in a few counties, but never too large.

It might be pointed out that it was no small effort to assemble these newspapers. An effort was made to secure the proper newspapers by the field workers when they were in the counties, but often they were unsuccessful. Frequently it was discovered later that they had been given a wrong issue. Quite often the newspaper office had no copy of the issue desired and the paper had to be secured from library files or other sources. Scores of letters had to be written and weeks of delay were suffered before the Tax Commission had assembled the sources of information on which this study is based. The counting, classifying, and adding of the more than 100,000 items was also a laborious task. Although the final figures are not one hundred per cent correct, the margin of error is too small to affect the results appreciably.

What the Figures Show. Altogether there were 101,325 land owners advertised as delinquent in the 95 counties, which advertised by publication, and the amount of taxes represented was $4,257,254. Thus there was an average of 1,067 names per county and an average tax of $42.00. The latter amount includes in most instances the advertising cost, varying considerably but approximating $1.25 for each name.

In 33 counties, the number of names exceeded 1,067, and in 62 counties, there were fewer than this number. In 13 counties, the number of names exceeded 2,000, the largest number, 8,721, being in Buncombe county. Camden, with 14, had the smallest number.

The amount advertised varied from $458 in Camden to $512,373 in Buncombe, and the average was $44,780. Thirty-one counties exceeded the average, and in nine counties the amount advertised was in excess of $100,000.

Delinquency in Town and Country. A comparison was made between urban and rural properties, and it was found that 42,153 of the properties advertised were town lots and 53,700 represented farm land. The remainder could not be classified. The tax on town properties averaged $41.17 and on farm properties $40.74. Thus it appears that the farmer is no more inclined to be delinquent than the townsman. Since this study deals only with land advertised by counties for tax delinquency, and since the preliminary investigation made by the Commission indicates that a great deal of city real property was advertised by cities for non-payment of city taxes, farm property can be said to be not as delinquent as city property.

Classification According to Race. Another classification was made according to race, and it was found that $2,781,153 of the land tax advertised was

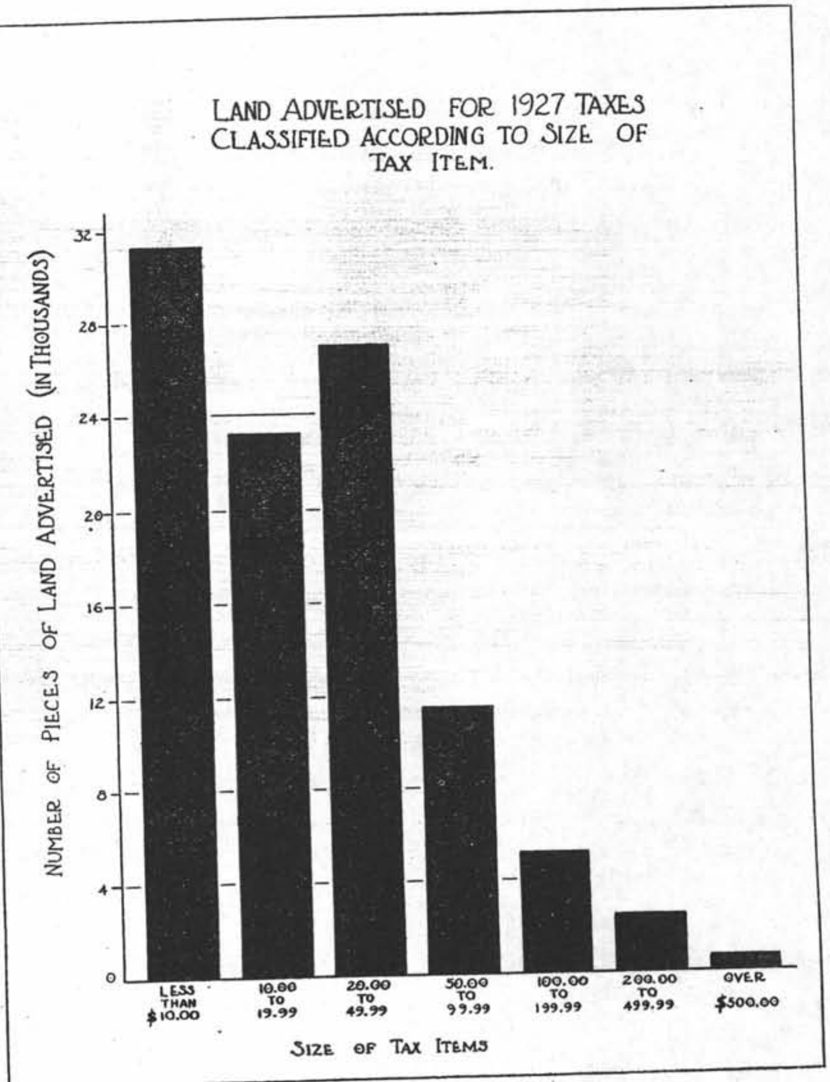


FIGURE 34

payable by white owners, $527,944 by negro owners, and $946,841 could not be classified. The figures indicate that negro land owners are only slightly, if any, more delinquent than white land owners.

Classification According to Size of Tax. The land advertised for taxes was further classified according to the size of the tax. (See Table 153 of the Appendix).

It will be noticed that 31,427, or 31 per cent, of the 101,325 items were less than $10.00 each, and this figure, in many cases, included the cost of advertising. There were 23,368 additional items between $10.00 and $19.99, making considerably more than half of the total less than $20 each. More than a fourth of the items advertised were between $20 and $50 in amount. Altogether only 19,495, or 19 per cent, of the total were in excess of $50, and only 8 per cent were in excess of $100. On the other hand there were 649 items in excess of $500.

Land advertised for 1927 taxes, classified according to size of items, is shown graphically on the accompanying figure. (Figure 34.)

The criticism is sometimes made that the interest and cost imposed on delinquent taxpayers equals or exceeds the original tax. This may easily be true in the case of small taxes, but it hardly follows that the penalties are excessive. It is as much trouble and involves as much expense to advertise anl collect a small tax as a large one. The penalties could hardly be less and serve their purpose. To the contrary, there is ordinarily no just reason why a tax of $20 or less should become delinquent. The penalty is heavier proportionately on a $20 tax which becomes delinquent than on a $200 tax, and for that reason the small taxpayer should borrow the money at current rates of interest in preference to paying the higher rate which the county must demand.

A Measure of Delinquency. The amount of land advertised for taxes reflects the character of tax collecting in a county, or stated from another

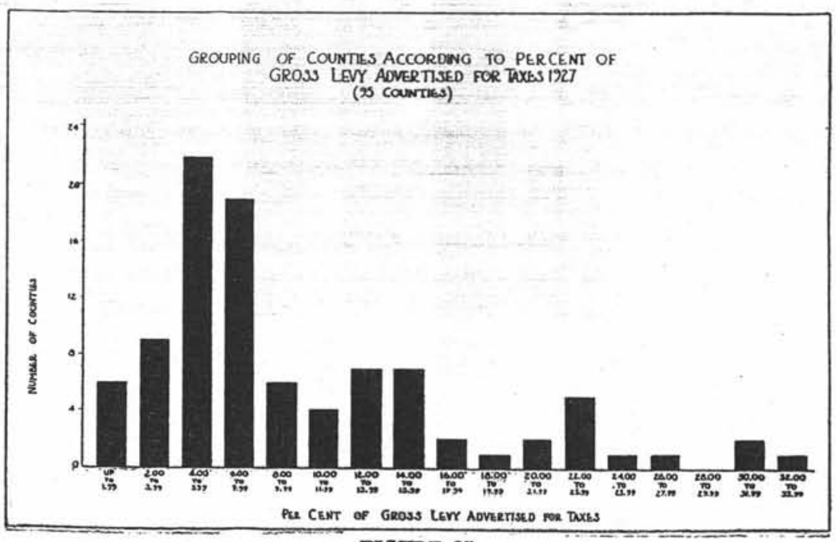


FIGURE 35

angle, it is a measure of tax delinquency. In other words, a large amount of land advertised for taxes indicates either deficiency in collecting or delinquency in paying taxes.

Table 151 of the Appendix shows (1) the relation of land advertised in each county to the gross levy; (2) the amount of advertised taxes actually sold to the county and what percentage this represents of gross levy; (3) the relation of land sold to the county to the amount advertised; and (4) the amount and percentage of land tax paid between advertisement and sale.

It will be noticed that in the state as a whole 9.32 per cent of the total taxes levied was advertised as delinquent, and this includes only the taxes of land owners. The largest percentage, 32.44, was in Pamlico county, though there were 12 other counties in which the percentage exceeded 20

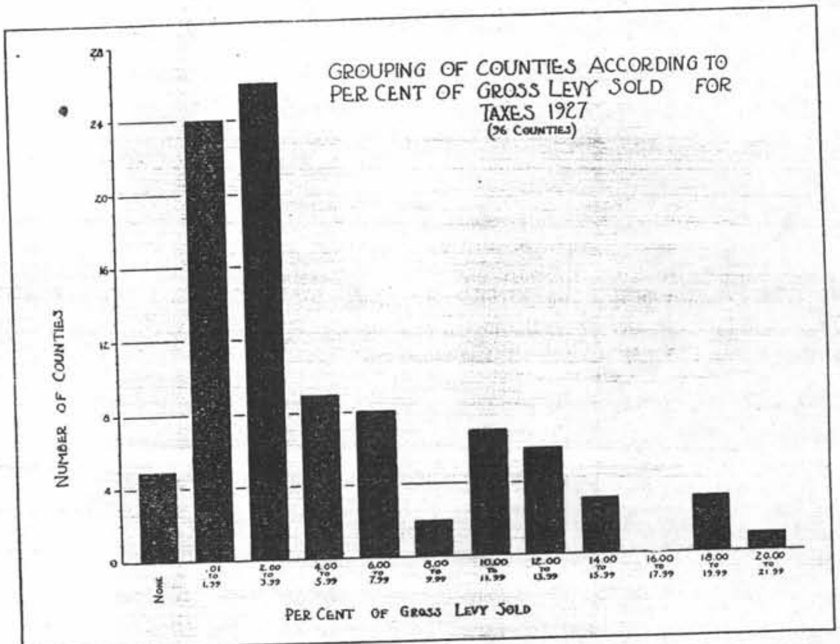


FIGURE 36

per cent. On the other hand, there were ten counties which advertised less than 3 per cent of the levy. The number of counties which advertised various percentages of their gross levies is shown in Figure 35.

There was no way to ascertain the total amount of land sold in each county, but it was possible to learn the amount bid in by the county, and in many counties this represented most of it. From these figures, it is found that the counties acquired tax claims to the amount of $2,457,257, which is equivalent to 5.38 per cent of the gross levy in the state. The percentages varied from 21.69 in Brunswick county to 0.21 in Gaston. In 21 counties the percentage was in excess of 10 per cent, whereas in 15 others it was less than one per cent. In five counties the tax certificates were all acquired by individuals. (Figure 36.)

The amount of land taxes paid between the time of the first advertisement and the sale was $1,783,714. This is 41.83 per cent of the total amount advertised. In 46 counties more than half of the amount advertised was collected without resorting to sale, and in five counties all of it. Tax certificates acquired by individuals were considered equivalent to taxes paid. This is true so far as the county is concerned, but it makes a better showing for those advertised than the facts warrant.

The accompanying table shows the ratios of land advertised and land sold to gross levy in the four geographic sections of the state. The greatest delinquency in paying taxes is in the Mountain section and the least in the Piedmont.

TABLE 137—LAND ADVERTISED AND SOLD BY GEOGRAPHIC SECTIONS.

Section	Gross Levy		Land Advertised		Land Sold		Per cent land advertised is of gross levy	Per cent land sold is of gross levy
	Amount	Per cent of total	Amount	Per cent of total	Amount	Per cent of total		
Piedmont	$20,889,553	45.71	$1,309,969	30.77	$ 589,401	23.98	6.27	2.82
Coastal Plain	11,071,228	24.23	821,479	19.30	508,061	20.68	7.42	4.57
Tidewater	7,791,769	17.05	1,112,897	26.14	736,632	29.98	14.28	9.45
Mountain	5,943,180	13.01	1,012,909	23.79	623,162	25.36	17.04	10.49
State	45,695,730	100.00	4,257,254	100.00	2,457,256	100.00	9.32	5.38

Uncollected Land Sale Certificates. It has already been explained that if there are no bidders for the tax claims against land, the county is considered the purchaser. The manner in which the delinquent owner may satisfy the lien has also been described.

The Tax Commission attempted to ascertain the amount of uncollected tax sale certificates of each year's levy held by the counties as of June 30, 1928. It was not always possible to determine the amount outstanding as of that particular date, and in some instances the certificates were not separated by years; otherwise satisfactory information was secured. The total amount outstanding, or a close approximation to it, was ascertained in every county, and in most counties it could be classified by years. The information has been tabulated and appears in Table 142 in the Appendix.

An examination of this table shows that only five counties—Alleghany, Camden, Chowan, Martin, and Northampton—had no uncollected tax sale certificates. The other 95 counties had a total of $4,433,244 of uncollected taxes represented by tax certificates, or an average of $46,667 per county. Buncombe had the largest amount, $420,924, but nine other counties had in excess of $100,000 each. (See Figure 37.)

More than half of the total, or $2,442,103, represented certificates issued following the sale of 1927 taxes, and since the count was taken soon after the sale the amount of uncollected certificates on hand was often nearly or exactly the same as the amount acquired. Certificates representing sales prior to that of the 1927 levy averaged $20,959 per county. Distributed by

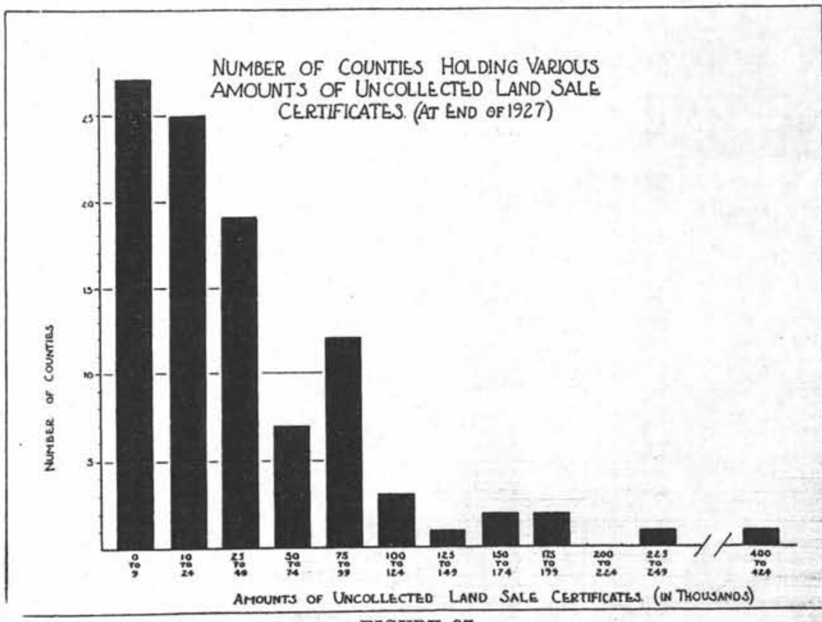


FIGURE 37

years, certificates of the 1926 levy totaled $692,305; of the 1925 levy, $303,506; and of the 1924 levy, $190,214. The balance of $775,116 represented certificates that could not be classified by years, some of them dating back many years but most of them issued since 1923.

It has been explained that not all of these certificates are *bona fide* liens, for some are the result of double listings or other errors in the tax levy. Because of the possibility of their being in error there has not been the diligence in prosecuting foreclosure proceedings that there might have been.

THE POLL TAX

Prior to 1920 the poll tax for county purposes in North Carolina was equivalent to the tax on $300 of property. Since 1920 the constitutional maximum has been $2.00 unless there are bonds outstanding which were issued prior to 1920 the payment of which was in part contingent upon the levying of a poll tax.

Despite the constitutional limitation there are 20 counties which report that they are levying a county-wide poll in excess of $2.00. In seven of these counties however the poll is not more than $2.50; the excess is presumably to help retire bonds issued prior to the passage of the constitutional amendment. In three counties there is an additional poll of $2.00 or more, which appears to be in lieu of a former labor tax. There are thus ten counties which are levying poll taxes in excess of the constitutional limit, and in most, if not all, of these cases the old equation is still being used. The counties which levy this illegal tax justify their action on the ground that it reaches a group that would otherwise escape all taxation by virtue of the $300 personal exemption.

CONCLUSION

In concluding the study of tax administration and tax delinquency, it may be stated that no tax law is any better than the degree to which it is enforced. Failure to enforce the tax laws completely, consistently, and impartially not only invites criticism and evasion, but is a real injustice. To permit the delinquent taxpayer to escape from paying his full portion is to impose an added burden on the conscientious taxpayer. Moreover, taxpayers will justly resent mounting tax rates if they know or believe that a substantial portion of their payment is made necessary because of inefficient practices. To exhaust five to ten per cent of the taxes imposed in collecting and distributing them is an inexcusable waste and an unnecessary hardship on the taxpayers. The largest possible fraction of the taxpayer's dollar should be available for constructive purposes. If the administration of the general property tax in North Carolina could be made five per cent more efficient, the saving would be equivalent to a new revenue of three million dollars. And probably in no county is administration so efficient that a five per cent improvement is not possible. It may be that the most hopeful field of tax relief is improved administration.

APPENDICES
TO
TAX ADMINISTRATION AND TAX DELINQUENCY

I. Statistical Tables

II. Form of Financial Statement and Questionnaire Used in Field Survey

APPENDIX I

TABLE 138—STATEMENTS OR SETTLEMENTS

County	Date of Statement or Settlement of 1924 Levy	Gross Charge	Discoveries		Releases		Insolvents
			Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount
Alamance†	....	$........	$........	....	$........	....	....
Alexander	....	....	....	....	....	....	....
Alleghany	April 5, 1927	22,194	7	0.03	....	....	....
Anson	....	....	....	....	....	....	....
Ashe	Oct. 6, 1928	193,089	1,920	0.99	....	....	....
Avery	Sept. 7, 1925	115,595	2,573	2.23	* 4,834	4.18	....
Beaufort	June 30, 1925	520,890	7,123	1.37	5,539	1.06	3,953
Bertie	June 30, 1926	265,605	325	0.12	....	....	6,672
Bladen	....	....	....	....	....	....	....
Brunswick	Sept. 10, 1925	143,750	1,143	0.79	1,887	1.31	2,358
Buncombe	June 30, 1925	807,599	....	....	....	....	5,256
Burke	....	....	....	....	....	....	....
Cabarrus	Sept. 28, 1925	416,178	....	....	....	....	....
Caldwell	Oct. 13, 1925	260,207	4,410	1.69	342	0.13	....
Camden	....	....	....	....	....	....	....
Carteret	Oct. 10, 1927	215,933	....	....	6,330	2.93	2,229
Caswell	Oct. 19, 1925	170,153	6	0.003	1,611	.95	639
Catawba	....	....	....	....	....	....	....
Chatham	....	249,517	970	0.39	2,626	1.05	2,230
Cherokee	....	....	....	....	....	....	....
Chowan	....	128,341	746	0.58	462	0.36	230
Clay	....	62,786	3,068	4.89	1,571	2.50	86
Cleveland	....	453,543	1,846	0.41	* 5,999	1.32	....
Columbus	Nov. 4, 1925	432,045	29,956	6.93	4,191	0.97	4,111
Craven	Nov. 30, 1925	426,315	6,466	1.52	4,398	1.03	5,897
Cumberland	Oct. 19, 1925	625,250	1,153	0.18	10,852	1.74	6,490
Currituck	....	105,240	1,533	1.46	968	0.92	1,249
Dare	....	....	....	....	....	....	....
Davidson	Sept. 25, 1925	458,607	....	....	4,737	1.03	3,891
Davie	July 15, 1925	194,746	1,470	0.75	* 1,189	0.61	....
Duplin	....	428,897	8,479	1.98	* 6,653	1.55	....
Durham	Nov. 25, 1925	932,044	2,730	0.29	23,140	2.48	7,032
Edgecombe	....	550,449	7,574	1.38	3,803	0.69	4,646
Forsyth	Oct. 5, 1925	1,017,190	21,737	2.14	23,398	2.30	4,467
Franklin	Nov. 26, 1925	311,519	....	....	3,840	1.23	5,691
Gaston	June 30, 1925	1,077,844	3,366	0.31	* 18,874	1.75	....
Gates	....	....	....	....	....	....	....
Graham	Oct. 1, 1925	68,792	1,624	2.36	* 1,064	1.55	....
Granville	Nov. 15, 1925	342,263	3,559	1.04	1,864	0.54	3,118
Greene	Dec. 15, 1925	251,720	3,189	1.27	2,913	1.16	670
Guilford	June 30, 1925	1,482,261	3,693	0.25	10,740	.72	....
Halifax	Feb. 1, 1926	626,614	4,837	0.77	17,195	2.74	5,314
Harnett	....	410,594	6,624	1.61	5,493	1.33	3,641
Haywood	Sept. 30, 1925	318,084	5,528	1.74	* 10,138	3.19	....
Henderson	July 20, 1925	332,585	2,300	0.69	4,489	1.35	....
Hertford	Oct. 16, 1925	210,783	1,450	0.69	514	0.24	705
Hoke	June 30, 1926	128,858	1,152	0.89	* 1,873	1.45	....
Hyde	Feb. 24, 1928	....	....	....	....	....	....
Iredell	Dec. 31, 1925	503,174	6,737	1.34	* 3,253	0.65	....
Jackson	June 30, 1925	195,099	1,621	0.83	3,436	1.76	1,028

OF COUNTY TAX COLLECTORS, 1924 LEVY

	Land Sales		Net Charge to Tax Collector		Paid to Treasurer		Balance Not Settled	
Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge
....	$........	....	$........	....	$........	....	$........	....
....	....	....	....	....	....	....	....	....
....	....	....	....	....	$ 18,272	82.3	3,922	17.67
....	....	....	....	....	....	....	....	....
....	1,431	0.74	191,657	99.2	188,646	97.7	2,991	1.55
....	....	....	110,761	95.8	95,568	82.7	15,192	13.14
0.76	48,578	9.33	462,730	88.8	462,730	88.8	0	0.00
2.51	0	0.00	258,933	97.5	258,933	97.4	0	0.00
....	6,775	....	....	....	....	....	....	....
1.64	13,001	9.04	126,505	88.0	126,504	88.0	0	0.00
0.65	24,918	3.09	777,425	96.3	777,425	96.3	0	0.00
....	....	....	403,804	97.0	397,810	95.6	5,995	1.44
....	2,865	1.10	257,000	98.8	222,582	85.5	34,418	13.23
....	....	....	....	....	....	....	....	....
1.03	15,965	7.39	191,409	88.6	....	....	....	....
0.38	5,552	3.26	162,351	95.4	162,351	95.4	0	0.00
0.89	562	0.23	244,099	97.8	187,594	75.2	56,505	22.65
....	....	....	....	....	....	....	....	....
0.18	0	0.00	127,648	99.4	127,648	99.5	0	0.00
0.14	3,528	5.62	57,600	91.7	57,600	91.7	0	0.00
....	....	....	447,543	98.7	447,543	98.7	0	0.00
0.95	20,989	4.86	402,754	93.2	333,416	77.1	69,337	16.05
1.38	50,310	11.80	365,715	85.8	353,449	82.9	12,261	2.88
1.04	24,007	3.84	583,900	93.4	583,900	93.4	0	0.00
1.19	0	0.00	103,024	97.9	103,024	97.9	0	0.00
0.85	4,722	1.03	445,257	97.1	445,257	97.1	0	0.00
....	937	0.48	192,620	98.9	192,620	98.9	0	0.00
....	37,832	8.82	384,412	89.6	379,418	88.5	4,994	1.16
0.75	6,422	0.69	895,450	96.1	895,450	96.1	0	0.00
0.84	3,086	0.56	538,913	97.9	538,913	97.9	0	0.00
0.44	....	....	989,325	97.3	989,325	97.3	0	0.00
1.83	17,133	5.50	284,854	91.4	284,854	91.4	0	0.00
....	0	0.00	1,058,970	98.3	1,058,970	98.3	0	0.00
....	....	....	....	....	....	....	....	....
....	567	0.82	67,160	97.6	69,636	101.2	‡ 2,476	* 3.60
0.91	8,930	2.61	328,351	95.9	328,351	95.9	0	0.00
0.27	12,083	4.80	236,055	93.8	236,055	93.8	0	0.00
....	....	....	1,471,522	99.3	1,156,624	78.0	314,898	21.24
0.85	6,242	1.00	597,862	95.4	597,862	95.4	0	0.00
0.88	9,805	2.38	391,655	95.4	391,655	95.4	0	0.00
....	9,454	2.97	298,491	93.8	298,491	93.8	0	0.00
....	9,988	3.00	318,108	95.5	308,821	92.9	9,287	2.79
0.33	1,222	0.58	208,342	98.8	207,009	98.2	1,332	0.63
....	3,649	2.83	123,336	95.7	....	....	....	....
....	....	....	....	....	....	....	32,226	....
....	26,410	5.25	473,511	94.1	473,511	94.1	0	0.00
0.53	4,071	2.09	186,563	95.6	171,898	88.1	14,665	7.52

TABLE 138—STATEMENTS OR SETTLEMENTS OF

Counties	Date of Statement or Settlement of 1924 Levy	Gross Charge	Discoveries		Releases		Insolvents
			Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount
Johnston	Nov. 20, 1926	$ 761,782	$ 9,349	1.23	$ 7,734	1.02	$ 11,952
Jones	...	120,496	1,709	1.42	1,716	1.42	1,088
Lee	...	188,564	402	0.21	2,649	1.40	2,867
Lenoir	...	...	...	...	...	...	...
Lincoln	...	...	...	...	...	...	...
Macon	...	...	...	...	...	...	...
Madison	Dec. 1, 1925	206,451	148	0.07	2,114	1.02	1,912
Martin	Nov. 25, 1925	258,222	781	0.30	1,557	0.60	1,053
McDowell	...	326,638	2,567	0.79	* 4,742	1.45	...
Mecklenburg	June 30, 1927	1,600,736	43,616	2.72	27,174	1.70	4,201
Mitchell	Oct. 6, 1925	164,051	21,399	13.04	6,327	3.86	1,204
Montgomery	Nov. 30, 1925	283,214	1,412	0.50	1,354	0.48	...
Moore	Dec. 31, 1925	363,857	15,309	4.21	3,218	0.88	2,139
Nash	Sept. 17, 1925	612,218	5,463	0.89	1,455	0.24	4,516
New Hanover	Nov. 30, 1925	728,385	12,335	1.69	4,622	0.63	7,956
Northampton	...	312,512	1,164	0.37	2,185	0.70	2,185
Onslow	Dec. 4, 1925	175,643	3,448	1.96	3,934	2.24	1,061
Orange	...	...	...	...	...	...	...
Pamlico	Oct. 29, 1925	120,833	6,641	5.50	2,086	1.73	846
Pasquotank	...	...	...	...	...	...	...
Pender	June 30, 1927	187,008	3,485	1.86	5,426	2.90	1,522
Perquimans	Oct. 5, 1925	141,538	345	0.24	644	0.46	722
Person	Oct. 10, 1927	207,758	2,834	1.36	177	.09	1,170
Pitt	Oct. 1, 1925	700,909	24,818	3.54	18,005	2.57	5,005
Polk	...	...	...	...	...	...	...
Randolph	...	221,814	5,267	2.37	2,612	1.18	2,346
Richmond	...	...	...	...	...	...	...
Robeson	...	...	...	...	...	...	...
Rockingham	June 30, 1927	783,508	8,065	1.03	* 6,619	0.84	...
Rowan	Feb. 20, 1926	572,415	7,186	1.26	3,283	0.57	11,308
Rutherford	Oct. 26, 1925	401,199	16,253	4.05	* 13,742	3.43	...
Sampson	Oct. 3, 1925	404,556	14,150	3.50	* 12,232	3.02	...
Scotland	Oct. 12, 1925	271,128	957	0.35	2,081	0.77	1,827
Stanly							
Stokes	Oct. 10, 1925	235,096	2,653	1.13	809	0.34	971
Surry	June 30, 1927	337,559	1,072	0.32	...	...	...
Swain	Aug. 14, 1925	201,750	1,046	0.52	3,641	1.80	2,084
Transylvania	...	...	...	...	...	...	...
Tyrrell	...	...	...	...	...	...	...
Union	Oct. 12, 1925	447,422	1,823	0.41	...	...	6,782
Vance	Aug. 12, 1925	300,190	3,571	1.19	3,784	1.26	390
Wake	...	1,241,513	17,964	1.45	19,133	1.54	12,980
Warren	...	...	...	...	...	...	...
Washington	Oct. 5, 1925	191,958	22,750	11.85	16,409	8.55	522
Watauga	June 30, 1925	134,437	2,543	1.89	2,283	1.70	...
Wayne	Nov. 1, 1926	689,135	4,520	0.66	6,771	0.98	...
Wilkes	June 30, 1925	283,970	1,964	0.69	4,283	1.51	...
Wilson	Sept. 8, 1925	650,920	4,617	0.71	5,309	0.82	1,617
Yadkin	Nov. 16, 1925	134,694	1,746	1.30	* 834	0.62	...
Yancey	Dec. 11, 1925	127,389	8,160	6.41	3,171	2.49	1,517
Total		$30,547,820	$ 434,447	...	$ 404,331	...	$ 175,346
No. of Counties Reporting	...	77	72	72	70	70	52
Average	...	$ 396,725	$ 6,034	$ 1.75	5,776	1.51	$ 3,372

*Insolvents and Releases. †Includes discoveries.
†Statement or settlement figures unobtainable in counties where no figures appear.
‡Overpayments.

OF COUNTY TAX COLLECTORS, 1924 LEVY—*Continued*

	Land Sales		Net Charge to Tax Collector		Paid to Treasurer		Balance Not Settled	
Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge
1.57	$ 19,413	2.55	$ 722,684	94.9	$ 722,684	94.9	$ 0	0.00
0.90	11,978	9.94	105,714	87.7	94,140	78.1	11,573	9.60
1.52	6,670	3.54	176,377	93.5	176,377	93.5	0	0.00
....	....	....	....	....	....	....	....	....
....	....	....	....	....	....	....	....	....
....	....	....	....	....	....	....	....	....
0.93	2,708	1.31	199,716	93.7	191,627	92.8	8,090	3.92
0.41	2,281	0.88	253,329	98.1	252,633	97.8	696	0.27
....	6,988	2.14	314,907	96.4	314,427	96.3	480	0.15
0.26	26,298	1.64	1,543,063	96.4	1,543,473	96.4	* *410*	‡ *0.03*
0.73	10,785	6.57	145,735	88.8	145,735	88.8	0	0.00
....	1,393	0.49	280,467	99.0	248,035	87.6	32,432	11.45
0.59	9,792	2.69	348,708	95.8	332,902	91.5	15,806	4.34
0.74	25,907	4.23	580,340	94.8	570,708	93.2	9,632	1.57
1.09	48,256	6.63	667,552	91.7	667,552	91.7	0	0.00
0.70	0	0.00	310,327	99.3	310,176	99.2	151	0.05
0.60	8,722	4.97	161,867	92.2	156,525	89.1	5,342	3.04
....	....	....	....	....	....	....	....	....
0.70	7,266	6.01	110,636	91.6	96,622	80.0	14,014	11.60
....	....	....	....	....	....	....	....	....
0.82	15,150	8.10	164,908	88.2	164,803	88.1	105	0.06
0.51	0	0.00	140,173	99.0	140,174	99.0	0	0.00
0.56	1,673	0.81	204,735	98.6	202,711	97.6	2,024	.97
0.71	61,327	8.75	616,574	88.0	616,574	88.0	0	0.00
....	....	....	....	....	....	....	....	....
1.06	855	0.39	216,001	97.4	216,001	97.4	0	0.00
....	....	....	....	....	....	....	....	....
....	....	....	....	....	....	....	....	....
....	....	....	776,890	99.2	776,890	99.2	0	0.00
1.98	3,711	0.65	554,114	96.8	553,673	96.7	441	.08
			387,456	96.6	387,456	96.6	0	0.00
....	12,956	3.20	379,368	93.8	379,368	93.8	0	0.00
0.67	....	....	267,220	98.6	232,687	85.8	34,532	12.74
....	....	....	....	....	....	....	....	....
0.41	4,033	1.72	229,283	97.5	229,283	97.5	0	0.00
....	....	....	....	....	331,071	98.1	6,489	1.92
1.03	....	....	196,025	97.2	179,630	89.0	16,395	8.13
....	....	....	....	....	....	....	....	....
....	....	....	....	....	....	....	....	....
1.52	....	....	440,641	98.5	440,641	98.5	0	0.00
0.13	2,830	0.94	293,186	97.7	293,186	97.7	0	0.00
1.05	34,760	2.80	1,174,640	94.6	1,174,640	94.6	0	0.00
....	....	....	....	....	....	....	....	....
0.27	3,800	1.98	171,227	89.2	166,799	86.9	4,428	2.31
....	....	....	132,154	98.3	70,320	52.3	61,834	45.99
....	28,898	4.19	653,466	94.8	637,463	92.5	16,003	2.32
....	....	....	279,687	98.5	233,658	82.3	46,029	16.21
0.25	0	0.00	643,994	98.9	643,994	98.9	0	0.00
....	....	....	133,860	99.4	133,860	99.4	0	0.00
1.19	3,298	2.59	119,403	93.7	119,541	93.8	‡ *139*	‡ *0.11*
....	$ 742,782	....	$ 28,862,042	....	$ 28,077,754	....	$ 864,543	....
52	56	55	75	75	75	75	34	36
0.85	$ 13,264	3.55	$ 384,827	95.4	$ 374,370	92.2	$ 25,427	7.29

TABLE 139—STATEMENTS OF SETTLEMENTS

County	Date of Statement or Settlement of 1925 Levy	Gross Charge	Discoveries		Releases		Insolvents
			Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount
Alamance	Nov. 14, 1927	$ 558,255	$ 4,000	0.72	$ *10,411	1.87	$
Alexander	Jan. 20, 1927	139,005	4,686	3.37	2,373	1.71	390
Alleghany	April 5, 1927	24,928	34	0.14			
Anson	Sept. 30, 1926	374,243	503	0.13	728	0.19	4,779
Ashe		219,155	1,119	0.51			
Avery		114,674	2,245	1.96	* 5,019	4.38	
Beaufort	June 30, 1926	509,935	9,681	1.90	7,647	1.50	3,143
Bertie	June 30, 1927	282,211	206	0.07	* 6,728	2.38	
Bladen#							
Brunswick	Dec. 20, 1926	135,410	1,076	0.79	2,656	1.96	1,870
Buncombe	Sept. 30, 1926	1,262,784	16,593	1.31	30,092	2.38	10,766
Burke							
Cabarrus	Oct. 22, 1926	463,961	** 365	0.08	2,252	0.49	
Caldwell	Sept. 15, 1926	281,603	2,610	0.93	* 486	0.17	
Camden	Sept. 17, 1926	83,723	294	0.35	* 974	1.16	
Carteret	Oct. 10, 1927	240,700			7,398	3.07	3,399
Caswell	Oct. 18, 1926	170,682			5,777	3.38	1,374
Catawba		491,444					
Chatham	June 30, 1926	295,064	2,092	0.71	4,404	1.49	2,901
Cherokee							
Chowan		162,733	608	0.37	1,064	0.65	265
Clay		76,688	1,426	1.86	2,559	3.34	106
Cleveland		493,367	3,644	0.74	* 6,298	1.28	
Columbus	Oct. 30, 1926	448,958	18,909	4.21	9,569	2.13	26,078
Craven	Nov. 30, 1926	505,381	10,946	2.17	7,219	1.43	6,295
Cumberland	Oct. 23, 1926	682,904	18,661	2.73	17,853	2.61	3,319
Currituck		96,804	1,509	1.56			1,452
Dare							
Davidson	Sept. 30, 1927	472,643					4,989
Davie	July 15, 1926	206,328	1,136	0.55	* 2,218	1.07	
Duplin	Nov. 30, 1926	431,134	9,370	2.17	* 5,770	1.34	
Durham	Dec. 10, 1926	1,016,025	3,637	0.36	12,848	1.26	8,971
Edgecombe		564,854	6,749	1.19	2,450	0.43	5,472
Forsyth	June 30, 1926	1,061,804	9,266	0.87	18,331	1.73	
Franklin	Nov. 29, 1926	336,120	15,459	4.60	5,640	1.68	5,781
Gaston	June 30, 1927	1,077,664	5,977	0.55	* 24,960	2.32	
Gates	Sept. 20, 1926	133,358	1,287	0.97	* 433	0.32	
Graham	Oct. 19, 1926						
Granville	Sept. 8, 1926	383,162	3,546	0.93	3,754	0.98	4,144
Greene	Nov. 30, 1926	249,189	661	0.27	3,451	1.38	857
Guilford	June 30, 1926	1,605,536	2,976	0.19	1,701	1.06	
Halifax	Nov. 1, 1926	692,876	5,771	0.83	* 9,634	1.39	
Harnett		461,920	12,683	2.75	8,271	1.79	2,999
Haywood	Oct. 26, 1926	334,891	5,093	1.52	* 11,902	3.55	
Henderson	June 24, 1927	340,073	12,867	3.78	* 15,159	4.46	
Hertford	June 30, 1927	201,785	589	0.29	1,046	0.52	383
Hoke	June 30, 1926	146,066	1,087	0.74	913	0.63	
Hyde	Feb. 24, 1928	116,800	138	0.12	* 1,275	1.09	
Iredell		604,825	4,040	0.67	* 13,420	2.22	
Jackson	June 30, 1926	205,241	994	0.48	* 786	0.38	1,254
Johnston	Dec. 6, 1926	800,040	17,408	2.18	36,326	4.54	15,043
Jones		118,543	1,775	1.50	* 2,118	1.79	
Lee							
Lenoir	June 30, 1926	517,520	1,832	3.54	3,981	0.77	
Lincoln	June 30, 1927	263,887	859	0.33	* 3,660	1.39	
Macon	June 30, 1927						
Madison	Dec. 9, 1926	226,756	812	0.36	1,358	0.60	2,051
Martin	Sept. 17, 1926	317,617	1,879	0.59	1,660	0.52	1,407
McDowell	June 30, 1927	353,842	* 311	0.09	* 5,296	1.50	
Mecklenburg	June 30, 1927	1,699,146	56,956	3.35	19,983	1.18	6,603

OF COUNTY TAX COLLECTORS, 1925 LEVY

	Land Sales		Net Charge to Tax Collector		Paid to Treasurer		Balance Not Settled	
Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge
......	......	......	$ 547,845	98.1	$ 547,845	98.1	$ 0	0.00
0.28	1,874	1.35	134,368	96.7	129,232	93.0	5,136	3.69
......	......	......	......	......	18,228	73.1	6,700	26.88
1.28	6,785	1.81	361,951	96.7	292,363	78.1	69,588	18.59
......	2,106	0.96	217,049	99.0	211,235	96.4	5,814	2.65
......	17,877	15.59	91,779	80.0	90,146	78.6	1,633	1.43
0.62	55,043	10.79	444,102	87,1	444,102	87.1	0	0.00
......	0	......	275,483	97.6	275,483	97.6	0	0.00
......	......	......	......	......	......	......	......	......
1.38	14,725	10.87	116,159	85.8	116,159	85.8	0	0.00
0.85	33,291	2.64	1,188,634	94.1	1,188,383	94.1	251	0.02
......	......	......	......	......	......	......	......	......
......	......	......	461,709	99.5	455,928	98.3	5,781	1.25
......	3,132	1.11	277,985	98.7	261,104	92.7	16,881	5.99
......	0	......	82,749	98.8	82,340	98.4	409	0.49
1.41	23,982	9.96	205,921	85.6	198,960	82.7	6,960	2.89
0.81	5,911	3.46	157,620	92.4	157,620	92.4	0	0.00
......	......	......	......	......	......	......	......	......
0.98	3,686	1.25	284,073	96.3	208,720	70.7	75,353	25.54
......	......	......	......	......	......	......	......	......
0.16	0	......	161,404	99.2	161,404	99.2	0	0.00
0.14	968	1.26	73,056	95.2	73,056	95.3	0	0.00
......	......	......	487,070	98.7	487,070	98.7	0	0.00
5.81	3,853	0.86	409,458	91.2	391,681	87.2	17,777	3.96
1.25	66,597	13.18	425,270	84.1	370,311	73.3	54,959	10.87
0.49	42,498	6.22	619,234	90.7	619,233	90.7	0	0.00
1.50	0	......	95,352	98.5	95.352	98.5	0	0.00
......	......	......	......	......	......	......	......	......
1.06	3,042	0.64	464,612	98.3	465,161	98.4	‡ *549*	‡ *0.12*
......	5,267	2.55	198,843	96.4	198,843	92.2	0	4.13
......	48,881	11.34	375,938	87.2	375,825	87.2	113	0.03
0.88	10,853	1.07	983,353	96.8	983,353	96.8	0	0.00
0.97	3,911	0.69	553,021	97.9	552,644	97.8	377	0.07
......	......	......	1,043,473	98.2	963,296	90.7	80,177	7.55
1.72	17,667	5.26	307,032	91.3	307,032	91.3	0	0.00
......	0	......	1,052,704	97.7	1,052,704	97.7	0	00.0
......	11	0.01	132,914	99.7	132,914	99.7	0	0.00
......	......	......	67,461	......	46,566	......	20,895	......
1,08	10,149	4.07	365,115	95.3	365,115	95.3	0	0.00
0.34	13,953	.56	230,929	92.7	230,929	92.7	0	0.00
......	......	......	1,588,525	98.9	1,150,114	71.6	438,411	27.31
......	20,999	3.03	662,243	95.6	662,243	95.6	0	0.00
0.65	12,673	2.74	437,977	94.8	437,884	94.8	92	0.02
......	12,124	3.62	310,864	92.8	306,652	91.6	4,212	1.26
......	15,782	4.64	309,131	90.9	308,318	90.7	813	0.24
0.19	1,444	.72	198,913	98.6	198,913	98.6	0	0.00
......	8,166	5.59	136,987	93.8	87,399	59.8	49,587	33.95
......	20,242	17.33	95,283	81.6	76,201	65.2	19,082	16.23
......	29,348	4.85	562,056	92.9	562,056	92.9	0	0.00
0.61	2,594	1.26	200,607	97.7	193,653	94.4	6,954	3.39
1.88	31,590	3.95	717,081	89.6	652,099	81.5	64,983	8.12
......	14,031	11.84	102,393	86.4	98,901	83.4	3,492	2.95
......	......	......	......	......	......	......	......	......
......	40,370	7.80	473,167	91.4	451,766	87.3	21,401	4.14
......	3,458	1.31	256,769	97.3	260,019	98.5	‡ *3,250*	‡ *1.23*
......	......	......	144,512	......	118,288	......	26,224	......
0.90	5,635	2.48	217,712	96.0	204,772	90.3	12,940	5.71
0.44	0	......	314,550	99.0	314,550	99.0	0	0.00
......	7,936	2.24	340,609	96.3	340,941	96.4	‡ *332*	‡ *0.09*
0.39	43,822	2.58	1,628,738	95.9	1,631,527	96.0	‡ *2,789*	‡ *0.16*

TABLE 139—STATEMENTS OR SETTLEMENTS

County	Date of Statement or Settlement of 1925 Levy	Gross Charge	Discoveries		Releases		Insolvents
			Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount
Mitchell	Nov. 3, 1926	$ 216,287	$ 9,604	4.44	$ 3,654	1.69	$ 940
Montgomery	June 30, 1926	296,544	1,839	0.62	2,504	0.84	....
Moore	Oct. 30, 1926	403,193	15,190	3.77	5,712	1.42	2,021
Nash	Nov. 30, 1926	734,294	6,742	0.92	3,212	0.44	4,172
New Hanover	Oct. 1, 1926	786,994	14,251	1.81	10,649	1.35	7,606
Northampton	May 1, 1927	318,421	2,943	0.92	* 2,877	0.90	....
Onslow	Aug. 25, 1926	194,172	2,345	1.21	5,176	2.67	903
Orange	Nov. 20, 1928	287,926	3,038	1.06	1,860	0.65	3,223
Pamlico	Nov. 29, 1926	152,227	18,306	12.03	2,473	1.62	1,518
Pasquotank	Nov. 20, 1926	249,203	2,234	0.90	a 1,879	0.75	....
Pender	June 30, 1927	215,001	6,789	3.16	5,717	2.66	1,543
Perquimans	Nov. 13, 1926	144,602	357	0.25	* 875	0.61	....
Person	Oct. 10, 1927	213,675	1,022	0.48	176	0.08	1,274
Pitt	Oct. 1, 1926	686,590	13,182	1.92	8,844	1.30	9,133
Polk	June 30, 1926	123,313	....	....	* 1,070	0.87	....
Randolph	....	231,730	10,159	4.38	4,543	1.96	5,190
Richmond	....	....	....	....	....	....	....
Robeson	....	....	....	....	....	....	....
Rockingham	June 30, 1927	847,290	6,716	0.79	6,746	0.80	....
Rowan	....	668,846	3,514	0.53	* 7,678	1.15	....
Rutherford	Nov. 1, 1926	508,888	1,846	0.36	* 15,856	4.12	....
Sampson	June 30, 1926	432,439	18,053	4.17	* 9,440	2.18	....
Scotland	Oct. 12, 1925	341,374	3,309	0.97	2,121	0.62	2,103
Stanly	June 30, 1926	394,407	1,259	0.32	* 2,801	0.71	....
Stokes	Oct. 29, 1926	241,649	5,749	2.38	5,428	2.25	2,727
Surry	June 30, 1927	341,305	960	0.28	....	....	....
Swain	June 30, 1926	208,219	1,131	0.54	3,388	1.63	....
Transylvania	Sept. 1, 1926	139,298	2,007	1.44	6,274	4.50	845
Tyrrell	....	65,289	....	....	....	....	....
Union	Nov. 2, 1926	557,819	5,412	0.97	5,024	0.90	8,962
Vance	Oct. 2, 1926	334,053	9,364	2.80	3,128	0.94	1,336
Wake	....	1,293,456	21,323	2.42	21,898	1.69	10,207
Warren	....	....	....	....	....	....	....
Washington	....	....	....	....	....	....	....
Watauga	June 30, 1926	170,582	....	....	970	0.57	....
Wayne	Oct. 19, 1927	724,081	....	....	9,081	1.25	4,488
Wilkes	Oct. 3, 1926	285,176	4,303	1.51	3,180	1.12	....
Wilson	Sept. 21, 1926	724,985	7,225	1.00	7,948	1.10	2,416
Yadkin	Nov. 19, 1926	142,555	1,503	1.05	* 1,191	0.84	....
Yancey	Dec. 4, 1926	137,810	12,564	9.12	5,370	3.90	512
Total	....	$36,867,949	$ 500,603	....	$ 543,905	....	$ 197,216
No. of Counties Reporting	....	89	81	81	82	82	47
Average	....	$ 414,247	$ 6,180	1.61	$ 6,633	1.58	$ 4,196

a Errors insolvents and Landsales to the County **Unlocated difference.
† Includes discoveries.
–Statement or settlement figures unobtainable in counties where no figures appear
‡ Overpayments.

OF COUNTY TAX COLLECTORS, 1925 LEVY—*Continued*

	Land Sales		Net Charge to Tax Collector		Paid to Treasurer		Balance Not Settled	
Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge
0.44	$ 6,146	2.84	$ 205,548	95.0	$ 205,548	95.0	$ 0	0.00
....	....	....	294,040	99.2	223,391	75.3	70,649	23.83
0.50	9,390	2.33	386,071	95.8	380,033	94.3	6,038	1.50
0.57	24,159	3.29	702,751	95.7	702,751	95.7	0	0.00
0.97	49,041	6.23	719,698	91.6	719,698	91.6	0	0.00
....	0	....	315,544	99.1	313,598	98.4	1,946	0.61
0.47	13,995	7.21	174,097	89.7	149,222	76.9	24,875	12.81
1.12	9,761	3.39	273,172	94.9	273,172	94.9	0	0.00
1.00	16,465	10.82	131,770	86.6	102,439	67.3	29,331	19.27
....	....	....	247,325	99.2	247,325	99.2	0	0.00
0.72	27,242	12.67	180,499	84.0	180,493	84.0	5	0.02
....	....	....	143,727	99.4	143,727	99.3	0	0.00
0.56	2,461	1.15	209,764	98.2	209,491	98.0	273	0.13
1.33	10,626	1.56	657,986	95.8	657,986	95.8	0	0.00
....	....	....	122,243	99.1	119,015	96.5	3,228	2.62
2.24	5,081	2.19	216,916	93.6	216,916	93.6	0	0.00
....	....	....	....	....	....	....	....	....
....	....	....	....	....	....	....	....	....
....	2,935	0.35	837,608	98.9	837,608	98.9	0	0.00
....	7,820	1.17	653,348	97.7	651,592	97.4	1,756	0.26
....	6,879	1.35	486,152	95.5	486,152	95.5	0	0.00
....	15,506	3.59	407,493	94.2	338,510	78.3	68,983	15.95
0.62	....	....	337,150	98.8	310,134	90.9	27,016	7.91
....	....	....	391,606	99.3	359,070	91.0	32,536	8.25
1.13	11,461	4.74	222,032	91.9	222,032	91.9	0	0.00
....	....	....	....	....	332,754	97.5	8,551	2.51
....	....	....	204,831	98.4	171,447	82.3	33,384	16.03
0.61	5,488	0.39	126,690	91.0	116,967	84.0	9,723	6.98
....	....	....	....	....	....	....	....	....
1.43	....	....	543,833	97.5	543,833	97.5	0	0.00
0.40	4,026	1.21	325,564	97.5	322,608	96.6	2,956	0.88
0.79	27,222	2.11	1,234,129	95.4	1,234,129	95.4	0	0.00
....	....	....	....	....	....	....	....	....
....	....	....	....	....	....	....	....	....
....	....	....	169,612	99.4	80,724	47.3	88,888	52.11
0.62	16,905	2.33	693,608	95.8	684,642	94.6	8,966	1.24
....	....	....	281,997	98.9	281,997	98.9	0	0.00
0.33	4,242	0.59	710,379	98.0	710,379	98.0	0	0.00
....	....	....	141,363	99.2	141,363	99.2	0	0.00
0.37	4,503	3.27	127,426	92.5	115,753	84.0	11,672	8.47
....	$ 947,630	....	$ 34,473,755	....	$ 33,393,132	....	$ 1,447,691	....
47	62	62	87	85	89	87	48	47
0.94	$ 15,284	4.17	$ 396,250	94.8	$ 375.204	90.4	$ 30,162	8.53

TABLE 140 STATEMENTS OF SETTLEMENTS

County	Date of Statement or Settlement of 1926 Levy	Gross Charge	Discoveries		Releases		Insolvents
			Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount
Alamance	Nov. 14, 1927	$ 569,244	$ 22,693	3.99	$* 14,245	2.50	$........
Alexander	June 30, 1927	130,353	7,545	5.79	2,383	1.83	314
Alleghany	Sept. 5, 1927	49,398	387	0.78	* 1,293	2.62	....
Anson	June 30, 1928	385,608	829	0.21	443	0.11	11,729
Ashe	....	235,771	1,562	0.66	....	....	....
Avery	Dec. 5, 1927	114,757	560	0.49	3,559	3.10	1,335
Beaufort	June 30, 1927	579,085	5,518	0.95	5,502	0.95	3,569
Bertie	Oct. 31, 1927	331,123	5,404	1.63	* 6,973	2.11	....
Bladen	Oct. 3, 1927	288,291	873	0.30	1,618	0.56	1,455
Brunswick	....	172,762	1,604	0.93	2,882	1.67	4,697
Buncombe	June 30, 1927	1,882,010	28,334	1.51	66,790	3.55	17,136
Burke	June 30, 1928	354,698	1,026	0.29	522	0.15	....
Cabarrus	....	454,937	....	....	2,550	0.56	....
Caldwell	June 30, 1927	291,241	1,229	0.42	1,266	0.43	....
Camden	Sept. 9, 1927	77,705	219	0.28	* 1,795	2.31	....
Carteret	Sept. 25, 1928	300,214	....	....	8,253	2.75	3,018
Caswell	Oct. 3, 1927	194,604	5,734	2.95	168	0.09	1,285
Catawba	June 30, 1927	490,674	13,916	2.84	* 10,131	2.06	....
Chatham	....	295,210	1,804	0.61	4,759	1.61	2,249
Cherokee	Sept. 6, 1927	238,574	3,139	1.32	4,071	1.71	1,998
Chowan	....	150,278	353	0.24	363	0.24	256
Clay	....	72,074	2,604	3.61	1,621	2.25	877
Cleveland	....	522,856	5,894	1.13	* 9,198	1.76	....
Columbus	June 30, 1927	431,817	20,325	4.71	4,401	1.02	5,012
Craven	Dec. 31, 1927	510,444	11,049	2.16	8,977	1.76	3,870
Cumberland	Oct. 19, 1927	820,841	25,608	3.12	26,017	3.17	14,368
Currituck	....	112,669	6,394	5.68	....	....	2,771
Dare	....	51,943	504	0.97	* 2,123	4.09	....
Davidson	July 31, 1927	527,925	706	0.13	2,597	0.49	5,848
Davie	July 15, 1927	199,630	855	0.43	* 1,292	0.65	....
Duplin	....	546,764	16,707	3.06	....	....	6,702
Durham	Nov. 21, 1927	949,564	19,207	2.02	15,318	1.61	7,557
Edgecombe	....	649,755	3,825	0.59	3,592	0.55	2,434
Forsyth	Oct. 1, 1927	1,091,447	14,800	1.36	20,956	1.92	6,448
Franklin	Sept. 30, 1927	368,125	22,437	6.09	7,049	1.91	9,896
Gaston	June 30, 1927	1,115,407	1,735	0.16	* 25,562	2.30	....
Gates	Sept. 20, 1927	136,866	1,526	1.11	* 1,171	0.86	....
Graham	June 30, 1927	94,138	2,688	2.86	* 1,033	1.10	....
Granville	Nov. 22, 1927	378,208	3,379	0.89	3,087	0.82	3,151
Greene	Oct. 19, 1927	288,689	1,108	0.38	3,455	1.20	1,623
Guilford	June 30, 1927	2,169,278	9,994	0.46	19,524	0.90	....
Halifax	Nov. 1, 1927	669,124	7,910	1.18	2,785	0.42	4,883
Harnett	....	505,374	10,925	2.16	5,298	1.04	5,090
Haywood	Sept. 30, 1927	344,517	1,940	0.56	* 7,395	2.15	....
Henderson	July 5, 1927	511,411	7,354	1.44	* 20,138	3.94	....
Hertford	June 30, 1927	196,504	764	0.39	808	0.41	353
Hoke	Oct. 10, 1927	156,187	649	0.42	865	0.55	1,418
Hyde	July 31, 1928	133,455	160	0.12	....	....	1,520
Iredell	June 30, 1927	673,375	6,293	0.93	9,418	1.40	6,563
Jackson	....	233,279	3,855	1.65	6,793	2.91	1,256
Johnston	Dec. 17, 1927	800,870	2,664	0.33	17,365	2.17	22,765
Jones	....	131,386	1,084	0.83	1,937	1.47	1,044
Lee	....	231,647	3,862	1.67	1,651	0.71	1,783
Lenoir	Oct. 3, 1927	545,765	4,429	0.81	5,130	0.94	....
Lincoln	June 30, 1927	261,277	641	0.25	* 2,643	1.01	....
Macon	June 30, 1927	155,926	13,777	8.84	11,424	7.33	....
Madison	July 12, 1927	269,720	1,093	0.41	2,519	0.93	1,701
Martin	June 30, 1927	251,801	781	0.31	426	0.17	1,380
McDowell	June 30, 1927	382,252	422	0.11	* 8,568	2.24	....
Mecklenburg	Nov. 7, 1927	1,846,376	81,350	4.41	11,109	0.60	5,036

OF COUNTY TAX COLLECTORS, 1926 LEVY

	Land Sales		Net Charge to Tax Collector		Paid to Treasurer		Balance Not Settled	
Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge
....	$ 8,788	1.54	$ 546,211	95.9	$ 546,211	96.0	$ 0	0.00
0.24	2,326	1.78	125,330	96.1	118,254	90.7	7,077	5.43
....	....	....	48,105	97.3	35,309	71.5	12,796	25.90
3.04	20,295	5.26	352,141	91.3	352,141	91.3	0	0.00
....	2,374	1.01	233,397	98.9	221,925	94.1	11,472	4.87
1.16	8,341	7.27	101,523	88.4	101,523	88.5	0	0.00
0.62	76,302	13.18	493,611	85.2	482,303	83.3	11,298	1.95
....	0	0.00	324,150	97.8	324,150	97 9	0	0.00
0.50	27,463	9.53	257,152	89.2	257,152	89.2	0	0.00
2.72	26,442	15.31	138,741	80.3	138,741	80.3	0	0.00
0.91	147,599	7.84	1,650,485	87.7	1,649,557	87.7	928	0.05
....	14,049	3.96	340,126	95.8	336,809	95.0	3,318	0.94
....	....	....	452,387	99.4	445,794	98.0	6,593	1.45
....	7,780	2.67	282,195	96.8	275,427	94.6	6,768	2.32
....	0	0.00	75,910	97.6	74,945	96.5	965	1.24
1.01	40,624	13.53	248,319	82.7	243,131	81.0	5,188	1.73
0.66	5,890	3.03	187,261	96.2	187,261	96.2	0	0.00
....	21,104	4.30	459,439	93.6	459,439	93.6	0	0.00
0.76	3,686	1.25	284,516	96.3	246,795	83.6	37,721	12.78
0.84	11,776	4.94	220,729	92.5	....	....	....	....
0.17	13	0.01	149,646	99.5	149,646	99.6	0	0.00
1.22	2,224	3.09	67,353	93.4	67,353	93.5	0	0.00
....	....	....	513,658	98.2	513,658	98.2	0	0.00
1.16	45,855	10.62	376,549	87.2	376,877	87.3	‡ *328*	‡ *.08*
0.76	63,931	12.52	433,667	84.9	433,667	85.0	0	0.00
1.75	113,541	13.83	666,915	81.2	666,915	81.3	0	0.00
2.46	0	0.00	109,898	97.5	109,898	97.5	0	0.00
....	123	0.24	48,788	93.9	48,788	93.9	0	0.00
1.11	6,374	1.21	513,105	97.1	507,902	96.2	5,203	0.99
....	6,118	3.06	192,220	96.2	192,220	94.2	0	0.00
1.23	49,368	9.03	490,694	89.7	483,863	88.5	6,831	1.25
0.80	9,095	0.96	917,595	96.6	917,595	96.6	0	0.00
0.37	6,202	0.95	637,528	98.1	637,528	98.1	0	0.00
0.59	11,029	1.01	1,053,014	96.4	1,053,014	96.5	0	0.00
2.69	38,719	10.52	312,461	84.8	312,461	84.9	0	0.00
....	2,117	0.19	1,087,728	97.5	1,087,727	97.5	0	0.00
....	367	0.27	135,327	98.8	135,327	98.9	0	0.00
....	1,755	1.86	91,350	97.0	74,091	78.7	17,259	18.33
0.83	10,096	2.67	361,874	95.6	361,874	95.7	0	0.00
0.56	6,422	2.22	277,189	96.0	277,189	96.0	0	0.00
....	44,103	2.03	2,105,651	97.0	2,082,781	96.0	22,870	1.05
0.61	15,018	2.24	647,238	96.7	647,238	96.7	0	0.00
1.00	16,946	3.35	478,040	94.5	477,633	94.5	407	0.08
....	15,297	4.44	321,824	93.4	321,824	93.4	0	0.00
....	97,893	19.14	393,380	76.9	391,116	76.5	2,264	0.44
0.18	2,394	1.22	192,948	98.1	185,532	94.4	7,417	3.77
0.91	10,611	6.79	143,293	91.7	143,293	91.7	0	0.00
1.14	26,426	19.80	105,511	79.0	87,573	65.6	17,937	13.44
0.97	21,190	3.15	636,205	94.4	574,417	85.3	61,787	9.18
0.54	5,200	2.23	220,030	94.3	192,920	82.7	27,109	11.62
2.84	49,498	6.18	711,242	88.8	711,242	88.8	0	0.00
0.79	26,891	20.47	101,515	77.2	90,493	68.9	11,022	8.39
0.77	6,053	2.61	222,160	95.9	222,160	95.9	0	0.00
....	35,925	6.58	504,710	92.4	494,860	90.7	9,850	1.80
....	5,471	2.09	253,162	96.8	224,003	85.7	29,159	11.16
....	....	....	144,502	92.6	69,624	44.7	74,878	48.02
0.63	12,886	4.78	252,614	93.6	242,676	90.0	9,938	3.68
0.55	0	0.00	249,995	99.2	242,267	96.2	7,728	3.07
....	10,675	2.79	363,008	94.9	363,102	95.0	‡ *93*	‡ *0.02*
0.27	36,032	1.95	1,794,198	97.1	1,794,198	97.2	0	0.00

TABLE 140—STATEMENTS OR SETTLEMENTS

County	Date of Statement or Settlement of 1926 Levy	Gross Charge	Discoveries		Releases		Insolvents
			Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount
Mitchell	June 30, 1927	$ 207,707	$ 10,970	5.28	$ 2,782	1.34	$ 971
Montgomery	June 30, 1927	298,209	1,149	0.39	3,319	1.11	......
Moore	Oct. 30, 1927	395,575	17,959	4.54	8,550	2.16	1,930
Nash	Sept. 30, 1927	723,037	5,054	0.70	2,568	0.36	6,533
New Hanover	June 30, 1927	780,474	10,098	1.29	4,716	0.60	6,734
Northampton	May 1, 1927	302,533	1,597	0.53	2,769	0.92	1,280
Onslow	Dec. 31, 1927	189,665	292	0.15	3,277	1.73	1,053
Orange	Nov. 20, 1928	280,577	4,896	1.74	4,356	1.55	4,043
Pamlico	Oct. 10, 1927	149,384	20,849	13.96	3,056	2.05	688
Pasquotank	Oct. 3, 1927	300,291	......	......	......	......	......
Pender	Oct. 3, 1927	295,486	20,148	6.82	10,719	3.63	4,456
Perquimans	July 4, 1927	165,981	330	0.20	* 1,018	0.61	......
Person	Oct. 10, 1927	212,544	950	0.45	235	0,11	751
Pitt	Oct. 1, 1927	753,669	11,817	1.57	6,109	0.81	10,240
Polk	July 27, 1927	159,455	17,858	11.20	* 2,764	1.73	......
Randolph	......	269,544	......	......	861	0.32	3,885
Richmond	June 30, 1927	570,588	2,569	0.45	......	......	......
Robeson	Sept. 22, 1927	766,966	......	......	......	......	26,280
Rockingham	June 30, 1927	875,544	4,954	0.57	2,312	0.26	5,739
Rowan	......	690,408	9,575	1.39	4,763	0.69	4,460
Rutherford	April 27, 1928	559,839	3,859	0.69	* 16,266	2.90	......
Sampson	July 29, 1928	460,435	2,917	0.63	......	......	15,145
Scotland	July 18, 1927	335,334	3,447	1.03	3,393	1.01	2,984
Stanly	June 30, 1927	394,706	1,617	0.41	* 8,988	2.28	......
Stokes	Nov. 22, 1927	238,909	5,162	2.16	4,841	2.03	1,894
Surry	June 30, 1927	378,935	415	0.11	......	......	......
Swain	June 30, 1927	215,344	1,230	0.57	2,428	1.13	3,240
Transylvania	Oct. 15, 1927	187,734	3,836	2.04	* 13,145	7.00	......
Tyrrell	June 30, 1928	66,532	......	......	......	......	......
Union	July 25, 1927	534,262	11,082	2.07	3,675	0.69	6,570
Vance	Dec. 12, 1927	348,877	11,055	3.17	4,751	1.36	3,404
Wake	Sept. 30, 1927	1,579,462	21,030	1.33	17,348	1.10	14,370
Warren	......	246,771	6,943	2.81	......	......	......
Washington°	......	......	......	......	......	......	......
Watauga	......	......	......	......	......	......	......
Wayne	Nov. 12, 1927	776,226	......	......	8,050	1.04	......
Wilkes	June 30, 1927	286,219	3,182	1.11	......	......	......
Wilson	......	766,305	3,966	0.52	5,053	0.66	2,266
Yadkin	Nov. 9, 1927	143,009	1,566	1.10	* 1,716	1.20	......
Yancey	July 6, 1927	145,842	12,880	8.83	1,170	0.80	450
Total	......	$42,977,601	$ 659,280	......	$ 567,809	......	$ 302,956
No. of Counties Reporting	......	98	91	91	86	86	62
Average	......	$ 438,546	$ 7,244	1.91	$ 6,602	1.54	$ 4,886

*Releases and Insolvents †Includes discoveries.
–Statement or settlement figures unobtainable in counties where no figures appear.
‡Overpayments.

OF COUNTY TAX COLLECTORS, 1926 LEVY—*Continued*

	Land Sales		Net Charge to Tax Collector		Paid to Treasurer		Balance Not Settled	
Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge
0.47	$ 6,220	2.99	$ 197,734	95.2	$ 180,075	86.7	$ 17,659	8.50
....	6,301	2.11	288,589	96.7	249,244	83.6	39,344	13.19
0.49	11,881	3.00	373,204	94.3	370,839	93.8	2,365	.60
0.90	37,327	5.16	677,608	93.7	677,608	93.7	0	0.00
0.86	46,812	6.00	722,212	92.5	722,212	92.5	0	0.00
0.42	0	0.00	298,485	98.6	298,485	98.7	0	0.00
0.56	18,302	9.65	167,032	88.0	160,424	84.6	6,609	3.48
1.44	13,201	4.70	258,977	92.3	258,977	92.3	0	0.00
0.46	23,499	15.73	122,142	81.7	106,921	71.6	15,221	10.19
....	....	....	296,076	98.6	296,076	98.6	0	0.00
1.51	52,625	17.81	227,685	77.0	227,685	77.1	0	0.00
....	2,014	1.21	162,949	98.1	162,949	98.2	0	0.00
0.35	2,799	1.32	208,759	98.2	208,712	98.2	47	0.02
1.36	44,524	5.91	692,796	91.9	689,890	91.5	2,906	0.39
....	4,818	3.02	151,873	95.2	165,697	103.9	6,147	3.86
1.44	3,614	1.34	261,183	96.9	261,183	96.9	0	0.00
....	....	....	553,688	97.0	507,760	89.0	45,928	8.05
3.43	56,667	7.39	684,019	89.1	682,231	89.0	1,788	0.23
0.66	8,359	0.95	859,135	98.1	859,135	98.1	0	0.00
0.65	10,210	1.48	675,616	97.8	675,806	97.9	‡ *190*	‡ *0.03*
....	14,725	2.63	528,847	94.4	528,847	94.4	0	0.00
3.29	34,904	7.58	410,386	89.1	410,274	89.1	112	0.02
0.89	5,639	1.68	323,318	96.4	274,557	81.9	48,761	14.54
....	....	....	385,718	97.7	371,525	94.1	14,193	3.60
0.79	8,841	3.70	223,332	93.4	223,332	93.5	0	0.00
....	....	....	....	....	346,340	91.4	32,596	8.60
1.50	13,059	6.06	196,617	91.3	180,359	83.8	16,259	7.55
....	9,670	5.15	164,919	87.8	164,919	87.9	0	0.00
....	2,062	3.10	....	....	....	....	4,063	6.11
1.23	....	....	524,018	98.0	524,018	98.1	0	0.00
0.98	4,230	1.21	336,492	96.4	336,261	96.4	231	0.07
0.91	43,104	2.73	1,504,641	95.2	1,504,641	95.2	0	00.0
....	....	....	....	....	....	....	....	....
....	....	....	....	....	....	....	....	....
....	....	....	....	....	....	....	....	....
....	43,156	5.56	725,020	93.4	701,570	90.3	23,450	3.02
....	....	....	....	....	140,913	49.2	145,306	50.77
0.30	5,935	0.77	753,051	98.2	753,051	98.3	0	0.00
....	5,220	3.65	136,074	95.1	136,074	95.2	0	0.00
0.31	10,125	6.94	134,098	91.9	134,097	92.0	0	0.00
....	$ 1,786,540	....	$ 39,325,806	....	$38,953,106	....	$ 839,398	....
62	82	82	94	94	95	95	46	47
1.04	$ 21,787	5.16	$ 418,360	93.4	$ 410,034	90.1	$ 18,234	7.23

TABLE 141—STATEMENTS OR SETTLEMENTS

County	Date of Statement or Settlement of 1927 Levy	Gross Charge	Discoveries		Releases		Insolvents
			Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount
Alamance	Nov. 15, 1928	$ 631,134	$ 2,846	0.45	$		$
Alexander	June 30, 1928	142,007	1,488	1.05	2,874	2.02	511
Alleghany	Oct. 6, 1928	59,814	213	0.36			297
Anson	June 30, 1928	396,533	1,213	0.31	* 7,959	2.01	
Ashe	Oct. 6, 1928	240,100					1,790
Avery	Aug. 31, 1928	149,449	167	0.11	9,308	6.23	
Beaufort	Oct. 17, 1928	502,651	10,873	2.16	16,978	3.38	8,228
Bertie	Nov. 1, 1928	318,776	9,386	3.03	* 3,262	1.02	
Bladen	Sept. 22, 1928	294,469	1,275	0.43	2,335	0.79	3,340
Brunswick	July 2, 1928	274,139	1,627	0.59	5,622	2.05	4,572
Buncombe	June 30, 1928	2,358,412	28,063	1.19	95,523	4.05	29.853
Burke	June 30, 1928	313,751	3,931	1.25	6,938	2.21	
Cabarrus	Oct. 29, 1928	460,761			126	0.03	
Caldwell	June 30, 1928	299,477	3,541	1.18	707	0.24	
Camden	Oct. 1, 1928	91,948	493	0.54	* 1,909	2.08	
Carteret	Oct. 3, 1928	358,156			8,624	2.41	3,442
Caswell	July 31, 1928	184,701	157	0.08	2,235	1.21	5,618
Catawba	June 30, 1928	595,648	6,607	1.11	7,010	1.18	
Chatham	Nov. 17, 1928	326,742	1,790	0.55	* 586	1.10	
Cherokee	Aug. 28, 1928	229,028	933	0.41	1,636	0.71	
Chowan	July 2, 1928	164,689	590	0.36	408	0.25	215
Clay	Sept. 4, 1928	79,592	1,142	1.43	861	0.16	113
Cleveland	July 2, 1928	537,358	3,997	0.74	* 9,957	1.85	
Columbus	Oct. 16, 1928	427,362	1,627	0.38	4,051	0.95	3,963
Craven	June 30, 1928	634,542	6,294	0.99	11,859	1.87	
Cumberland	July 31, 1928	711,397	3,379	0.47	12,985	1.83	13,275
Currituck	Sept. 21, 1928	107,012			701	0.66	1,275
Dare	Oct. 1, 1928	55,539	257	0.46	2,440	4.39	1,622
Davidson	June 30, 1928	555,678	777	0.14	2,510	0.45	5,551
Davie	July 9, 1928	197,785	15,778	7.98	1,433	0.72	321
Duplin	Oct. 8, 1928	582,286	*** 11,527	1.97	7,973	1.37	9,621
Durham	Nov. 23, 1928	1,018,908	8,733	0.86	5,507	0.54	5,046
Edgecombe	July 2, 1928	625,906	4,153	0.66	2,309	0.37	1,704
Forsyth	June 30, 1928	1,379,014	17,666	1.28	18,388	1.33	
Franklin	Sept. 29, 1928	362,106	1,620	0.45	6,858	1.89	6,796
Gaston	Oct. 22, 1928	1,179,073	4,423	0.38	27,047	2.29	2,773
Gates	Aug. 6, 1928	127,120	494	0.39	430	0.34	1,138
Graham	June 30, 1928	110,224	1,968	1.79	951	0.86	
Granville	Sept. 3, 1928	394,837	3,387	0.85	1,836	0.47	4,086
Greene	Oct. 6, 1928	269,979	3,164	1.17	5,200	1.93	
Guilford	June 30, 1928	1,961,550	12,408	0.63	6	0.0003	
Halifax	Sept. 1, 1928	648,092	8,504	1.31	3,308	0.51	12,405
Harnett	Sept. 19, 1928	483,342	7,355	1.52	6,508	1.35	3,893
Haywood	July 28, 1928	371,608	1,915	0.52	* 10,257	2.76	
Henderson	June 30, 1928	554,439	4,377	0.79	27,112	4.89	12,282
Hertford	Aug. 25, 1928	252,274	536	0.21	2,355	0.93	590
Hoke	June 30, 1928	156,247					
Hyde	Sept. 3, 1928	147,533	282	0.19	261	0.18	990
Iredell	July 19, 1928	678,920	4,836	0.71	3,034	0.45	7,943
Jackson	Oct. 8, 1928	235,749	6,207	2.63	3,855	1.64	2,009
Johnston	June 30, 1928	1,017,724			19,942	1.96	
Jones	Oct. 13, 1928	123,833	1,125	0.91			
Lee	July 2, 1928	236,391	3,780	1.60	1,967	0.83	1,983
Lenoir	June 30, 1928	540,350	5,007	0.93	1,409	0.26	
Lincoln	June 28, 1928	292,778	336	0.11	2,751	0.94	
Macon	June 30, 1928	184,487	7,949	4.31	5,569	3.02	
Madison	July 12, 1928	271,613	417	0.15	3,446	1.27	1,672
Martin	Aug. 15, 1928	291,628	1,015	0.35	1,475	0.51	595
McDowell	Aug. 1, 1928	381,687	1,049	0.27	* 6,121	1.60	
Mecklenburg	June 30, 1928	1,910,956	79,669	4.17	18,764	0.98	

OF COUNTY TAX COLLECTORS, 1927 LEVY

	Land Sales		Net Charge to Tax Collector		Paid to Treasurer		Balance Not Settled	
Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge
....	$* 10,000	1.58	$ 621,134	98.4	594,585	94.2	$ 26,550	4.21
0.36	19,743	13.90	118,880	83.7	113,772	80.1	5,108	3.60
0.50	0	0.00	59,518	99.5	59,518	99.5	0	0.00
....	12,831	3.24	375,743	94.8	365 499	92.2	10,243	2.58
0.75	10,592	4.41	227,719	94.8	227,719	94.8	0	0.00
....	17,460	11.68	122,680	82.1	117,675	78.7	5,004	3.35
1.64	53,749	10.69	423,695	84.3	423,695	84.3	0	0.00
....	4,681	1.47	310,832	97.6	302,473	94.9	8,360	2.62
1.13	42,434	14.41	246,365	83.7	238,350	80.9	8,015	2.72
1.67	59,465	21.69	204,481	74.6	204,481	74.6	0	0.00
1.27	342,488	14.52	1,890,548	80.1	1,890,521	80.2	28	0.00
....	....	....	306,813	97.8	268,905	85.7	37,908	12.08
....	1,923	0.42	458,712	99.6	452,727	98.3	5,984	1.30
....	6,199	2.07	292,571	97.7	281,316	93.9	11,255	3.76
....	0	0.00	90,039	97.9	84,909	92.3	5,130	5.58
0.96	46,998	13.12	299,093	83.5	277,191	77.4	21,902	6.12
3.04	5,589	3.03	171,260	92.7	171,105	92.6	155	0.08
....	** 27,940	4.69	560,699	94.1	537,167	90.2	23,533	3.95
....	7,469	2.29	315,687	96.6	305,267	93.4	10,420	3.19
....	17,462	7.62	209,930	91.7	206,043	90.0	3,887	1.70
0.13	0	0.00	164,066	99.6	164,066	99.6	0	0.00
0.14	2,781	3.49	75,837	95.3	75,837	95.3	0	0.00
....	....	....	527,401	98.2	527,401	98.2	0	0.00
0.93	58,054	13.58	361,293	84.5	358,754	84.0	2,539	0.59
....	....	....	622,683	98.1	316,318	49.9	306,365	48.28
1.86	76,160	10.71	608,976	85.6	608,976	85.6	0	0.00
1.19	1,944	1.82	103,092	96.3	103,092	96.3	0	0.00
2.92	350	.63	51,127	92.1	51,127	92.1	0	0.00
1.00	6,187	1.11	541,429	97.4	541,215	97.4	214	0.04
0.16	6,080	3.07	189,921	96.0	189,921	96.0	0	0.00
1.65	93,055	15.98	459,449	78.9	459,449	78.9	0	0.00
0.50	15,484	1.52	992,871	97.4	992,871	97.4	0	0.00
0.27	8,268	1.32	613,626	98.0	613,626	98.0	0	0.00
....	....	....	1,360,626	98.7	1,296,275	94.0	64,351	4.67
1.88	32,768	9.05	320,129	88.4	320,129	88.4	0	0.00
0.24	2,436	0.21	1,146,817	97.3	1,146,817	97.3	0	0.00
0.89	325	0.26	25,228	98.5	125,228	98.5	0	0.00
....	1,571	1.43	107,702	97.7	108,698	98.6	‡ *996*	‡ *0.90*
1.03	12,199	3.09	376,712	95.4	371,150	94.0	5,566	1.41
....	11,071	4.10	253,708	94.0	236,501	87.6	17,206	6.37
....	65,540	3.34	1,896,004	96.7	1,875,183	95.6	20,821	1.06
1.91	20,308	3.13	612,072	94.4	601,023	92.8	10,749	1.66
0.81	23,827	4.93	449,114	92.9	448,688	92.8	426	0.09
....	26,857	7.23	334,493	90.0	334,493	90.0	0	0.00
2.22	105,764	19.08	409,281	73.8	402,992	72.7	6,289	1.13
0.23	3,199	1.27	246,131	97.6	227,786	90.3	18,345	7.27
....	18,728	11.99	137,520	88.0	128,194	82.0	9,326	5.97
0.67	16,337	11.07	129,945	88.1	128,444	87.1	1,500	1.02
1.17	38,890	5.73	629,052	92.7	610,516	89.9	18,536	2.73
0.85	8,126	3.45	221,759	94.1	221,759	94.1	0	0.00
....	....	....	997,782	98.0	678,795	66.7	318,988	31.34
....	15,304	12.37	108,529	87.6	69,249	55.9	39,280	31.73
0.84	8,432	3.57	224,009	94.8	224,009	94.8	0	0.00
....	40,161	7.43	498,781	92.3	476,210	88.1	22,572	4.18
....	6,139	2.10	283,887	97.0	178,823	61.1	105,064	35.89
....	....	....	178,918	97.0	131,593	71.3	47,325	25.65
0.62	16,504	6.08	249,990	92.0	249,990	92.0	0	0.00
0.20	0	0.00	289,558	99.3	289,558	99.3	0	0.00
....	12,132	3.18	363,435	95.2	363,435	95.2	0	0.00
....	60,330	3.16	1,831,862	95.9	1,789,302	93.6	42,559	2.23

TABLE—141 STATEMENTS OR SETTLEMENTS OF

County	Date of Statement or Settlement of 1927 Levy	Gross Charge	Discoveries		Releases		Insolvents
			Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount
Mitchell	Oct. 15, 1928	$ 219,623	$ 3,726	1.70	$ 2,966	1.35	$ 1,280
Montgomery	Oct. 9, 1928	337,559	1,334	0.40	5,668	1.68	1,826
Moore	Oct. 1, 1928	452,623	7,536	1.66	17,661	3.90	2,075
Nash	Oct. 12, 1928	742,945	2,925	0.39	3,847	0.52	5,000
New Hanover	Aug. 14, 1928	811,498	8,877	1.09	8,416	1.04	10,729
Northampton	May 10, 1928	314,074	2,815	0.90	3,285	1.05	738
Onslow	Oct. 6, 1928	194,945	849	0.44	1,163	0.60	2,725
Orange	Nov. 20, 1928	304,533	2,022	0.66	2,251	0.74	2,565
Pamlico	Nov. 3, 1928	176,919	2,528	1.43	1,930	1.09	....
Pasquotank	Oct. 6, 1928	305,874	2,930	0.96	1,598	0.52	1,377
Pender	Oct. 30, 1928	285,115	....	....	3,622	1.27	3,062
Perquimans	July 31, 1928	169,887	184	0.11	* 462	0.27	....
Person	Oct. 1, 1928	184,158	1,416	0.77	1,249	0.68	350
Pitt	July 2, 1928	855,867	11,408	1.33	8,932	1.04	7,369
Polk	June 30, 1928	200,527	337	0.17	8,731*	4.35	....
Randolph	Nov. 10, 1928	325,558	4,699	1.44	6,469	1.99	2,886
Richmond	Oct. 13, 1928	502,989	15,103	3.00	326	0.06	22,313
Robeson	July 21, 1928	796,896	8,863	1.11	4,676	0.59	16,725
Rockingham	Oct. 1, 1928	897,402	3,184	0.35	1,511	0.17	3,533
Rowan	Oct. 15, 1928	783,299	21,099	2.69	* 46,966	6.00	....
Rutherford	Oct. 26, 1928	727,783	1,114	0.15	* 26,478	3.64	....
Sampson	Oct. 9, 1928	471,569	28,115	5.96	8,133	1.72	....
Scotland	Aug. 6, 1928	314,830	1,100	0.35	3,072	0.98	1,826
Stanly	Oct. 1, 1928	482,242	3,424	0.71	7,405	1.54	443
Stokes	Aug. 23, 1928	257,166	895	0.35	2,567	1.00	1,590
Surry	Sept. 14, 1928	383,633	1,654	0.43	* 8,091	2.11	....
Swain	June 30, 1928	252,275	2,155	0.85	10,702	4.24	2,326
Transylvania	June 30, 1928	300,963	16,581	5.51	12,988	4.32	....
Tyrrell	Sept. 5, 1928	73,149	....	....	* 508	0.69	....
Union	July 9, 1928	517,213	4,075	0.79	* 9,971	1.93	6,557
Vance	Sept. 3, 1928	388,601	12,411	3.19	2,139	0.55	4,716
Wake	Aug. 30, 1928	1,493,310	23,540	1.58	23,825	1.60	19,887
Warren	June 30, 1928	245,964	8,013	3.26	3,354	1.36	2,886
Washington	Sept. 13, 1923	170,950	1,189	0.70	2,259	1.32	1,047
Watauga	Oct. 1, 1923	140,784	5,295	3.76	* 1,670	1.19	....
Wayne	Oct. 31, 1928	791,071	2,786	0.35	8,860	1.12	17,495
Wilkes	Oct. 20, 1928	273,656	9,568	3.50	....	....	....
Wilson	July 2, 1928	737,105	4,648	0.63	7,314	0.99	2,179
Yadkin	Oct. 19, 1928	136,847	1,303	0.95	* 810	0.59	....
Yancey	July 9, 1928	185,020	549	0.30	2,339	1.26	1,764
Total	....	$45,695,717	$ 542,596	....	$ 692,689	....	$ 306,781
No. of Counties Reporting	....	100	92	92	94	94	62
Average	....	$ 456,957	$ 5,898	1.23	$ 7,369	1.51	$ 4,948

*Releases and Insolvents **Uncollected. ***Including costs collected.
a Original levy. †Includes discoveries. ‡Overpayment.

OF COUNTY TAX COLLECTORS, 1927 LEVY

	Land Sales		Net Charge to Tax Collector		Paid to Treasurer		Balance Not Settled	
Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge	Amount	Percent of Gross Charge
0.58	13,573	6.18	201,804	92.0	201,804	91.9	0	0.00
0.54	11,011	3.26	319,055	94.5	319,055	94.5	0	0.00
0.46	16,422	3.63	416,466	92.0	416,466	92.0	0	0.00
0.67	33,314	4.48	700,784	94.3	700,784	94.3	0	0.00
1.32	56,244	6.93	736,110	90.7	736,110	90.7	0	0.00
0.23	0	0.00	310,051	98.7	310,051	98.7	0	0.00
1.40	24,397	12.51	166,548	85.4	164,020	84.1	2,528	1.30
0.84	13,014	4.27	286,704	94.1	286,704	94.2	0	0.00
....	34,889	19.72	140,100	79.2	127,684	72.2	12,417	7.02
1.45	5,266	1.72	297,633	97.3	297,633	97.3	0	0.00
1.07	53,864	18.89	224,568	78.8	224,568	78.8	0	0.00
....	978	0.58	168,448	99.2	166,413	98.0	2,036	1.20
0.19	1,274	0.69	181,286	98.4	181,286	98.4	0	0.00
0.86	55,780	6.52	783,786	91.6	783,786	91.6	0	0.00
....	7,689	3.83	184,107	91.8	180,660	90.1	3,446	1.72
0.89	2,926	0.90	302,777	93.0	302,777	93.0	0	0.00
4.44	18,000	3.58	462,349	91.9	428,268	85.1	34,082	6.78
2.10	80,362	10.08	695,123	87.2	681,252	85.5	13,871	1.74
0.39	9,169	1.02	883,190	98.4	883,190	98.4	0	0.00
....	24,108	3.08	712,225	90.9	712,225	90.9	0	0.00
....	55,097	7.57	646,208	88.8	646,208	88.8	0	0.00
....	56,743	12.03	391,406	83.0	376,119	79.8	15,287	3.24
0.58	7,281	2.31	302,649	96.1	302,649	96.1	0	0.00
0.09	1,629	0.34	472,765	98.0	472,765	98.0	0	0.00
0.62	7,689	2.99	245,320	95.4	245,320	95.4	0	0.00
....	12,897	3.36	362,645	94.5	362,645	94.5	0	0.00
0.92	8,964	3.55	230,283	91.3	167,533	66.4	62,750	24.87
....	31,081	10.33	256,894	85.4	237,077	78.8	19,817	6.58
....	2,540	3.47	70,100	95.8	70,100	95.8	0	0.00
1.27	9,451	1.83	491,233	95.0	491,234	95.0	0	0.00
1.21	4,708	1.21	377,038	97.0	377,038	97.0	0	0.00
1.33	79,996	5.36	1,369,602	91.7	1,369,602	91.7	0	0.00
1.17	7,824	3.18	231,900	94.3	228,899	93.1	3,000	1.22
0.61	2,509	1.47	165,135	96.6	160,418	93.8	4,717	2.76
....	3,954	2.81	135,160	96.0	135,160	96.0	0	0.00
2.21	39,428	4.98	725,288	91.7	716,519	90.6	8,769	1.11
....	849	0.31	272,807	99.7	253,971	92.8	18,837	6.88
0.30	10,792	1.46	716,820	97.3	716,820	97.2	0	0.00
....	2,676	1.96	133,361	97.5	133,361	97.4	0	0.00
0.95	15,983	8.64	164,934	89.1	163,997	88.6	937	0.51
....	$ 2,326,705	....	$ 42,235,874	....	$40,892,881	....	$ 1,443,993	....
62	89	89	100	100	100	100	50	50
1.02	$ 26,143	5.64	$ 422,359	92.8	$ 408.929	89.5	$ 28.880	6.74

TABLE 142—UNCOLLECTED LAND SALE CERTIFICATES HELD BY THE VARIOUS COUNTIES AS ASCERTAINED FOR THIS REPORT***

Counties	Total	1927	1926	1925	1924	Miscellaneous Years
Alamance	$ 16,149	$ **10,000	-----	-----	-----	$ 6,149 (1926-)
Alexander	22,686	19,743	$ 1,466	$ 1,128	$ 350	-----
Alleghany	0	0	0	0	0	-----
Anson	38,480	12,831	-----	-----	-----	25,649 (1926-)
Ashe	18,300	10,592	2,293	2,055	1,408	1,952 (1923-21)
Avery	30,398	17,461	-----	-----	-----	* 12,938 (1926-23)
Beaufort	150,300	53,749	35,913	28,110	32,528	-----
Bertie	4,681	4,681	-----	-----	-----	-----
Bladen	80,241	42,434	17,585	13,447	6,775	-----
Brunswick	59,465	59,465	-----	-----	-----	-----
Buncombe	420,924	342,488	-----	-----	-----	* 78,436 (1926-)
Burke	20,954	-----	11,030	3,235	-----	6,689 (1924-23)
Cabarrus	1,923	1,923	-----	-----	-----	-----
Caldwell	17,512	6,199	-----	-----	-----	11,313 (1926-23)
Camden	0	0	0	0	-----	-----
Carteret	76,641	46,998	0	-----	-----	29,643 (1925-24)
Caswell	10,920	5,514	3,256	1,694	455	-----
Catawba	41,304	* 27,940	7,912	3,839	1,613	-----
Chatham	21,386	9,823	3,686	3,686	562	* 3,628 (1926-19)
Cherokee	41,723	17,462	-----	-----	-----	24,261 (1926-)
Chowan	0	0	0	0	0	-----
Clay	1,878	1,878	-----	-----	-----	-----
Cleveland	2,072	1,196	611	265	0	-----
Columbus	118,565	58,054	-----	-----	-----	60,511 (1926-)
Craven	246,780	** 105,000	3,429	-----	-----	**138,350 (1925-)
Cumberland	76,160	76,160	-----	-----	-----	-----
Currituck	1,944	1,944	0	0	0	-----
Dare	350	350	-----	-----	-----	-----
Davidson	11,037	6,187	2,788	2,061	-----	-----
Davie	11,018	5,220	3,228	2,250	320	-----
Duplin	192,085	93,055	51,976	21,592	25,462	-----
Durham	15,484	15,484	-----	-----	-----	-----
Edgecombe	13,596	8,268	3,662	1,165	503	-----
Forsyth	29,559	17,625	5,947	3,868	2,120	-----
Franklin	76,162	32,768	21,331	-----	-----	22,063 (1925-20)
Gaston	4,759	2,436	-----	-----	-----	2,322 (1926-)
Gates	505	254	240	11	-----	-----
Graham	3,598	1,571	1,678	349	-----	-----
Granville	17,846	12,199	3,834	1,063	750	-----
Greene	26,523	11,071	3,340	4,892	4,264	2,956 (1923-)
Guilford	81,144	65,540	15,604	-----	-----	-----
Halifax	44,345	20,308	10,630	9,737	3,670	-----
Harnett	45,576	23,827	12,988	5,124	3,637	-----
Haywood	26,857	26,857	-----	-----	-----	-----
Henderson	154,104	105,764	38,288	7,172	2,879	-----
Hertford	4,696	2,926	1,515	216	38	-----
Hoke	27,976	18,728	6,498	2,412	339	-----
Hyde	71,566	16,338	** 18,000	26,842	10,387	-----
Iredell	84,846	38,890	* 15,050	* 22,867	-----	* 8,038 (1924-)
Jackson	13,630	8,126	2,553	1,071	1,880	-----

Counties	Total	1927	1926	1925	1924	Miscellaneous Years
Johnston	76,475		39,921	21,741	14,814	
Jones	69,647	15,304	26,916	14,669	12,756	
Lee	9,632	8,432	** 1,200			
Lenoir	64,534	39,572	12,593	7,356	5,013	
Lincoln	13,214	6,139	3,327	2,510	1,238	
Macon	36,162		24,858	10,017		1,288 (1924-)
Madison	27,166	16,504	6,774	2,543	1,344	
Martin	0	0	0	0	0	
McDowell	19,260	12,132	** 7,128			
Mecklenburg	92,341	60,330				32,011 (1926-20)
Mitchell	16,348	13,573	2,775			
Montgomery	19,762	11,011				8,750 (1926-24)
Moore	45,872	16,422	29,450			
Nash	82,800	33,314	30,327	19,159	0	
New Hanover	125,883	56,244				69,639 (1926-1875)
Northampton	0	0	0	0	0	
Onslow	53,149	24,397	16,109	7,288	5,355	
Orange	25,023	13,014	6,174	2,988	2,847	
Pamlico	84,888	34,888				** 50,000 (1926-)
Pasquotank	6,804	5,266	1,447	91		
Pender	53,221	53,221				
Perquimans	2,095	978	1,118	0	0	
Person	3,205	1,274				1,932 (1926-)
Pitt	74,312	48,138	19,275	2,656		4,243 (1924-)
Polk	10,592	7,689	2,903			
Randolph	12,910	2,926				9,984 (1926-19)
Richmond	33,228	** 18,000				15,228 (1926-24)
Robeson	175,518	80,362	42,106	37,426	15,624	
Rockingham	13,686	9,169	3,538	449		530 (1924-23)
Rowan	33,135	24,108	4,500	3,108	1,419	
Rutherford	69,126	55,097	14,029			
Sampson	86,060	56,743	17,596	6,922	4,799	
Scotland	10,320	7,281	2,334	528	175	
Stanly	3,574	1,629	832	370		742 (1924-23)
Stokes	7,689	7,689				
Surry	17,179	11,008	3,322	1,039	1,811	
Swain	8,964	8,964				
Transylvania	36,003	31,081	4,921			
Tyrrell	3,972	2,540	1,432			
Union	20,641	9,451				11,190 (1926-21)
Vance	9,887	5,263	2,503	1,671	450	
Wake	94,923	79,996			14,927	
Warren	12,250	7,044	3,942	1,264		
Washington	15,477	2,509				12,968 (1926-22)
Watauga	16,177	3,954				12,223 (1926-23)
Wayne	109,755	41,991	43,156	16,905	7,703	
Wilkes	103,271	849				* 102,422 (1926-24)
Wilson	15,962	10,792	2,516	2,654	0	
Yadkin	3,706	2,506	** 1,200			
Yancey	28,799	15,982	5,747			7,069 (1925-23)
Grand Total	$4,433,244	$2,442,103	$ 692,305	$ 333,504	$ 190,215	$ 775,117

*Includes some uncollected personal property tax.
**Approximately.
***At varying dates in 1928, but mainly as of June 30, 1928.

TABLE 143—TAX COLLECTING, ASSESSING AND LISTING COSTS, 1927-1928, ALSO LOANS MADE BY COUNTIES IN ANTICIPATION OF TAX COLLECTIONS AND INTEREST PAYMENTS ON SAME

Counties	Original Valuation from County Abstracts	Gross Tax Charge	Cost of Collecting Taxes	Per cent Cost is of Gross Charge	Listing and Assessing Costs	Per cent Listing and Assessing Cost is of Gross Charge	Money Borrowed 1927-28 by the Counties in Anticipation of the Collection of Taxes	Interest on Such Loans	Per cent Such Interest Charges Are of Gross Charge
Alamance	$ 33,035,787	$ 631,134	$ 7,064	1.12	$ 6,076	.96	$ 298,070	$ 17,612	2.79
Alexander	8,773,401	142,007	4,147	2.92	1,824	1.28	36,700	734	.52
Alleghany	4,893,059	59,814	3,005	5.02	235	.39	----------	----------	----------
Anson	21,560,440	396,533	4,416	1.11	4,539	1.14	30,000	713	.18
Ashe	11,951,353	240,100	6,869	2.86	667	.27	100,000	946	.39
Avery	6,002,525	149,449	3,830	2.56	1,336	.89	48,000	1,478	.99
Beaufort	29,661,372	502,650	10,599	2.11	4,367	.87	----------	----------	----------
Bertie	15,043,368	318,776	5,952	1.87	3,600	1.13	20,000	605	.19
Bladen	13,980,646	294,469	6,101	2.07	3,184	1.08	125,317	2,151	.73
Brunswick	10,059,954	274,139	9,306	3.39	2,814	1.03	75,000	2,300	.84
Buncombe	172,987,845	2,358,412	24,177	1.03	9,561	.41	500,000	5,375	.23
Burke	24,355,009	313,751	8,900	2.84	3,841	1.22	125,000	2,966	.95
Cabarrus	45,697,747	460,761	5,250	1.14	7,711	1.67	162,500	5,135	1.11
Caldwell	22,114,110	299,477	4,417	1.48	3,180	1.06	141,000	4,742	1.58
Camden	3,389,841	91,948	3,501	3.81	1,351	1.47	3,800	101	.11
Carteret	15,092,468	358,156	8,725	2.44	2,200	.61	50,000	[2]8,000	2.23
Caswell	8,530,530	184,701	2,100	1.14	----------	----------	20,000	344	.19
Catawba	40,568,690	595,650	5,408	.83	3,400	.57	100,000	1,375	.23
Chatham	18,537,924	326,742	3,000	.92	3,007	.92	83,000	931	.28
Cherokee	8,978,208	229,028	4,120	175	3,463	151	20,000	550	.24

Chowan	10,106,264	164,689	3,500	2.13	2,100	1.28	18,000	360	.22
Clay	2,372,297	79,592	2,400	3.02	303	.38	1,983	20	.03
Cleveland	38,069,314	537,358	6,336	1.18	11,327	2.11	45,000	583	.11
Columbus	21,469,616	427,362	3,126	.73	4,596	1.08	------	------	------
Craven	28,137,865	634,542	7,432	1.17	13,332	2.10	270,000	4,388	.69
Cumberland	29,922,133	711,397	16,474	2.32	4,970	.70	310,000	11,165	1.57
Currituck	5,088,475	107,012	4,087	3.82	3,857	3.60	19,500	426	.40
Dare	2,748,177	55,539	1,820	3.28	1,296	2.33	------	------	------
Davidson	38,450,414	555,678	4,800	.86	8,499	1.53	25,000	568	.10
Davie	12,689,986	197,785	3,425	1.73	2,208	1.12	60,000	1,932	.98
Duplin	23,011,273	582,286	12,187	2.09	3,559	.61	175,000	3,753	.64
Durham	95,151,761	1,018,908	8,500	.83	21,681	2.13	535,000	14,285	1.40
Edgecombe	34,241,701	625,906	10,300	1.65	1,571	.25	124,570	670	.11
Forsyth	198,555,211	1,379,014	9,451	.69	16,420	1.19	100,000	717	.05
Franklin	14,799,052	362,106	4,950	1.37	3,229	.89	100,000	3,433	.95
Gaston	95,994,257	1,179,073	*23,635	2.00	12,015	1.02	312,000	4,931	.42
Gates	7,434,171	127,120	5,517	4.34	1,427	1.12	40,000	1,200	.94
Graham	5,383,735	110,224	3,800	3.45	897	.81	------	------	------
Granville	21,107,406	394,837	6,603	1.68	1,750	.45	157,250	4,226	1.08
Greene	12,734,130	269,979	7,563	2.80	3,483	1.29	80,000	2,701	1.00
Guilford	192,823,410	1,961,551	17,602	.90	20,884	1.06	------	------	------
Halifax	38,476,368	648,092	12,730	1.96	7,397	1.14	145,000	3,378	.52
Harnett	24,692,119	483,342	6,380	1.32	4,003	.83	302,500	8,535	1.77
Haywood	23,270,022	371,606	5,638	1.52	4,384	1.18	75,000	1,875	.50
Henderson	29,603,409	554,439	6,050	1.09	6,894	1.24	275,000	5,217	.94
Hertford	11,391,545	252,274	5,824	2.31	3,737	1.48	30,000	1,812	.72
Hoke	9,971,698	156,247	------	------	------	------	------	------	------
Hyde	5,185,847	147,533	2,143	1.45	2,068	1.40	45,700	1,059	.72
Iredell	46,208,284	678,920	5,814	.86	4,028	.59	280,000	15,156	2.23
Jackson	10,644,946	235,749	6,833	2.90	1,952	.83	9,500	103	.04

TABLE 143—TAX COLLECTING, ASSESSING AND LISTING COSTS, 1927-1928, ALSO LOANS MADE BY COUNTIES IN ANTICIPATION OF TAX COLLECTIONS AND INTEREST PAYMENTS ON SAME—*Continued*

Counties	Original Valuation from County Abstracts	Gross Tax Charge	Cost of Collecting Taxes	Per cent Cost is of Gross Charge	Listing and Assessing Costs	Per cent Listing and Assessing Cost is of Gross Charge	Money Borrowed 1927-28 by the Counties in Anticipation of the Collection of Taxes	Interest on Such Loans	Per cent Such Interest Charges Are of Gross Charge
Johnston	$ 43,078,191	$ 1,017,724	$ 5,118	.50	$ 5,284	$ .52	$ 575,000	$ 11,249	1.11
Jones	6,610,800	123,833	3,791	3.06	----------	----------	140,000	8,115	6.55
Lee	14,562,323	236,391	1,880	.80	2,181	.92	40,000	1,535	.65
Lenoir	27,189,707	540,350	6,236	1.15	2,536	.47	160,000	8,488	1.57
Lincoln	16,392,037	292,778	2,761	.94	1,104	.38	18,702	220	.08
Macon	7,315,848	184,487	5,400	2.93	2,444	1.33	100,000	4,437	2.40
Madison	10,606,877	271,613	2,238	.82	2,408	.89	63,000	1,803	.66
Martin	15,939,883	291,628	6,000	2.06	3,740	1.28	20,000	950	.33
McDowell	20,374,496	381,687	7,120	1.87	2,242	.59	45,000	900	.24
Mecklenburg	173,054,390	1,910,956	31,946	1.67	45,019	2.36	410,000	9,924	.52
Mitchell	9,417,899	219,623	3,600	1.64	1,147	.52	45,000	1,430	.65
Montgomery	15,462,438	337,559	17,698	5.24	----------	----------	163,900	3,140	.93
Moore	26,775,909	452,623	4,679	1.03	3,233	.71	35,000	416	.09
Nash	33,893,373	742,945	16,882	2.27	7,450	1.00	20,000	875	.12
New Hanover	60,288,890	811,498	10,000	1.23	4,858	.60	32,000	202	.02
Northampton	14,356,483	314,074	10,251	3.26	2,868	.91	125,000	4,223	1.34
Onslow	10,811,410	194,945	5,114	2.62	2,146	1.10	44,000	1.083	.56
Orange	17,645,204	304,533	5,040	1.65	2,955	.97	100,000	2,825	.93
Pamlico	5,804,297	176,919	3,850	2.18	1,128	.64	55,000	1.592	.90
Pasquotank	19,144,587	305,874	5,273	1.72	2,768	.91	50,000	1,222	.40

Pender	10,104,118	285,115	5,372	1.88	3,338	1.17	100,000	[2]2,688	.94
Perquimans	8,146,208	169,887	5,461	3.21	1,339	.79	40,292	998	.59
Person	12,854,446	184,158	5,340	2.90	2,645	1.44	8,500	172	.09
Pitt	48,800,242	855,867	12,600	1.47	7,815	.91	75,000	1,031	.12
Polk	8,110,065	200,527	3,250	1.62	1,144	.57	------	------	------
Randolph	27,446,362	325,558	5,700	1.75	7,683	2.36	------	2,603	.80
Richmond	32,241,645	502,989	6,168	1.23	5,483	1.09	------	------	------
Robeson	38,363,493	796,896	8,046	1.01	7,133	.90	------	------	------
Rockingham	43,796,970	897,402	5,783	.64	6,049	.67	700,440	12,667	1.41
Rowan	70,586,577	783,299	5,415	.69	7,402	.94	300.000	5,921	.76
Rutherford	36,302,627	727,783	10,577	1.45	8,365	1.15	------	------	------
Sampson	22,511,314	471,569	9,000	1.91	4,949	1.05	10,000	119	.03
Scotland	16,250,641	314,830	11,383	3.62	1,000	.32	------	------	------
Stanly	31,810,997	482,241	5,442	1.13	6,148	1.27	54,750	1,536	.32
Stokes	13,029,210	257,166	------	------	------	------	60,000	1,892	.74
Surry	29,877,583	383,633	7,749	2.02	4,464	1.16	------	------	------
Swain	12,619,645	252,275	3,698	1.47	1,359	1.05	27,000	2,582	1.02
Transylvania	11,685,923	300,963	3,009	1.00	1,952	.65	186,500	9,549	3.17
Tyrell	3,928,307	73,149	1,549	2.12	595	.81	21,200	689	.94
Union	22,721,934	517,213	12,360	2.39	2,358	.46	61,000	1,785	.35
Vance	20,292,993	388,601	10,368	2.67	2,205	.57	145,500	2,194	.56
Wake	96,921,396	1,493,310	37,383	2.50	9,042	.61	740,000	22,832	1.53
Warren	13,422,519	245,964	4,898	1.99	2,757	1.12	77,000	4,570	1.86
Washington	8,032,085	170,950	5,122	3.00	1,759	1.03	20,000	249	.15
Wautauga	9,130,960	140,784	4,731	3.36	2,778	1.97	14.000	1,307	.93
Wayne	49,012,146	791,070	11,598	1.47	4,340	.55	225,000	5,885	.74
Wilkes	16,622,286	273,656	5,369	1.96	3,672	1.34	9,000	270	.10
Wilson	48,646,915	737,105	16,250	2.20	2,595	.35	101,500	2,818	.38
Yadkin	9,288,424	136,846	3,550	2.59	1,919	1.40	2,800	98	.07
Yancey	7,779,497	185,020	4,530	2.45	1,500	.81	200,000	9,579	5.17
Total	$2,934,011,733	$45,695,724	$732,386	1.60	$449,521	0.99	$10,893,474	$307,213	.67

TABLE 144—COMPARISON OF TOWN AND COUNTRY IN LISTING PERSONAL PROPERTY, 1927—*Continued*

Territory	Number of Individuals (White and Colored) Listing P. P. 48-80	Number of Individuals Listing Property of Any Kind	Percentage Listing P. P. 48-80 of Number Listing Property of Any Kind	Amount of P. P. 48-80 Listed	Average Amount Per Person Listing P. P. 48-80	Percentage of Total Amount in County
Mecklenburg County, Townships outside Charlotte Township	5,339	9,305	57.4	$ 1,536,380	$ 288	32.4
Charlotte Township	8,413	16,897	49.8	3,200,960	380	67.6
McDowell County, Townships outside Marion and Old Fort Townships	527	1,957	26.9	69,348	132	19.8
Marion and Old Fort Townships	1,163	4,354	26.7	281,225	242	80.2
Richmond County, Townships outside Rockingham Township	2,872	7,494	38.3	486,750	169	70.4
Rockingham Township	1,102	2,749	40.1	204,270	185	29.6
Pasquotank County, Townships outside Elizabeth City Township	1,292	2,972	43.5	148,921	115	24.2
Elizabeth City Township	1,647	3,461	47.6	467,254	284	75.8
Craven County, Townships outside New Bern Township	2,229	6,870	32.4	402,989	181	35.0
New Bern Township	1,462	5,745	25.4	749,468	513	65.0
Pitt County, Townships outside Greenville Township	4,986	12,408	40.2	808,846	162	55.5
Greenville Township	1,721	3,895	44.2	648,678	377	44.5
Guilford County, Townships outside Greensboro and High Point Townships	3,996	10,079	39.6	721,492	181	12.5
Greensboro and High Point Townships	11,380	32,122	35.4	5,062,646	445	87.5

Buncombe County, Townships outside Asheville Township	4,133	12,266	33.7	$ 734,218	$ 178	23.1
Asheville Township	5,522	16,876	32.7	2,442,383	442	76.9
Wake County, Townships outside Raleigh Township	6,603	18,276	36.1	961,361	146	38.9
Raleigh Township	3,229	14,263	22.6	1,508,228	467	61.1
Rowan County, Townships outside Salisbury Townships	5,424	9,621	56.4	950,306	175	48.9
Salisbury Township	3,066	6,068	50.5	995,033	325	51.1
Total Townships outside City Townships	37,401	91,248	41.0	6,820,611	182	30.5
Total City Townships	38,705	106,430	36.4	15,560,145	402	69.5

TABLE 145—COMPARISON OF TOWN AND COUNTRY IN LISTING PERSONAL PROPERTY, 1927

Territory	Number of Individuals (White and Colored) Listing P. P. Over $300	Number of Individuals Listing P. P. of Any Kind	Percentage Listing P. P. Over $300 of Number Listing Property of Any Kind	Amount P. P. Over $300 Listed	Percentage of Total Amount in County	Average Amount Per Person Listing P. P. Over $300
Mecklenburg County, Townships outside Charlotte Township	382	9,305	4.1	$ 67,220	5.5	$ 176
Charlotte Township	5,161	16,897	30.5	1,147,840	94.5	222
McDowell County, Townships outside Marion and Old Fort Townships	24	1,957	1.2	8,897	21.6	371
Marion and Old Fort Townships	116	4,354	2.7	32,342	78.4	279
Richmond County, Townships outside Rockingham Township	501	7,494	6.7	105,829	60.3	211
Rockingham Township	180	2,749	6.5	69,656	39.7	387
Pasquotank County, Townships outside Elizabeth City Township	326	2,972	11.0	53,652	26.8	165
Elizabeth City Township	598	3,461	17.3	146,285	73.2	245
Craven County, Townships outside New Bern Township	297	6,870	4.3	47,570	13.4	160
New Bern Township	590	5,745	10.3	308,315	86.6	523
Pitt County, Townships outside Greenville Township	1,290	12,408	10.4	293,911	61.3	228
Greenville Township	1,638	3,895	42.1	185,185	38.7	113
Guilford County, Townships outside Greensboro and High Point Townships	635	10,079	6.3	139,597	5.6	220
Greensboro and High Point Townships	6,293	32,122	19.6	2,342,018	94.4	372

Buncombe County, Townships outside Asheville Township	646	12,266	5.3	227,665	15.8	352
Asheville Township	2,972	16,876	17.6	1,213,760	84.2	408
Wake County, Townships outside Raleigh Township	959	18,276	5.2	140,637	30.0	147
Raleigh Township	899	14,263	6.3	328,258	70.0	365
Rowan County, Townships outside Salisbury Township	1,235	9,621	12.8	196,208	51.9	159
Salisbury Township	823	6,068	13.6	181,676	48.1	221
Total Townships outside City Townships	6,295	91,248	6.9	$ 1,281,186	17.7	$ 204
Total City Townships	19,270	106,430	18.1	5,955,335	82.3	309

TABLE 146—ASSESSED VALUATIONS OF

	Ashe	Burke	Camden	Ca-tawba	Cumber-land	Cur-rituck	Davie	Greene
$ 25	222	--------	135	724	563	251	362	281
50	277	590	215	986	823	271	471	459
75	121	--------	71	462	316	62	167	205
100	172	410	103	698	436	113	219	447
125	26	--------	6	112	35	17	34	31
150	66	244	42	391	215	43	108	207
175	17	--------	4	89	22	4	7	24
200	72	177	31	395	283	47	94	174
225	4	--------	1	45	14	3	7	11
250	26	143	24	167	131	16	45	75
275	4	--------	--------	18	12	--------	5	4
300	44	140	22	247	174	36	63	117
325	0	--------	--------	37	7	--------	5	10
350	8	32	10	96	62	6	21	26
375	0	--------	--------	30	6	1	1	4
400	14	83	9	184	107	18	41	60
450	3	29	--------	39	18	1	5	9
500	21	62	8	167	101	19	41	39
550	1	--------	1	11	3	3	--------	1
600	1	51	--------	50	21	3	11	9
650	1	--------	--------	18	4	--------	3	4
700	1	34	1	32	7	2	3	2
750	2	--------	--------	17	8	1	6	2
800	1	30	--------	29	5	2	3	4
850	0	--------	--------	8	3	------	2	1
900	0	9	--------	7	6	1	--------	2
950	0	27	--------	--------	6	----	1	0
Over 1000	2	30	--------	39	27	1	5	6
Total	1,106	2,091	683	5,088	3,415	921	1,730	2,214
Total number having an assessed valuation of $100 and less	792	1,000	524	2,870	2,138	697	1,219	1,392
Per cent valued at $100 and less	71.6	47.8	76.7	56.4	62.6	75.7	70.5	62.9
Total number having an assessed valuation of $250 and less	1,003	1,564	632	4,069	2,838	827	1,514	1,914
Per cent valued at $250 and less	90.7	74.8	92.5	80.0	83.1	89.8	87.5	86.4

AUTOMOBILES, SELECTED COUNTIES, 1928

Hyde	Nash	Pasquotank	Tyrrell	Wake	Washington	Wayne	Wilkes	Total
40	795	305	99	1,335	103	586	391	6,192
80	1,171	419	142	1,580	257	1,051	621	9,413
34	382	160	42	645	98	387	280	3,432
87	790	229	88	1,445	200	771	401	6,609
12	60	31	13	------	20	95	60	552
28	390	126	47	659	61	446	203	3,276
3	20	40	5	------	10	30	23	298
28	350	148	42	772	41	405	176	3,235
1	6	5	2	------	1	14	7	121
11	154	203	25	320	43	238	84	1,705
1	3	15	3	------	1	19	7	92
21	190	96	26	513	52	239	114	2,094
3	5	2	------	------	5	6	4	84
3	60	42	6	93	15	81	39	600
2	2	4	------	------	4	3	5	62
8	137	63	17	248	36	142	76	1,243
2	21	25	------	47	8	28	18	253
10	152	49	8	329	40	184	50	1,280
2	4	7	2	3	3	9	10	60
2	36	17	2	86	5	56	35	385
------	3	4	------	15	------	8	3	53
1	10	19	------	100	------	18	8	238
3	23	12	1	------	1	14	6	96
1	24	10	------	------	1	23	16	149
1	------	------	------	------	1	4	5	25
2	9	4	------	------	------	5	8	53
------	------	------	------	------	------	1	------	35
4	112	30	2	80	8	55	35	436
390	4,909	2,065	572	8,270	1,014	4,918	2,685	42,071
241	3,138	1,113	371	5,005	658	2,795	1,693	25,646
61.8	63.9	53.9	64.9	60.5	64.9	56.8	63.1	61.0
324	4,118	1,666	505	6,756	834	4,023	2,246	34,833
83.1	83.9	80.7	88.3	81.7	82.2	81.8	83.6	82.8

TABLE 147—TAX DATA OF COUNTIES WHERE TAXES ARE COLLECTED ON A FEE OR COMMISSION BASIS

Counties	Gross Charges I	Cost of Collecting Taxes II	Per cent II is of I	Amount of Land Advertised for 1927 Taxes	Per cent Advertised	Land Sale to County 1927	Per cent of Such Sales to County
Alleghany	$ 59,814	$ 3,005	5.02	$ 2,982	4.99	----------	----------
Ashe	240,100	6,869	2.86	31,690	13.20	$ 10,592	4.41
Avery	149,449	3,830	2.56	32,860	21.99	17,461	11.68
Burke	313,751	8,900	2.84	20,358	----------	----------	----------
Camden	191,948	3,501	3.81	458	0.50	----------	----------
Carteret	358,156	8,725	2.44	83,538	23.32	46,998	13.12
Cherokee	229,028	4,120	1.75	33,482	14.62	17,462	7.62
Cumberland	711,397	16,474	2.32	133,897	18.82	76,160	10.71
Gates	127,120	5,517	4.34	6,013	4.73	325	0.26
Graham	110,224	3,800	3.45	7,242	6.57	1,571	1.43
Greene	269,979	7,563	2.80	16,713	6.19	11,071	4.10
Hertford	252,274	5,824	2.31	9,901	3.92	3,199	1.27
Jackson	235,749	6,833	2.90	16,023	6.80	8,126	3.45
Jones	123,833	3,791	3.06	36,909	30.08	15,304	12.48
McDowell	381,687	7,120	1.87	23,709	6.21	12,132	3.18
Macon	184,487	5,400	2.93	----------	----------	----------	----------
Mecklenburg	1,910,956	31,946	1.67	145,289	7.60	60,330	1.28
Montgomery	337,559	17,698	5.24	13,888	4.11	11.011	3.26
New Hanover	811,498	10,000	1.23	88,925	10.96	56,244	6.93
Northampton	314,074	10,251	3.26	1,316	0.42	----------	----------
Pamlico	176,919	3,850	2.18	57,384	32.44	34,889	19.72
Perquimans	169,887	5,461	3.21	12,084	7.11	978	0.58
Person	184,758	5,340	2.90	5,802	3.15	1,274	0.69
Rutherford	727,783	10,577	1.45	91,497	12.57	55,097	7.57
Scotland	314,830	11,383	3.62	17,153	5.45	7,281	2.31
Washington	170,950	5,122	3.00	15,890	9.29	2,509	1.47
Watauga	140,784	4,731	3.36	18,465	13.12	3,954	2.81

Wilson	737,105	16,250	2.20	30,312	4.11	10,792	1.46
Yancey	185,020	4,530	2.45	28,769	15.55	15,983	8.64
Total	$ 10,020,519	$ 238,411	83.03	$ 982,549		$ 480,743	
Average	345,535	8,221	2.38	35,091	9.81	17,805	4.80
Other Counties	$ 35,675,152	$ 493,972		$ 3,274,705		$ 1,976,514	
Average	502,467	7,159	1.38	47,459	9.18	28,019	5.54
State Total	$ 45,695,731	$ 732,383		$ 4,257,254	9.32	$ 2,457,257	
State Average	456,957	7,473	1.60	44,346		25,116	5.38

TABLE 148—TAX DATA OF COUNTIES WITH INDEPENDENT TAX COLLECTOR

Counties	Gross Charges I	Cost of Collecting Taxes II	Per cent II is of I	Amount of Land Advertised for 1927 Taxes	Per cent Advertised	Land Sale to County 1927	Per cent of Such Sales to County
Ashe	$ 240,100	$ 6,869	2.86	$ 31,690	13.20	$ 10,592	4.41
Buncombe	2,358,412	24,177	1.03	512,373	21.73	342,488	14.52
Columbus	427,362	3,126	.73	96,694	22.63	58,054	13.58
Duplin	582,286	12,187	2.09	129,524	22.24	93,055	15.98
Harnett	483,342	6,380	1.32	46,164	9.55	23,827	4.93
Henderson	554,439	6,050	1.09	129,702	23.39	105,764	19.08
Johnston	1,017,724	5,118	.50	---------	---------	---------	---------
Lee	236,391	1,880	.80	16,407	6.94	8,432	3.57
Madison	271,613	2,238	.82	31,492	11.59	16,504	6.08
Moore	452,623	4,679	1.03	19,391	4.28	16,422	3.62
Polk	200,527	3,250	1.62	12,283	6.13	7,689	3.83
Robeson	796,896	8,046	1.01	104,787	13.15	80,362	9.86
Transylvania	300,963	3,009	1.00	70,547	23.44	31,081	10.32
Total	$ 7,922,678	$ 87,009	---------	$ 1,201,054	---------	$ 794,270	---------
Average	609,437	6,693	1.09	100,088	15.15	66,189	10.02
Other Counties	$ 37,773,053	$ 645,374	---------	$ 3,056,200	---------	$ 1,662,987	---------
Average	434,173	7,592	1.71	254,683	7.18	19,797	4.40
State Total	$ 45,695,731	$ 732,383	---------	$ 4,257,254	---------	$ 2,457,257	---------
Average	456,957	7,473	1.60	44,346	9.32	25,333	5.38

TABLE 149—TAX DATA OF COUNTIES EMPLOYING TOWNSHIP TAX COLLECTORS AS WELL AS SHERIFF

Counties	Gross Charges I	Cost of Collecting Taxes II	Per cent II is of I	Amount of Land Advertised for 1927 Taxes	Per cent Advertised	Land Sale to County 1927	Per cent of Such Sales to County
Gaston	$ 1,179,073	$ 23,635	2.00	$ 15,588	1.32	$ 2,436	0.21
Gates	127,120	5,517	4.34	6,013	4.73	325	0.25
Halifax	648,092	12,730	1.96	468	7.22	20,308	3.13
Hertford	252,274	5,824	2.31	9,901	3.92	3,199	1.27
Mecklenburg	1,910,956	31,946	1.67	145,289	7.60	60,330	3.16
Northampton	314,074	10,251	3.26	1,316	0.42	----------	----------
Total	$ 4,431,589	$ 89,903	----------	$ 178,575	----------	$ 86,598	----------
Average	738,598	14,984	1.76	29,763	3.51	14,433	1.70
Other Counties	$ 41,264,142	$ 642,480	----------	$ 4,078,679	----------	$ 2,370,659	----------
Average	456,957	6,983	1.58	45,319	10.04	26,051	5.84
State Total	$ 45,695,731	$ 732,383	----------	$ 4,257,254	----------	$ 2,457,257	----------
Average	456,957	7,473	1.60	44,346	9.32	25,333	5.38

TABLE 150—TAX DATA IN NON-EQUALIZING COUNTIES

Counties	Gross Charges I	Cost of Collecting Taxes II	Per cent II is of I	Amount of Land Advertised for 1927 Taxes	Per cent of Gross Charges Advertised	Land Sold to County for 1927 Taxes	Per cent of Gross Charges Sold to County
Buncombe	$ 2,358,412	$ 24,177	1.03	$ 512,373	21.73	$ 342,488	14.52
Cabarrus	460,761	5,250	1.14	11,893	2.58	1,923	0.42
Durham	1,018,908	8,500	0.83	40,474	3.97	15,484	1.52
Forsyth	1,379,014	9,451	0.69	27,673	2.01	17,625	1.28
Gaston	1,179,073	23,635	2.00	15,588	1.32	2,436	0.21
Guilford	1,961,551	17,602	0.90	171,298	8.73	65,540	3.34
Mecklenburg	1,910,956	31,946	1.67	145,289	7.60	60,330	3.16
New Hanover	811,498	10,000	1.23	88,925	10.96	56,244	6.93
Wake	1,493,310	37,383	2.50	136,219	9.12	79,996	5.36
Wilson	737,105	16,250	2.20	30,312	4.11	10,792	1.46
Total	$ 13,310,588	$ 184,194	----------	$ 1,180,044	----------	$ 652,858	----------
Average	1,331,059	$ 18,419	1.38	118,004	8.87	65,286	4.90
Other Counties	$ 32,385,143	$ 548,189	----------	$ 3,077,210	----------	$ 1,804,399	----------
Average	359,835	6,229	1.69	35,782	9.50	20,740	5.57
State Total	$ 45,695,731	$ 732,383	----------	$ 4,257,254	----------	$ 2,457,257	----------
State Average	456,957	8,323	1.60	44,346	9.32	25,333	5.38

TABLE 151—DETAILED INFORMATION OF LAND SOLD TO COUNTIES FOR 1927 TAXES

Counties	I Amount of Land Advertised	II Per cent of Gross Charge so Advertised	III Amount of Land Sold to County	IV Per cent of Gross Charge Sold to County	V Amount of Land Tax Paid Between Advertisement and Sale	VI Per cent III is of I	VII Per cent V is of I	VIII Date of Land Sale
Alamance	$ 36,594	5.80	$ 10,000	1.58	$ 26,594	27.33	72.67	Sept. 3
Alexander	18,999	13.37	19,743	13.90	† 744	103.91	3.91	June 25
Alleghany	2,982	4.99	0	0	2,982	-----	100.00	June 4
Anson	19,805	4.99	12,831	3.24	6,974	64.79	35.21	June 4
Ashe	31,690	13.20	10,592	4.41	21,098	33.42	66.58	June 4
Avery	32,860	21.99	17,461	11.68	15,399	53.14	46.86	June 4
Beaufort	75,416	15.00	53,749	10.69	21.667	71.27	28.73	June 25
Bertie	17,728	5.56	* 10,000	3.14	7,728	56.41	43.59	June 4
Balden	58,604	19.90	42,434	14.41	16,170	72.41	27.59	June 4
Brunswick	84,340	30.76	59,465	21.69	24,875	70.50	29.48	June 25
Buncombe	512,373	21.73	342,488	14.52	169,884	66.84	33.16	June 4
Burke	20,358	6.49	-----	-----	-----	-----	-----	July 2
Cabarrus	11,893	2.58	1,923	0.42	9,970	16.17	83.83	June 4
Caldwell	16,780	5.60	6,199	2.07	10,580	36.94	63.06	June 4
Camden	458	0.50	0	0	458	-----	100.00	June 4
Carteret	83,538	23.32	46,998	13.12	36,540	56.26	43.74	July 2
Caswell	10,548	5.71	5,589	3.03	4,959	52.98	47.02	June 4
Catawba	74,673	12.54	** 27,940	4.69	46,733	37.42	62.58	June 4
Chatham	21,624	6.62	9,823	3.01	11,801	45.43	54.57	June 4
Cherokee	33,482	14.62	17,462	7.62	16,020	52.15	47.85	June 4
Chowan	1,014	0.62	0	0	1,014	-----	100.00	July 2
Clay	4,227	5.31	2,781	3.49	1,446	65.78	34.22	Aug. 6
Cleveland	5,282	0.98	1,196	0.22	4,086	22.64	77.36	June 4
Columbus	96,694	22.63	58,054	13.58	38,640	60.04	39.96	June 4
Craven	101,027	15.92	* 105,000	16.55	† 3,923	103.93	3.88	Oct. 1

TABLE 151—DETAILED INFORMATION OF LAND SOLD TO COUNTIES FOR 1927 TAXES—*Continued*

Counties	I Amount of Land Advertised	II Per cent of Gross Charge so Advertised	III Amount of Land Sold to County	IV Per cent of Gross Charge Sold to County	V Amount of Land Tax Paid Between Advertisement and Sale	VI Per cent III is of I	VII Per cent V is of I	VIII Date of Land Sale
Cumberland	$ 133,897	18.82	$ 76,160	10.71	$ 57,737	56.88	43.12	June 4
Currituck	----------	----------	2,011	1.88	----------	----------	----------	July 2
Dare	----------	----------	350	0.63	----------	----------	----------	Aug. 13
Davidson	17,159	3.09	6,187	1.11	10,972	36.06	63.94	June 4
Davie	13,242	6.70	6,080	3.07	7,162	45.91	54.09	June 4
Duplin	129,524	22.24	93,055	15.98	36,469	71.84	28.16	Sept. 10
Durham	40,474	3.97	15,484	1.52	24,990	36.64	61.74	Aug. 6
Edgecombe	26,617	4.25	8,268	1.32	18,349	31.06	68.94	June 4
Forsyth	27,673	2.01	17,625	1.28	10,048	63.69	36.31	Sept. 3
Franklin	39,533	10.92	32,768	9.05	6,765	82.89	17.11	Aug. 20
Gaston	15,588	1.32	2,436	0.21	13,152	15.63	84.34	June 4
Gates	6,013	4.73	325	0.25	5,689	5.40	94.60	June 4
Graham	7,242	6.57	1,571	1.43	5,671	21.69	78.31	June 28
Granville	18,568	4.70	12,199	3.09	6,369	65.70	34.30	June 4
Greene	16,713	6.19	11,071	4.10	5,642	66.24	33.76	June 4
Guilford	171,298	8.73	65,540	3.34	105,758	38.26	61.74	June 4
Halifax	46,820	7.22	20,308	3.13	26,512	43.37	56.63	June 4
Harnett	46,164	9.55	23,827	4.93	22,337	51.61	48.39	June 4
Haywood	52,815	14.21	26,857	7.23	25,958	50.85	49.14	June 30
Henderson	129,702	23.39	105,764	19.08	23,938	81.54	18.46	June 25
Hertford	9,901	3.92	3,199	1.27	6,702	32.31	67.68	June 4
Hoke	40,771	26.09	18,728	11.99	22,043	45.93	54.05	June 4
Hyde	36,684	24.86	16,337	11.07	20,347	44.53	82.73	June 4
Iredell	62,170	9.15	38,890	5.72	23,280	62.55	37.45	June 4
Jackson	16,023	6.80	8,126	3.45	7,897	50.72	49.28	June 4

Johnston	------	------	------	------	------	------	------	------
Jones	36,909	30.08	15,304	12.47	21,604	41.47	58.53	Oct. 13
Lee	16,407	6.94	8,431	3.57	7,975	51.39	48.61	June 4
Lenoir	60,218	11.14	40,161	7.43	20,057	66.69	33.31	June 4
Lincoln	18,403	6.29	6,139	2.10	12,264	33.36	66.64	June 4
Macon	------	------	------	------	------	------	------	------
Madison	31,492	11.59	16,504	6.08	14,988	52.41	47.59	June 15
Martin	13,530	4.64	0	0	13,530	------	100.00	June 4
McDowell	23,709	6.21	12,132	3.18	11,577	51.17	48.83	June 4
Mecklenburg	145,289	7.60	60,330	3.16	84,959	41.52	58.48	June 4
Mitchell	27,863	12.69	13,573	6.18	14,290	48.71	51.29	June 25
Montgomery	13,888	4.11	11,011	3.26	2,877	79.28	20.71	July 16
Moore	19,391	4.28	16,422	3.62	2,969	84.69	15.31	Sept. 3
Nash	52,530	7.07	33,314	4.48	19,216	63.42	36.58	June 4
New Hanover	88,925	10.96	56,244	6.93	32,681	63.24	36.75	June 4
Northampton	1,316	0.42	0	0	1,316	------	100.00	June 4
Onslow	30,062	15.42	24,397	12.51	5,665	81.16	18.84	June 4
Orange	46,653	15.32	12,648	4.15	34,005	27.11	72.88	June 11
Pamlico	57,384	32.44	34,889	19.72	22,495	60.80	39.20	Oct. 1
Pasquotank	17,121	5.60	5,266	1.72	11,855	30.76	69.24	July 2
Pender	75,553	26.50	53,221	18.67	22,332	70.44	29.57	June 4
Perquimans	12,084	7.11	978	0.58	11,106	8.09	91.90	June 4
Person	5,802	3.15	1,274	0.69	4,528	21.95	77.88	June 4
Pitt	69,510	8.12	55,780	6.52	13,729	80.25	19.75	June 4
Polk	12,283	6.13	7,689	3.83	4,594	62.60	37.40	June 4
Randolph	15,581	4.79	2,926	0.89	12,655	18.78	81.22	June 4
Richmond	21,843	4.34	* 18,000	3.58	3,843	82.41	17.59	Aug. 6
Robeson	104,787	13.15	80,362	10.08	24,425	76.69	23.31	June 4
Rockingham	32,963	3.67	9,169	1.02	23,794	27.81	72.19	June 4
Rowan	54,872	7.00	24,108	3.08	30,764	43.93	56.07	Sept. 3

TABLE 151—DETAILED INFORMATION OF LAND SOLD TO COUNTIES FOR 1927 TAXES—*Continued*

Counties	I Amount of Land Advertised	II Per cent of Gross Charge so Advertised	III Amount of Land Sold to County	IV Per cent of Gross Charge Sold to County	V Amount of Land Tax Paid Between Advertisement and Sale	VI Per cent III is of I	VI Per cent V is of I	VIII Date of Land Sale
Rutherford	$ 91,497	12.57	$ 55,097	7.57	$ 36.400	60.22	39.78	June 4
Sampson	85,893	18.21	56,742	12.03	29,150	66.06	33.94	June 4
Scotland	17,153	5.45	7,281	2.31	9,872	42.45	57.55	June 4
Stanly	8,498	1.76	1,629	0.34	6,869	19.17	80.83	June 4
Stokes	17,752	6.90	7,689	2.99	10,063	43.32	56.66	June 4
Surry	25,685	6.70	12,897	3.36	12,788	50.21	49.79	June 4
Swain	12,377	4.90	8,964	3.55	3,413	72.43	27.57	June 29
Transylvania	70,547	23.44	31,081	10.32	39,466	44.06	55.94	June 4
Tyrell	3,275	4.47	2,540	3.47	735	77.56	22.44	June 4
Union	13,603	2.63	9,451	1.83	4,152	69.48	30.52	June 4
Vance	9,978	2.57	4,707	1.21	5,270	47.18	52.82	June 4
Wake	136,219	9.12	79,996	5.36	56,223	58.73	41.27	July 9
Warren	12,968	5.27	7,824	3.18	5,144	60.34	39.66	June 4
Washington	15,890	9.29	2,509	1.47	13,381	15.79	84.21	July 2
Watauga	18,465	13.12	3,954	2.80	14,511	21.41	78.59	June 4
Wayne	45,064	5.70	39,428	4.98	5,636	87.48	12.51	June 18
Wilkes	18,906	6.91	849	0.31	18,057	4.49	95.51	June 4
Wilson	30,312	4.11	10,792	1.46	19,520	35.60	64.40	June 4
Yadkin	10,455	7.64	2,676	1.96	7,779	25.60	74.40	June 25
Yancey	28,769	15.55	15,983	8.64	12,786	55.56	44.44	June 4
Total	$ 4,257,254	9.32	$ 2,457,254	5.38	$ 1,783,714	57.72	41.83	

*Approximately.

**Includes some uncollected personal property tax.

†Unexplained sales in excess of advertisements.

TABLE 152—DETAILED INFORMATION OF LAND ADVERTISED FOR 1927 TAXES*

Counties	Number of Items	Amount	Average Tax	Number of Items Involving Town Lots	Amount	Average Tax	Number of Items Involving Acreage	Amount	Average Tax	Amount of Tax Advertised by Races: White	Colored	Unclassified as to Race
Alamance	910	$ 36,594	$ 40.21	466	$ 20,213	$ 43.38	422	$ 13,886	$ 32.91	$ 30,670	$ 5,924	$----------
Alexander	376	18,999	50.53	73	12,466	170.77	289	6,105	21.12	18,646	353	----------
Alleghany	201	2,982	14.84	50	229	4.58	151	2,753	18.23	----------	----------	2,982
Anson	641	19,805	30.90	220	3,921	17.82	393	13,509	34.37	14.555	5,250	----------
Ashe	1,070	31,690	29.62	92	2,549	27.71	977	29,088	29.77	----------	----------	31,690
Avery	822	32,860	39.98	135	4,306	31.90	681	28,244	41.47	----------	----------	32,360
Beaufort	1,929	75,416	39.10	482	16,701	34.65	1,427	57,697	40.43	64,497	10,919	----------
Bertie	432	17,728	41.04	130	2,321	17.85	302	15,407	51.02	13,879	3,849	----------
Bladen	1,695	58,604	34.57	119	3,186	26.77	1,528	48,353	31.64	----------	----------	58,604
Brunswick	2,019	84,340	41.77	226	6,676	29.54	1,769	77,295	43.69	63,720	20,620	----------
Buncombe	8,721	512,373	58.75	7,077	432,719	61.14	1,641	79,424	48.40	----------	----------	512,373
Burke	1,177	20,358	17.30	----------	Not Divided	--------	----------	Not Divided	--------	18,105	2,253	----------
Cabarrus	673	11,893	17.67	553	6,857	12.40	119	4,996	41.98	10,052	1,841	----------
Caldwell	863	16,780	19.44	251	5,166	22.58	600	11,149	18.58	15,301	1,479	----------
Camden	14	458	32.71	0	0	0.00	14	458	32.71	----------	----------	458
Carteret	1,139	83,538	73.34	519	39,536	76.18	611	41,896	68.57	79,100	4,438	----------
Caswell	237	10,548	44.51	29	583	20.10	208	9,965	47.91	----------	----------	10,548
Catawba	1,739	74,673	42.94	1,049	50,174	47.85	655	20,404	31.15	70,305	4,368	----------
Chatham	876	21,624	24.68	158	3,640	23.04	697	17,226	24.71	17,005	4,619	----------
Cherokee	778	33,482	43.04	157	7,401	47.14	589	23,326	39.60	----------	----------	33,482
Chowan	21	1,014	48.29	8	122	15.25	12	854	71.17	842	172	----------
Clay	83	4,227	50.93	3	75	25.00	80	4,152	51.90	----------	----------	4,227
Cleveland	254	5,282	20.80	157	2,292	14.60	97	2,990	30,82	----------	----------	5,282
Columbus	3,153	96,694	30.67	550	9,967	18.12	2,513	79,721	31.72	----------	----------	96,694
Craven	1,725	101,027	58.57	624	11,795	18.90	1,042	76,046	72.98	76,002	25,025	----------

TABLE 152—DETAILED INFORMATION OF LAND ADVERTISED FOR 1927 TAXES*—*Continued*

Counties	Number of Items	Amount	Average Tax	Number of Items Involving Town Lots	Amount	Average Tax	Number of Items Involving Acreage	Amount	Average Tax	Amount of Tax Advertised by Races		
										White	Colored	Unclassified as to Race
Cumberland	2,630	$ 133,897	$ 50.91	1,015	$ 34,193	$ 33.69	1,607	$ 99,631	$ 62.00	$ 78,750	$ 55,147	----------
Currituck	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------
Dare	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------
Davidson	813	17,159	21.11	446	8,717	19.54	359	7,894	21.99	15,316	1,843	----------
Davie	419	13,242	31.60	101	2,334	23.11	317	10,803	34.08	----------	----------	13,242
Duplin	2,504	129,524	51.73	417	20,407	48.94	1,921	96,204	50.08	107,166	22,358	----------
Durham	1,151	40,474	35.16	905	32,763	36.20	239	7,078	29.62	24,914	15,560	----------
Edgecombe	664	26,617	40.09	510	17,129	33.59	151	8,530	56.49	19,454	7,163	----------
Forsyth	1,670	27,673	16.57	1,503	23,974	15.95	167	3,699	22.15	20,790	6,883	----------
Franklin	645	39,533	61.29	162	13,355	82.44	455	22,442	49.32	----------	----------	39,533
Gaston**	614	15,588	25.39	465	10,480	22.54	136	4,120	30.29	13,904	1,684	----------
Gates	262	6,013	22.95	20	235	11.75	242	5,778	23.88	----------	----------	6,013
Graham	246	7,242	29.44	0	0	0.00	246	7,242	29.44	7,146	0	***96
Granville	520	18,568	35.71	229	2,267	9.90	274	15,264	55.71	10,737	7,831	----------
Greene	215	16,713	77.73	58	1,016	17.52	149	15,226	102.19	13.124	3,589	----------
Guilford	3,808	171,298	44.98	2,354	125,900	53.48	1,390	13,076	9.41	156,020	15,278	----------
Halifax	1,037	46,820	45.15	290	9,714	33.50	741	36,129	48.76	30,745	16,075	----------
Harnett	1,092	46,164	42.27	391	11,965	30.60	689	31,527	45.76	41,191	4,973	----------
Haywood	1,179	52,815	44.80	521	18,078	34.70	644	33,256	51.64	52,019	796	----------
Henderson	2,628	129,702	49.35	1,572	80,225	51.03	1,009	43,836	43.44	127,379	2,323	----------
Hertford	264	9,901	37.50	73	3,226	44.19	190	6,551	34.48	6,902	2,999	----------
Hoke	538	40,771	75.78	83	12,878	155.16	452	27,388	60.59	34,295	6,476	----------
Hyde	550	36,684	66.70	89	1,724	19.37	419	29,608	70.66	35,063	1,621	----------
Iredell	1,599	62,170	38.88	704	26,409	37.51	876	32,285	36.86	57,135	5,035	----------
Jackson	430	16,023	37.26	73	2,584	35.40	354	13,417	37.90	15,784	239	---

Johnston	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------
Jones	462	36,909	79.89	97	3,216	33.15	353	32,342	91.62	31,561	5,348	----------
Lee	388	16,407	42.29	185	3,104	16.78	190	11,583	60.96	14,060	2,347	----------
Lenoir	972	60,218	61.95	570	30,113	52.83	371	26,959	72.67	52,019	8,199	----------
Lincoln	368	18,403	50.01	130	5,096	39.19	255	13,155	55.98	17,287	1,116	----------
Macon	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------
Madison	774	31,492	40.69	87	3,766	43.29	687	27,726	40.36	----------	----------	31,492
Martin	293	13,530	46.18	117	1,576	13.47	163	10,391	63.75	10.746	2,784	----------
McDowell	1,076	23,709	22.03	441	8,305	18.85	618	13,842	22.40	22,259	1,450	----------
Mecklenburg	2,971	145,289	48.90	2,591	122,071	47.11	369	22,564	61.15	135,484	9,805	----------
Mitchell	776	27,863	35.91	68	1,738	25.56	708	26,125	36.90	27,746	117	----------
Montgomery	617	13,888	22.51	278	2,999	10.79	327	10,517	32.16	----------	----------	13,888
Moore	665	19,391	29.16	167	4,411	26.41	481	14,026	29.16	13,577	5,814	----------
Nash	1,441	52,530	36.45	324	21,962	67.78	1,117	30,568	27.37	42,256	10,274	----------
New Hanover	3,068	88,925	28.98	2,225	74,415	33.44	507	13,635	26.89	68,619	20,306	----------
Northampton	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------	----------
Onslow	699	30,062	43.01	81	2,110	26.05	595	23,921	40.20	26,487	3,575	----------
Orange	888	46,653	52.54	379	26,276	69.33	504	18,810	37.32	41,650	5,003	----------
Pamlico	1,187	57,384	48.34	188	4,854	25.82	783	50,935	65.05	50,388	6,996	----------
Pasquotank	490	17,121	34.94	317	9,501	29.97	168	6,790	40.42	12,166	4,955	----------
Pender	2,551	75,553	29.62	287	5,071	17.67	2,249	68,258	30.35	55,155	20,398	----------
Perquimans	278	12,084	43.47	30	825	27.50	247	11,245	45.53	8,999	3,085	----------
Person	199	5,802	29.16	55	1,032	18.76	144	4,770	33.13	3,604	2,198	----------
Pitt	1,211	69,510	57.40	593	25,883	43.65	571	35,471	62.12	59,368	10,142	----------
Polk	270	12,283	45.49	85	2,811	33.07	185	9,472	51.20	10,968	1,315	----------
Randolph	729	15,581	21.37	241	5,021	20.83	476	9,640	20.25	14,305	1,276	----------
Richmond	554	21,843	39.43	242	7,124	29.44	284	12,279	43.24	17,445	4,398	----------
Robeson	2,139	104,787	48.99	704	25,264	35.89	1,367	63,356	46.35	86,329	12,613	***5,845
Rockingham	773	32,963	42.64	471	20,194	42.87	276	10,299	37.32	26,720	6,237	***6
Rowan	1,355	54,872	40.50	954	30,497	31.97	376	17,282	45.96	41,716	13,156	----------

TABLE 152—DETAILED INFORMATION OF LAND ADVERTISED FOR 1927 TAXES*—*Continued*

Counties	Number of Items	Amount	Average Tax	Number of Items Involving Town Lots	Amount	Average Tax	Number of Items Involving Acreage	Amount	Average Tax	Amount of Tax Advertised by Races		
										White	Colored	Unclassified as to Race
Rutherford	1,617	$ 91,497	$ 56.58	743	$ 25,263	$ 34.00	845	$ 45,481	$ 53.82	$ 86,257	$ 5,240	----------
Sampson	2,439	85,893	35.22	385	9,603	24.94	1,979	69,760	35.25	65,631	20,262	----------
Scotland	357	17,153	48.05	168	5,308	31.60	182	11,493	63.15	14,809	2,344	----------
Stanly	464	8,498	18.31	257	3,332	12.96	207	5,166	24.96	7,211	1,287	----------
Stokes	386	17,752	45.99	98	2,502	25.33	279	14,601	52.33	15,630	2,122	----------
Surry	1,007	25,685	25.51	356	10,029	28.17	651	15,656	24.05	24,219	1,466	----------
Swain	317	12,377	39.04	40	1,655	41.38	270	10,004	37.05	----------	----------	12,377
Transylvania	913	70,547	77.27	435	18,232	41.91	461	50,159	108.80	69,304	1,243	--------
Tyrell	138	3,275	23.73	24	333	13.88	113	2,825	25.00	----------	----------	3,275
Union	378	13,603	35.99	107	2,718	25.40	271	10,885	40.17	11,132	2,471	--------
Vance	416	9,978	23.99	----------	Not Divid	ed-------	----------	Not Divid	ed-------	5,818	4,160	----------
Wake	2,825	136,219	48 22	1,726	88,817	51.46	1,002	44,744	44.65	105,921	30,298	----------
Warren	581	12,968	22.32	112	2,274	20.30	469	10,694	22.80	----------	----------	12,968
Washington	403	15,890	39.43	140	2,443	17.45	257	9,434	36.71	12,455	3,435	----------
Watauga	760	18,465	24.30	275	5,723	20.81	482	12,573	26.09	17,740	725	----------
Wayne	1,159	45,064	38.88	----------	Not Divid	ed-------	----------	Not Divid	ed-------	34,030	11,034	----------
Wilkes	1,124	18,906	16.82	153	2,681	17.52	967	16,148	16.70	----------	----------	18,906
Wilson	620	30,312	48.89	----------	Not Divid	ed-------		Not Divid	ed	21,022	9,290	----------
Yadkin	422	10,455	24.77	70	931	13.30	348	9,409	27.04	9,804	651	----------
Yancey	780	28,769	36.88	48	1,689	35.19	732	27,080	36.99	28,743	26	----------
Total	101,325	$4,255.938	$ 42.00	42,153	$1,735.236	$ 41.17	53,700	$2,188,001	$ 40.74	$2,781,153	$ 527,944	$ 946,841

*First advertisements of such land as set up in newspapers throughout the state, except as noted in body of report.
**One township missing, River Bend.
***Indian.

TABLE 153—LAND ADVERTISED FOR 1927 TAXES, CLASSIFIED ACCORDING TO SIZE OF TAX

Counties	Less Than $10	$10 to $19.99	$20 to $49.99	$50 to $99.99	$100 to $199.99	$200 to $499.99	Over $500	Total
Alamance	234	244	272	107	37	13	3	910
Alexander	153	102	87	22	6	2	4	376
Alleghany	120	46	25	7	2	1	0	201
Anson	248	130	159	63	30	10	1	641
Ashe	314	312	298	90	38	18	0	1,070
Avery	185	205	255	131	33	11	2	822
Beaufort	636	453	499	197	94	37	13	1,929
Bertie	116	94	119	67	24	12	0	432
Bladen	607	398	397	178	73	36	6	1,695
Brunswick	403	559	705	240	70	29	13	2,019
Buncombe	2,557	1,585	2,191	1,312	636	310	130	8,721
Burke	605	283	226	42	15	6	0	1,177
Cabarrus	406	150	83	24	8	1	1	673
Caldwell	435	215	145	45	16	7	0	863
Camden	3	1	8	1	1	0	0	14
Carteret	173	253	410	162	81	37	22	1,138
Caswell	53	44	80	37	17	5	1	237
Catawba	481	437	570	161	48	29	13	1,739
Chatham	325	227	237	64	17	5	1	876
Cherokee	190	272	191	62	37	19	7	778
Chowan	8	5	5	2	0	0	1	21
Clay	16	14	29	15	7	1	1	83
Cleveland	101	70	57	21	4	1	0	254
Columbus	928	814	941	318	110	37	5	3,153
Craven	355	369	531	244	137	62	27	1,725

TABLE 153—LAND ADVERTISED FOR 1927 TAXES, CLASSIFIED ACCORDING TO SIZE OF TAX—*Continued*

Counties	Less Than $10	$10 to $19.99	$20 to $49.99	$50 to $99.99	$100 to $199.99	$200 to $499.99	Over $500	Total
Cumberland	707	666	713	313	165	59	7	2,630
Currituck	-------	-------	-------	-------	-------	-------	-------	-------
Dare*	-------	-------	-------	-------	-------	-------	-------	-------
Davidson	385	226	153	28	14	4	3	813
Davie	150	111	90	36	26	6	0	419
Duplin	543	502	730	429	203	83	14	2,504
Durham	378	276	324	111	38	17	7	1,151
Edgecombe	156	190	200	65	30	18	5	664
Forsyth	952	376	273	51	14	4	0	1,670
Franklin	143	139	160	109	54	35	5	645
Gaston	293	124	120	59	12	5	1	614
Gates	100	69	69	19	2	3	0	262
Graham	77	63	80	17	4	4	1	246
Granville	122	142	165	56	25	9	1	520
Greene	36	37	50	44	28	17	3	215
Guilford	1,124	805	1,154	462	154	61	48	3,808
Halifax	260	258	304	125	57	25	8	1,037
Harnett	228	269	319	180	68	26	2	1,092
Haywood	391	262	287	133	65	35	6	1,179
Henderson	803	676	605	286	153	76	29	2,628
Hertford	82	60	66	36	14	4	2	264
Hoke	81	92	144	114	60	41	6	538
Hyde	166	104	122	73	52	29	4	550
Iredell	468	357	469	203	72	20	10	1,599
Jackson	122	120	132	33	16	5	2	430

Johnston	----	----	----	----	----	----	----	----
Jones	69	73	140	89	49	32	10	462
Lee	112	71	124	48	23	9	1	388
Lenoir	265	166	241	151	83	50	16	972
Lincoln	93	83	124	39	20	8	1	368
Macon	----	----	----	----	----	----	----	----
Madison	168	196	261	100	31	16	2	774
Martin	82	64	88	27	21	7	4	293
McDowell	598	222	171	53	18	12	2	1,076
Mecklenburg	673	604	954	472	176	64	28	2,971
Mitchell	169	210	265	87	32	10	3	776
Montgomery	351	85	104	52	20	5	0	617
Moore	281	157	136	57	21	10	3	665
Nash	460	294	377	206	77	22	5	1,441
New Hanover	1,215	780	694	263	65	35	16	3,068
Northampton	----	----	----	----	----	----	----	----
Onslow	226	151	174	91	37	13	7	699
Orange	273	196	258	104	33	17	7	888
Pamlico	273	248	339	189	95	37	6	1,187
Pasquotank	155	154	107	42	18	12	2	490
Pender	862	659	660	234	95	38	3	2,551
Perquimans	97	61	73	29	8	7	3	278
Person	67	46	62	17	4	3	0	199
Pitt	368	226	251	163	122	64	17	1,211
Polk	46	57	91	52	18	5	1	270
Randolph	317	189	169	35	14	5	0	729
Richmond	147	127	160	78	27	14	1	554
Robeson	648	461	537	262	136	79	16	2,139
Rockingham	160	154	281	115	45	17	1	773
Rowan	455	328	355	118	67	21	11	1,355

TABLE 153—LAND ADVERTISED FOR 1927 TAXES, CLASSIFIED ACCORDING TO SIZE OF TAX—*Continued*

Counties	Less Than $10	$10 to $19.99	$20 to $49.99	$50 to $99.99	$100 to $199.99	$200 to $499.99	Over $500	Total
Rutherford	447	331	521	185	96	28	9	1,617
Sampson	691	607	675	295	125	43	3	2,439
Scotland	123	69	78	48	22	15	2	357
Stanly	246	102	87	23	3	1	2	464
Stokes	70	65	146	74	21	8	2	386
Surry	364	262	275	73	24	7	2	1,007
Swain	70	101	95	34	11	4	2	317
Transylvania	262	194	220	114	58	48	17	913
Tyrrell	44	45	36	9	3	1	0	138
Union	78	90	126	59	21	4	0	378
Vance	170	95	106	33	10	2	0	416
Wake	798	631	719	370	216	76	15	2,825
Warren	233	133	160	40	13	2	0	581
Washington	127	104	98	46	18	5	5	403
Watauga	324	198	153	57	17	11	0	760
Wayne	332	285	316	134	61	27	4	1,159
Wilkes	564	296	210	39	12	2	1	1,124
Wilson	147	135	194	84	45	11	4	620
Yadkin	148	123	110	23	17	1	0	422
Yancey	140	234	265	88	37	16	0	780
Total	31,427	23,368	27,035	11,595	5,052	2,199	649	101,325

***97 Items advertised in Dare County but not included in the table because unclassified.**

TABLE 153½ SOURCES USED IN COMPILING THE TOTAL AMOUNT OF LAND ADVERTISED FOR 1927 TAXES

County	Name of Paper	Town where Published	Date of Publication	Date of Land Sale
Alamance	Burlington Daily Times	Burligton	August 13, 1928	September 3, 1928
Alexander	Taylorsville Times	Taylorsville	May 10, 1928	June 4, 1928
Alleghany	Alleghany Times	Sparta	May 10, 1928	June 4, 1928
Anson	Messenger and Intelligencer	Wadesboro	May 10, 1928	June 4, 1928
Ashe	Northwestern Herald	West Jefferson	May 10, 1928	June 4, 1928
Avery	Avery Advocate	Elk Park	May 10, 1928	June 4, 1928
Beaufort	Washington Progress	Washington	May 10, 1928	June 4, 1928
	Belhaven Times	Belhaven	May 10, 1928	
	Beaufort County Record	Washington	May 17, 1928	
	Washington Daily News	Washington	May 12, 1928	
Bertie	Ledger-Advocate	Windsor	May 10, 1928	June 4, 1928
Bladen	Bladen Journal	Elizabethtown	May 10, 1928	June 4, 1928
Brunswick	Brunswick County News	Southport	May 24, 1928	June 25, 1928
Buncombe	Asheville Times	Asheville	May 12, 1928	June 4, 1928
Burke	News-Herald	Morganton	June 7, 1928	July 2, 1928
Cabarrus	Concord Times	Concord	May 10, 1928	June 4, 1928
Caldwell	Lenoir News-Topic	Lenoir	May 10, 1928	June 4, 1928
Camden	List furnished by County Accountant			
Carteret	Carteret County Herald	Morehead City	June 7, 1928	July 2, 1928
Caswell	Caswell Democrat	Yanceyville	May 31, 1928	June 4, 1928
	Caswell Messenger	Yanceyville	May 10, 1928	
Catawba	Catawba News-Enterprise	Newton	May 11, 1928	June 4, 1928
	Hickory Daily Record	Hickory	May 11, 1928	
Chatham	Chatham Record	Pittsboro	May 10, 1928	June 4, 1928
Cherokee	Cherokee Scout	Murphy	May 11, 1928	June 4, 1928
Chowan	Edenton Daily News	Edenton	June 11, 1928	July 2, 1928
Clay	Clay County News	Hayesville	July 20, 1928	Aug. 6, 1928
Cleveland	Cleveland Star	Shelby	May 9, 1928	June 4, 1928
Columbus	News-Reporter	Whiteville	May 10, 1928	June 4, 1928
Craven	Sun-Journal	New Bern	Sept. 3 and 4, 1928	Oct. 1, 1928
	Times	New Bern	Sept. 7, 1928	

Table 153½ SOURCES USED IN COMPILING THE TOTAL AMOUNT OF LAND ADVERTISED FOR 1927 TAXES—*Continued*

Counties	Name of Paper	Town where Published	Date of Publication	Date of Land Sale
Cumberland	Fayetteville Observer	Fayetteville	May 12, 1928	June 4, 1928
Currituck	No list obtained			
Dare	No list obtained			Aug. 13, 1928
Davidson	Dispatch	Lexington	May 7, 1928	June 4, 1928
Davie	Davie Record	Mocksville	May 9, 1928	June 4, 1928
Duplin	Wallace Enterprise	Wallace	Aug. 9, 1928	Sept. 10, 1928
Durham	Durham Sun	Durham	July 14, 1928	Aug. 6, 1928
Edgecombe	Southerner	Tarboro	May 12, 1928	June 4, 1928
Forsyth	Twin City Sentinel	Winston-Salem	Aug. 10, 1928	Sept. 3, 1928
Franklin	Franklin Times	Louisburg	July 20, 1928	Aug. 20, 1928
*Gaston	Gastonia Daily Gazette	Gastonia	May 9, 10 and 28, 1928	June 4, 1928
Gates	List furnished by County Accountant			June 4, 1928
Graham	List furnished by County Accountant			June 15, 1928
Granville	Oxford Public Ledger	Oxford	May 11, 1928	June 4, 1928
Greene	Standard-Laconic	Snow Hill	May 11, 1928	June 4, 1928
Guilford	High Point Enterprise	High Point	May 7, 1928	June 4, 1928
	Greensboro Patriot	Greensboro	May 7, 1928	
Halifax	Roanoke Rapids Herald	Roanoke Rapids	May 24, 1928	June 4, 1928
	Commonwealth	Scotland Neck	May 12, 1928	
	Roanoke News	Weldon	May 10, 1928	
Harnett	Dunn Dispatch	Dunn	May 11, 1928	June 4, 1928
	Harnett County News	Lillington	May 10, 1928	
Haywood	Waynesville Mountaineer	Waynesville	June 7, 1928	June 30, 1928
	Canton Enterprise	Canton	June 8, 1928	
Henderson	Times-News	Hendersonville	May 25, 1928	June 25, 1928
Herford	Chowanian	Murfreesboro	May 10, 1928	June 4, 1928
Hoke	Hoke County Journal	Raeford	May 10, 1928	June 4, 1928
Hyde	Hyde County Record	Swan Quarter	May 15, 1928	June 4, 1928
Iredell	Statesville Daily	Statesville	May 12, 1928	June 4, 1928
Jackson	Ruralite	Sylva	May 8, 1928	June 4, 1928
Johnston	No sale held for 1927 taxes by November 1, 1928			

Jones	List furnished by Sheriff			
Lee	Sanford Express	Sanford	May 10, 1928	June 4, 1928
Lenoir	Kinston Free Press	Kinston	May 12, 1928	June 4, 1928
Lincoln	Lincoln County News	Lincolnton	May 10, 1928	June 4, 1928
Macon	No sale held for 1927 taxes by November 1, 1928			
Madison	News-Record	Marshall	May 18, 1928	June 15, 1928
Martin	Enterprise	Williamston	May 11, 1928	June 4, 1928
McDowell	Marion Star	Marion	May 8, 1928	June 4, 1928
Mecklenburg	Charlotte News	Charlotte	May 9, 1928	June 4, 1928
Mitchell	Spruce Pine News	Spruce Pine	June 1, 1928	June 25, 1928
Montgomery	Montgomery Herald	Troy	June 14, 1928	July 16, 1928
Moore	Pilot	Vass	Aug. 10, 1928	Sept. 3, 1928
Nash	Evening Telegram	Rocky Mount	May 10, 1928	June 4, 1928
	Graphic	Nashville	May 10, 1928	
New Hanover	Wilmington Morning Star	Wilmington	May 12, 1928	June 4, 1928
Northampton	No list obtained			
Onslow	Onslow County Record	Jacksonville	May 10, 1928	June 4, 1928
Orange	News	Chapel Hill	May 10, 1928	June 11, 1928
Pamlico	Bayboro Sentinel	Bayboro	Sept. 7, 1928	Oct. 1, 1928
Pasquotank	Independent	Elizabeth City	June 8, 1928	July 2, 1928
Pender	Pender Chronicle	Burgaw	May 10, 1928	June 4, 1928
Perquimans	Herford Herald	Herford	May 11, 1928	June 4, 1928
Person	Roxboro Courier	Roxboro	May 9, 1928	June 4, 1928
Pitt	Ayen Dispatch	Ayden	May 17, 1928	June 4, 1928
	Farmville Enterprise	Farmville	May 11, 1928	
	Greenville Daily Reflector	Greenville	May 11, 1928	
Polk	Polk County News	Tryon	May 10, 1928	June 4, 1928
Randolph	Randolph Tribune	Asheboro	May 10, 1928	June 4, 1928
Richmond	Rockingham Post-Dispatch	Rockingham	July 12, 1928	Aug. 6, 1928
	Hamlet Messenger	Hamlet	July 12, 1928	
Robeson	Robesonian	Lumberton	May 7, 1928	June 4, 1928
Rockingham	Reidsville Enterprise	Reidsville	May 7, 1928	June 4, 1928
Rowan	Salisbury Evening Post	Salisbury	Aug. 4, 1928	Sept. 3, 1928
Rutherford	Sun	Rutherfordton	May 10, 1928	June 4, 1928
Sampson	Sampson Observer	Clinton	May 9, 1928	June 4, 1928
Scotland	Laurinburg Exchange	Laurinburg	May 10, 1928	June 4, 1928

SOURCES USED IN COMPILING THE TOTAL AMOUNT OF LAND ADVERTISED FOR 1927 TAXES—*Continued*

County	Name of Paper	Town where Published	Date of Publication	Date of Land Sale
Stanly	Albemarle Press	Albemarle	May 10, 1928	June 4, 1928
Stokes	Danbury Reporter	Danbury	May 9, 1928	June 4, 1928
Surry	Elkin Tribune	Elkin	May 10, 1928	June 4, 1928
	Mount Airy News	Mount Airy	May 10, 1928	
Swain	Bryson City Times	Bryson City	June 8, 1928	June 29, 1928
Transylvania	Brevard News	Brevard	May 10, 1928	June 4, 1928
Tyrrell	List furnished by Sheriff			June 4, 1928
Union	Monroe Enquirer	Monroe	May 10, 1928	June 4, 1928
Vance	Henderson Daily Dispatch	Henderson	May 10, 1928	June 4, 1928
Wake	Raleigh Times	Raleigh	June 11, 1928	July 9, 1928
Warren	Warren Record	Warrenton	May 11, 1928	June 4, 1928
Washington	Roanoke Beacon	Plymouth	June 15, 1928	July 2, 1928
Watauga	Watauga Democrat	Boone	May 10, 1928	June 4, 1928
Wayne	Goldsboro News	Goldsboro	May 18, 1928	June 18, 1928
	Goldsboro Daily Argus	Goldsboro	May 18, 1928	
	Goldsboro Weekly Record	Goldsboro	May 17, 1928	
	Mount Olive Tribune	Mount Olive	May 18, 1928	
	Fremont Messenger	Fremont	May 31, 1928	
Wilkes	Wilkes Patriot	North Wilkesboro	May 10, 1928	June 4, 1928
Wilson	Daily Times	Wilson	May 10, 1928	June 4, 1928
Yadkin	Yadkin Ripple	Yadkinville	May 24, 1928	June 25, 1298
Yancey	Brunsville Eagle	Brunsville	May 11, 1928	June 4, 1928

*One township missing, River Bend.

APPENDIX II

FORM OF FINANCIAL STATEMENT USED IN TAX ADMINISTRATION STUDY

COUNTY OF____________________

THIS STATEMENT PREPARED AS OF JUNE 30, 1928

TIME REQUIRED (GIVE DATES)____________________

BY____________________ ____________________

NAME TITLE

		1927 Levy	1926 Levy	1925 Levy	1924 Levy
1	Aggregate Amount-Regularly Listed Taxes				
2	Delinquent or Late Listed Taxes				
3	Discoveries				
4	Gross Charge to Sheriff or Tax Collector				
5	Releases for Errors, Overcharges, Etc.				
6	Insolvents Allowed				
7	Land Sales to County				
8	Total Deductions				
9	Net Charge to Sheriff or Tax Collector				
10	Cash Turned to County and District Treasurers				
11	Balance Not Settled				
12	Uncollected Tax Sales Certificates June 30, 1928				
13	Total Charge of District Taxes				
14	Net Charge of District Taxes				
15	District Collections Turned to Co. and Dist. Treasurers				

REMARKS: (In making references, specify item number in margin at left).

QUESTIONNAIRE USED IN TAX ADMINISTRATION STUDY

COUNTY OF____________________

16. Amount advertised for sales of land for taxes of 1927 tax levy(first advertisement) $________
17. Number of names advertised ---------- $________
18. Total amount of sales ---------- $________
19. Difference between amount advertised and amount of sales ---------- $________
20. Total amount borrowed in anticipation of collection of revenues during the fiscal year 1927-28 ---------- $________
21. Average rate of interest paid on borrowed money in item 20 ---------- $________
22. Total amount of interest paid on borrowed money in item 20 ---------- $________
23. Provisions made in the budget of the fiscal year 1927-28 to cover the cost of collecting taxes ---------- $________
24. Actually expended of item 23 ---------- $________
25. Provisions made in the budget of the fiscal year 1928-29 to cover the cost of collecting taxes ---------- $________
26. Provisions made in the budget of the fiscal year 1927-28 to cover the cost of listing and assessing property ---------- $________
27. Actually expended of item 26 ---------- $________
28. Provisions made in the budget of the fiscal year 1927-28 to cover clerical help printing and other costs, in preparing the 1927 tax books (abstracts, scrolls, lists, receipts, etc.) ---------- $________
29. Actually expended of item 28 ---------- $________
30. Provisions made in the budget of the fiscal year 1928-29 to cover clerical help, printing and other costs in preparing the 1928 tax books ---------- $________
31. Cost of advertising sales of land for 1927 taxes ---------- $________
32. Cost of advertising sales of land for 1926 taxes ---------- $________
33. What is the rate of poll tax levied?________
34. Is any poll tax levied under the provisions of the Constitution to the 1920 amendment?________ Why?________
35. When did the list-takers start taking lists of property for the 1928 tax levy?________
36. When was the work of list-taking completed for the 1928 tax levy?________
37. Was the time consumed by the list-takers for the 1928 levy the usual time?________
38. What compensation did the list-takers receive?________
39. Who was the tax supervisor in 1927?

    (*State in this space if county has all-time tax supervisor. Give salary*)

    Name________

    Occupation________

    Title of Office________

    Who was the tax supervisor in 1928?

    Name________

    Occupation________

    Title of Office________
40. Time spent by the county accountant in the supervising of listing and assessing of property________
41. What methods are used to assist list-takers to get property listed? Discuss generally as to lists of names given them, property previously listed, data secured from Motor Vehicle Bureau, etc.
42. How many list-takers were employed in 1928?________
43. What penalty is imposed for failure to list taxes within the required time?________
44. Is there any practice of taxpayers listing several parcels of real property on separate tax returns?________
45. Who prepares the tax scrolls?________

46. How did the county board of equalization function in 1927?

In 1928?

47. Were adequate minutes of these meetings kept?____________________

48. How are discoveries handled? Are they recorded on the tax list and thereby charged to the sheriff for tax collector?

49. Who prepares the tax lists, computes taxes and prepares the receipts?____________________

50. Who is the tax collecting officer?____________________
If otner than the sheriff, how long has this office been created?____________________

51. Discuss general methods of tax collecting:

52. Are notices issued to individual taxpayers when taxes become due?____________________

53. What other notices are mailed or issued to individual taxpayers with regard to their taxes?_____

54. To what extent is the practice of accepting partial payments of taxes followed?____________________

55. Are releases properly executed? Are they entered on the minute docket and signed by the chairman and clerk to the board?

56. Does the sheriff or tax collecting officer levy on personal property before resorting to real estate? Discuss fully in regard to the efforts to enforce the law.

57. Discuss full mehtod of conducting land sales for taxes in 1928.

58. Does the sheriff prepare the land sales certificates and record them properly on a land sales book as required by law before credit is allowed him for sales to the County at final settlement?

59. Are the original tax receipts attached to the corresponding certificates of sale?____________________

60. Is the penalty of 20%, computed at an annual rate, imposed at time of redemption of certificates? Discuss.

61. What disposition is being made of uncollected land sale certificated to county?

62. Relative time spent by the sheriff in collecting taxes.

63. Was a legal settlement made with the sheriff or tax collector for the years

1927?____________________Give date of final settlement____________________
1926?____________________Give date of final settlement____________________
1925?____________________Give date of final settlement____________________
1924?____________________Give date of final settlement____________________

64. What disposition is made of insolvent tax receipts?

65. What is the method of collecting back taxes and the compensation allowed for collecting same?
66. Are there any township tax collectors?
67. Original valuation when the tax books were made up ---------- $______
68. Additions to item 67 ---------- $______
69. Final valuations ---------- $______
70. County-wide rate ---------- $______
71. County-wide levy. (Original) ---------- $______
72. County-wide discoveries and afterlistings ---------- $______
73. Gross county-wide levy ---------- $______

1927 TAX BOOKS

	Number	Amount
74. Abstracts checked______ Errors in addition found ----------		
75. Names checked on scrolls______ Errors in transcription found ----------		
76. Nanes checked on lists______ Errors in transcription found ----------		
77. Names checked on receipts______ Errors in transcription found ----------		
78. Names checked on 1928 scrolls______		
Real estate valuations changed or incorrectly carried forward to the 1928 scrolls from the 1927 scrolls ----------		

THE TAXATION OF INHERITANCES AND ESTATES

SUMMARY

Death taxes have been in long use as a means of raising revenue by the various state governments and the Federal government. In general, the Federal government has taxed the transfer of estates in a substantial amount only during and after major wars.

Beginning with about 1901, North Carolina has derived a fairly substantial amount of revenue from its inheritance tax. Within the past 25 years, the statute has been revised several times. The most important recent change was made in 1927, when the General Assembly, in addition to retaining its inheritance tax rates, imposed an estate tax which would absorb the full 80 per cent credit allowed to states by the Federal government on estate taxes payable to the Federal government.

As a source of state revenue the inheritance and estate tax is only fairly important. During the past five years it has provided about 7½ per cent of the total revenue for the general fund. For the fiscal year ending June 30, 1928, the total collections amounted to slightly more than $700,000. During the past year the inheritance tax has been a much better producer of revenue than has the estate tax, some 90 per cent of the total collections coming from the former. Both the inheritance and the estate taxes are so variable, however, that no particular significance can be attached to the amount of revenue produced by either the one or the other in any particular year.

This study makes a rather detailed comparison of the merits of the inheritance tax as compared with the estate tax. It reaches the conclusion that, all angles considered, it would probably be preferable to have either the one or the other, and that, if a choice were to be made, the inheritance tax seems on the whole to have more good features. It would be possible, of course, to repeal the estate tax and to modify the inheritance tax so as to continue to take advantage of the full 80 per cent credit allowed by the Federal government on estate taxes paid it.

Treatment of Intangible Personal Property. North Carolina is one of a group of 21 states which imposes a tax upon the transfer at death of intangible personal property of non-residents represented by securities issued by this state or any of its sub-divisions or by a domestic corporation. In recent years the trend of practice among states in this respect has been in the direction either of complete exemption of intangible property owned by non-resident decedents or of a reciprocal arrangement whereby a state does not tax the transfer of intangible personal property of a non-resident decedent who is a resident of a state which in turn waives its right to tax the transfer of intangible property of residents of the first state. This study lists the policy of the several states with reference to intangible personalty of non-residents.

It is difficult to estimate precisely the amount of revenue which would be lost if North Carolina should adopt the policy either of exemption of intangible property of non-residents or of reciprocity. Based upon the experience of the past two years it is estimated that complete exemption would mean a

loss of not more than $50,000 annually. If either exemption or reciprocity should be adopted, a considerable saving to estates of non-residents and some saving in the administration of our state inheritance tax might be achieved by statutory approval of a substitute for waiver.

Exemptions. North Carolina allows an exemption of $10,000 to widows and $5,000 to each minor child. This is about the average exemption allowed by other states. It is suggested that the occasional severity of the inheritance tax might be reduced by allowing to a widow $15,000 and to each minor child $7,500. There is some reason for the exemption of the bonds of the state and its sub-divisions from the inheritance tax. The adoption of reciprocity, however, would seem more desirable than the specific exemption of any particular class of property.

Treatment of Insurance Payable After Death of Insured. North Carolina taxes the proceeds of insurance policies payable to the estate of the insured but not payments to specific beneficiaries. There are a number of reasons for modifying this discrimination; and it is suggested that the proceeds from insurance policies paid after death of the insured be treated like the transfer of other property to beneficiaries, but that an exemption of $40,000 be allowed, and only the excess above that amount be subject to tax.

Closely Repeated Successions. The study recommends that, in order to avoid excessively frequent impositions of the tax, the law be so amended as to provide that in the transfer of property from direct heir to direct heir in cases where a second death occurs within five years, a deduction should be made of the amount paid in the next preceding transfer.

Prevention of Avoidance and Evasion. In order to prevent one of the important present methods of escaping the inheritance tax, that of changing personal residence from North Carolina to a state imposing a lower rate and of conveying property in North Carolina to a corporation incorporated in that state, it is suggested that, so long as the present Federal estate tax is in force, North Carolina should so fix its schedule of inheritance tax rates that the tax imposed by this state upon larger estates shall not substantially exceed the Federal credit of 80 per cent now allowed.

CHAPTER XIX

THE TAXATION OF INHERITANCES AND ESTATES

SUMMARY OF DEVELOPMENT IN THE UNITED STATES

The summaries shown below indicate that taxes levied upon the occasion of death have had a long and varied development in the United States. With the exception of the stamp duties upon legacies and successions which were in force from 1798 to 1802, the Federal Government has made effective use of such taxes only during the periods of the Civil War, the Spanish American War, and the World War. Pennsylvania, in 1826, was the first State in the Union to impose an inheritance tax. It was a collateral tax from which parents, surviving spouse and lineal descendents were entirely exempt. Transfers to direct heirs were first taxed by North Carolina in 1855. Since the State abandoned that source of revenue in 1874, the similar tax imposed by New York in 1891 is better known. The willingness of North Carolina to apply inheritance taxes seriously which was illustrated in 1855 by the tax upon direct shares, has manifested itself in more recent times. The rates provided by the Act of 1901 were more heavily progressive than those of any other state. Again in 1927 North Carolina was the first, and it has remained the only state, to impose an estate tax equal to the Federal credit in addition to the state inheritance tax.

DEVELOPMENT OF DEATH TAXES IMPOSED BY THE FEDERAL GOVERNMENT OF THE UNITED STATES OF AMERICA[1]

A. Stamp duties upon legacies and successions:
   1. Enacted July 6, 1797.
   2. In effect July 1798 to the repeal on April 6, 1802.

B. Act of 1861.
   1. Tax upon transfer of personal property only with progression according to the degree of kinship.
   2. It was a mild, slightly regressive probate duty.

C. Acts of 1864, and 1866.
   1. Increase of rates.
   2. Inclusion of real property.

D. Repeal of the inheritance tax in 1870 and the probate duty in 1872.

E. Such taxes were upheld by the United States Supreme Court in 1874. (Scholey v Rew, 23 Wall. 331.346)

F. The Income Tax Bill of 1894 taxed inheritances as an element of income. This collapsed when the tax was declared unconstitutional.

G. 1898
   1. Tax upon transfer of personal property only, with progression by totality based on size of the estate rather than upon the individual shares.
   2. Upheld by the Supreme Court in 1900, Knowlton v Moore, 178 U. S. 41, except the basing of exemption and progression upon the size of the estate instead of the individual shares.
   3. Repealed in 1902.

H. 1916.
   1. Tax upon the transfer of the estate, not the distributive shares, with

[1] William J. Shultz, *The Taxation of Inheritance*, 1926.

the progression according to the amount ranging from one per cent to ten per cent.

I. Increase of rates in March and October, 1917.

J. 1918.

1. Rates in *lower* brackets were reduced.
2. Proceeds of insurance were made subject to the tax.
3. An important incidental effect was a burden upon residuary legatees unless prevented by definite arrangement otherwise.

K. 1924.

1. Increase of rates.
2. Credit of the inheritance tax imposed by the states up to a maximum of twenty-five per cent of the tax.
3. Gift tax, which was dropped in 1926.

L. 1926.

1. Reduction of rates and increase of the exemption.
2. Credit toward State taxes raised to eighty per cent.
3. Retroactive provision for refunding taxes collected under the excess rates of the Act of 1924.

STEPS IN THE DEVELOPMENT OF DEATH TAXES IMPOSED BY THE STATES.

1. Collateral tax, Pennsylvania, 1826.
2. Tax direct shares, North Carolina, 1855, discontinued in 1874.
3. Carefully drawn and well administered law of New York taxing collateral shares, 1885.
4. Tax upon direct heirs, New York, 1891.
5. First law with progression according to the size of the estate, Ohio, 1894. It was declared unconstitutional by the Courts. (State v Ferris, 53 Ohio St. 314, 340.)
6. Missouri's law of 1895 with the progressive rates upon collateral shares was declared unconstitutional. (State v Switzler, 143 Mo. 187, 333.)
7. Illinois' law of 1895 taxing:
   (a) Collateral shares progressively.
   (b) Stock of a foreign corporation passing to a non-resident when such a corporation had property or income in Illinois.
   This was upheld by the Courts. (Magoun v Ill. Trust and Savings Bank. 170 U. S. 283.)
8. Washington, 1901, applied progressive rates according to the amounts of the shares and to the degree of the kinship in the case of collateral beneficiaries but a proportional rate of one per cent was provided for direct heirs.
9. North Carolina in 1901 applied this double progression both to the direct and collateral beneficiaries, but confined to personal property.
10. Wisconsin law of 1903:
    (a) Double progression applied to both real and personal property.
    (b) Progression was by bracket instead of by totality.
    (c) Exemptions were graduated according to the degree of kinship of the beneficiaries.
11. Louisiana between 1903 and 1908 provided for a tax upon transfer of all personal property physically in the State of Louisiana, including securities, deposit, credits, etc.

12. Efforts to avoid double and multiple taxation:
    (a) 1904, West Virginia and Vermont provided that when inheritance taxes had to be paid to the other states upon the estate of a resident decedent such taxes should be deducted from the amount paid to the state of *domicile.*
    (b) 1907, Massachusetts adopted a similar provision and enacted the first measure for fiscal reciprocity in inheritance taxation in this country.
13. The first combination of inheritance tax and estate duty was enacted by Rhode Island in 1916.
    From WILLIAM J. SHULTZ, *The Taxation of Inheritance*, 1926.

DEATH TAXES IMPOSED BY THE STATE OF NORTH CAROLINA.

A. Act of 1847, Chapter 72.
   1. One per cent on collateral shares of decedent's property.
   2. Exemption of $300 of real estate and $200 of personal property.
   3. Gifts to defeat the act were declared void.

B. Act of 1855, Chapter 37.
   1. Discrimination between different classes of collateral heirs.
   2. Direct heirs were taxed at one per cent. This was the first instance of taxing the shares of lineal descendents in American tax laws.
   3. Discontinued in 1874.

C. Act of 1897, Chapter 168.
   The Inheritance Tax was re-established and was extended to the transfer of personal property to direct heirs.

D. Act of 1901, Chapter 9.
   1. Applicable to transfer of personal property only.
   2. Progression according to both:
      (a) Amount of the share and
      (b) The degree of kinship, direct and collateral heirs included.
   3. Rates were more radically progressive than those of any other state.

E. Act of 1903, Chapter 247.
   Progression according to the amount of property was removed except for the more distant relatives and strangers.

F. Act of 1907, Chapter 256.
   Rates of 1903 were extended to real property.

G. Act of 1913, Chapter 201.
   Progression according to the amount transferred was abandoned entirely.

H. Act of 1915, Chapter 85.
   Return to mildly progressive rates.

I. Act of 1919, Chapter 90.
   Taxes of securities of foreign corporation upon basis of the proportion of the value of property in the State to the value of all the property of the corporation. This was overruled later by the decision in the case of *Rhode Island Hospital Trust Co. v Doughton.*

J. Act of 1925, Chapter 101.
   Increase of rates.

K. Act of 1927, Chapter 80.
   In addition to the Inheritance tax there was imposed an estate tax equal to 80 per cent of the Federal Estate tax of 1926.

The Place of The Inheritance and Estate Tax in the System of Taxes of the State: Death taxes in North Carolina are overshadowed by the income tax and the privilege taxes. They stand less far beneath the aggregate of the license taxes. Table 154 summarizes the position of inheritance taxes in comparison with the other groups of taxes collected by the Department of Revenue during the fiscal years 1923 to 1928 inclusive.

Inevitably the tax collections which are dependent upon the value of property passing at death must vary from year to year. Even if the same system of rates were retained the amounts of taxes payable would depend upon uncertain variables. The value of property left at death, the location of such property within or without the State, the amounts bequeathed to religious, charitable, or educational institutions, and the degree of kinship of the distributees to the deceased influence the amount of the tax and make uniformity impossible.

Taxes Upon Large Estates Compared With Taxes Upon Small Estates: Table 155 shows the distribution of tax payments upon inheritances and estates for the year 1927-1928. Table 156, indicates in the same way the distribution of tax payments upon inheritances for the year 1926-1927.

On account of the system of exemptions and progressive rates the greater part of the tax receipts is derived from the transfer of the large estates. In 1927-1928 there were 1871 estates on which the total taxes paid to North Carolina amounted to $710,620. Of the total number of estates 90.38 per cent were subjected to a tax of less than $500. Payments by them constituted only 17.85 per cent of the total tax payments. On the other hand, the remaining 180 estates which were subjected to a tax of $500 or more constitued merely 9.62 per cent of the total number of estates but supplied 82.15 per cent of the total tax payments. During the preceding year, 1926-1927, 2095 estates provided $824,541 of inheritance taxes. Less than $500 was paid on 1897 of the estates. Although they made up 90.55 per cent of the total number, the taxes paid on them represented only 15.86 per cent of the total tax payments. The 198 larger estates on which $500 or more was paid were 9.45 per cent of the total number and supplied 84.14 per cent of the total tax payments.

Taxes Upon Estates of Residents Compared to Taxes Upon Estates of Non-Residents: Tables 155 and 156 show also the relative importance of receipts from the transfer of estates owned by residents and non-residents. In 1927-1928 the estates of residents constituted 91.61 per cent of the total number and paid only 87.79 per cent of the taxes collected, while non-residents' estates made up 8.39 per cent of the total number and paid 12.21 per cent of the taxes. Similarly during the preceding year, 1926-1927, the estates of residents were 92.22 per cent of the total number and paid 88 per cent of the inheritance taxes. Estates of non-residents represented the remaining 7.78 per cent of the total number, yet they made 12 per cent of the total tax payments.

Receipts From the Inheritance Tax Compared to Receipts From the Estate Tax: The estate tax has been in force during only one complete

TABLE 154—COMPARISON OF GROUPS OF TAXES COLLECTED BY THE DEPARTMENT OF REVENUE OF NORTH CAROLINA, 1923-1928

Fiscal Year Ending	Total Collections State Dept. of Revenue**	Income Tax	Per cent of Total	Inheritance Tax	Per cent of Total	Schedule "B" Tax	Per cent of Total	Schedule "C" Tax	Per cent of Total
June 30, 1928	$ 13,924,052.34	$ 8,175,163.43	58.71	$ 710,636.56	5.1	$ 1,468,651.35	10.54	$ 3,569,601.00	25.63
June 30, 1927	11,510,673.09	6,233,804.70	54.16	824,541.14	7.16	1,262,653.51	10.97	3,189,663.74	27.71
June 30, 1926	11,207,548.97	6,083,577.06	54.28	840,787.85	7.5	1,217,684.07	10.87	3,065,499.99	27.35
June 30, 1925	6,246,816.20	3,751,349.23	60.05	765,862.80	12 27	566,283.61	9.07	1,154,690.18	18.49
June 30, 1924	6,550,946.42	4,485,012.90	68.46	511,125.16	7 8	520,989.83	7.95	1,024,160.45	15.63
June 30, 1923	4,064,001.80	3,573,350.85	87.92	337,804.39	8.32	148,016.08	3.65	----------	----------
Total	$ 55,504,038.82	$ 32,302,258.17	60.37	$ 3,990,757.90	7.46	$ 5,184,278.45	9.69	$ 12,033,615.36	22.49

**Including interest on bank balances which is not shown separately in the table.

TABLE 155—INHERITANCE AND ESTATE TAX PAYMENTS, 1927-1928—NUMBER OF ESTATES AND AMOUNTS PAID

No. of Estates Making Payment:	Under $500	Per cent of Total	$500 to $1,000	Per cent of Total	$1,000 to $2,000	Percent of Total	$2,000 to 5,000	Per cent of Total	$5,000 to $10,000	Per cent of Total	Above $10,000	Per cent of Total	All Estates	Per cent
Residents	1,563	83.54	64	3.42	39	2.08	28	1.5	10	.54	10	.53	1,714	91.61
Non-Residents	128	6.84	13	.69	7	.38	6	.32	1	.05	2	.11	157	8.39
Total	1,691	90.38	77	4.11	46	2.46	34	1.82	11	.59	12	.64	1,871	100
Amount of Taxes Paid:														
Residents	$116,293	16.36	$ 45,554	6.41	$ 53,800	7.57	$ 86,785	12.21	$ 76,746	10.8	$244,699	34.43	$623,876	87.79
Non-Residents	10,559	1.49	9,139	1.29	9,747	1.37	22,231	3.13	9,057	1.27	26,012	3.66	86,744	12.21
Total	$126,852	17.85	$ 54,693	7.70	$ 63,546	8.94	$109,016	15.34	$ 85,803	12.07	$270,711	38.09	$710,620 *	100

TAX PAYMENTS AMOUNTING TO:

	$500 and Over	$1,000 and Over	$2,000 and Over	$5,000 and Over	$10,000 and Over	All Estates Including Those Making Payments of Less Than $500
Estates Involved:						
Number	180	103.	57	23	12	1,871
Per cent of All Estates	9.62	5.51	3.05	1.23	0.64	100
Taxes:						
Amount	$ 583,768.97	$ 592,076.50	$ 465,529,66	$ 356,513.64	$ 270,710.87	$ 710,620.66
Percent of Total Tax Payments	82.15	74.45	65.51	50.17	38.09	100

This Includes Estate Tax, $47,418.74 = 6.67%

TABLE 156—INHERITANCE TAXES, 1926-1927—NUMBER OF ESTATES AND AMOUNTS PAID

	Under $500	Per cent of Total	$500 to $1,000	Per cent of Total	$1,000 to $2,000	Per cent of Total	$2,000 to $5,000	Per cent of Total	$5,000 to $10,000	Per cent of Total	$10,000 or More	Per cent of Total	All Estates	Per cent
Number of Estates Making Payment:														
Residents	1,758	83.91	67	3.20	40	1.91	38	1.81	20	.95	9	.43	1,932	92.22
Non-Residents	139	6.64	7	.33	9	.43	6	.29	0	--------	2	.10	163	7.78
Total	1,897	90.55	74	3.53	49	2.34	44	2.10	20	.95	11	.53	2,095	100
Amount of Taxes Paid:														
Residents	$118,800	14.41	$ 44,955	5.45	$ 55,396	6.72	$111,275	13.5	$143,712	17.43	$251,446	30.5	$725,585	88
Non-Residents	11,995	1.45	4,756	.58	11,657	1.41	15,542	1.88	--------	--------	55,007	66.7	98,956	12
Total	$130,796	15.86	$ 49,711	6.03	$ 67,053	8.13	$126,817	15.38	$143,712	17.43	$306,453	37.17	$824,541	100

TAX PAYMENTS AMOUNTING TO:

	$500 and Over	$1,000 and Over	$2,000 and Over	$5,000 and Over	$10,000 and Over	All Estates Including Those Making Payments of Less Than $500
Estates Involved:						
Number	198	124	75	31	11	2,095
Per cent of All Estates	9.45	5.92	3.58	1.48	0.53	100
Taxes:						
Amount	$ 693,745.36	$ 644,034.47	$ 576,981.43	$ 450,164.73	$ 306,452.36	$ 824,541.14
Per cent of Total Tax Payments	84.14	78.11	69.98	54.60	37.17	100

fiscal year, 1927-1928. The total collections of that year on account of both inheritance and estate taxes, excluding the penalties on bad checks, were $710,620. This total was secured as follows:

Inheritance Taxes.......	$663,201 or	93.33 per cent of the total.
Estate Taxes............	47,419 or	6.67 per cent of the total.
	$710.620	100.00

If the state should eventually collect the additional estate taxes payable for 1927-1928, the payment of which has been delayed by litigation, the total of estate taxes might be increased by as much as $25,000.

TABLE 157—ESTATES OF RESIDENTS OF NORTH CAROLINA, 1925-1926, WITH NET TAXABLE VALUE OF $100,000 OR MORE

		Shares of Beneficiaries	Inheritance Tax Payments	Per cent of Total Taxes on Estates of $100,000 or More
1. Number of Estates	71	1. Widow and husbands	$ 34,334.11	6.45
2. Aggregate Taxable Value	$25,577,355.64	2. Childrens	432,720.10	81.27
3. Total Taxes Paid on these Estates	532,469.93	3. Parents	704.65	0.13
4. Percentage of Total Tax to Taxable value	2.08	4. Total of 1, 2 and 3	467,758.86	87.85
5. Average Size of Estate	360,244.45	5. Brothers', Sisters', nephews', nieces', uncles', and aunts	30,695.57	5.76
6. Average Tax Payment	7,499.58	6. Cousins' and strangers	33,146.12	6.23
7. Total of all Inheritance Taxes for the Year	840,787.85	(Net Interest and Discount)	896.38	0.16
8. Percentage of Total Taxes on Estate of $100,00 or more to total of all Inheritance Taxes for the Year	63.33%	----------	----------	----------
9. Resident estates with net Taxable Value of less than $100,000, Taxes paid	277,119.01)	----------	----------	----------
(10. Percentage of 9 to the Total of all Inheritance Taxes for the Year	32.96%)	----------	----------	----------
(11. Taxes paid on all Estates of Non-Residents	31,171.91)	----------	----------	----------
(12. Percentage of 11. to the Total of all Inheritance Taxes for the Year	3.71)	----------	----------	----------

Taxes Upon Transfers to Direct Heirs Compared to Taxes Upon Transfers to Collateral Heirs and Strangers. Table 157 summarizes the tax payments upon estates with net taxable value of $100,000 or more during the year 1925-1926. The shares of children supplied the bulk of the receipts, 81.27 per cent of the total. The shares of all direct heirs, including children, provided 87.85 per cent of the total collections from this group of estates. Transfers to collateral heirs and strangers supplied only 11.99 per cent of the total collections from the group.

The preponderance in North Carolina of inheritance tax payments upon the shares of direct heirs is in line with the experience of other States. A committee appointed under the auspices of the National Tax Association reported to the Second National Conference on Inheritance and Estate Taxation that " . . . about 85 per cent, approximately, of all death taxes were paid by people receiving money in the direct line."[1]

The Burdensomeness of the Inheritance Tax. From a superficial or prejudiced survey of the progressive rates of inheritance and estate taxes it is easy to be persuaded that they are fearfully destructive of capital at the very time that it is needed most by the sorrowing family of the deceased. Closer examination, however, reveals the fact that the proportion of the tax to the value of the estate is often not so formidable. In Table 157 it is shown that 71 estates with a net taxable value of $100,000 or more were taxed by North Carolina in 1925-1926. Those estates had an aggregate taxable value of $25,577,355.64. The total inheritance taxes paid to North Carolina upon the transfer of that property amounted to $532,469.93. Comparison of the aggregate taxable value and the amount of the taxes indicates that the total taxes represented only 2.08 per cent of the taxable value. Of course, in the case of the larger estates the percentage of tax to taxable value was much higher. It is the purpose of progressive rates to make it higher, a purpose which is supported by the principle of progressively greater ability to pay. In the case of the smaller estates the percentage is smaller. But the average, 2.08 per cent, suggests that hardly more than the income for six months was paid to the State on the occasion of successions to property amounting to more than twenty-five and one-half million dollars.

THE INHERITANCE TAX COMPARED WITH THE ESTATE TAX

The estate tax imposed by Section 6 of the North Carolina Inheritance and Estate Tax Law of 1927 has aroused more discussion than any other provision of the statute. As interpreted by the Supreme Court of the State in the case of Hagood v Doughton[2] during the Spring Term, 1928, this tax is a net addition to the state inheritance tax.

Table 167 summarizes the practice of the various states in the use of an Inheritance Tax, an Estate Tax, or a combination of the two. Study of that summary will indicate that twenty-seven states apply the inheritance tax only, that two states have an estate tax only, that Georgia imposes an estate tax upon resident decedents and an inheritance tax upon non-residents, and that fifteen states employ both the inheritance tax and the estate tax.[3] North Carolina is in the last group. Its position in that group is unique. This state alone has attempted to impose an estate tax equal to 80 per cent of the Federal estate tax as a net addition to its inheritance tax and entirely indepen-

[1]Proceedings of the Second National Conference on Inheritance and Estate Taxation held at New Orleans, Louisiana, Tuesday, Nov. 10, 1925, page 28.
[2]Appeal to the Supreme Court of the United States makes impossible a final interpretation of the law at the present time, September 1928.
[3]The three states remaining, Alabama, Florida, and Nevada, have neither Inheritance nor Estate Taxes. For a summary of the rates, exemptions, etc., of each state see Table 169.

dent of the inheritance tax. It is true that Oregon levies an estate tax[1] in addition to its inheritance tax, but the amount of its estate tax upon the extremely large estates does not equal 80 per cent of the Federal tax. Furthermore, its inheritance tax does not apply to transfers to direct heirs. The thirteen other states in the group impose the estate tax merely to secure the difference between the state inheritance taxes and the amount of the credit allowed under the provisions of the Federal estate tax. Some of these thirteen states, such as Maine and Virginia, provide specifically that their estate taxes shall become void upon repeal of the Federal estate tax by the Government of the United States. The effect of the use of both the inheritance tax and an estate tax equal to the Federal credit is shown by Tables 159 to 163 inclusive.

In the list of states arranged according to the amount of death taxes imposed upon certain estates, North Carolina stands twenty-first in the case of an estate of $50,000, seventeenth in the case of the $200,000 estate, sixth in the amount of taxes upon a $1,000,000 estate, second at $3,000,000, and first at $4,000,000 and above. If the estates were assumed to be distributed differently, among collaterals and strangers for example, the relative position of North Carolina would not always be the same as in the case of equal division between a widow and a child which is the basis of this comparison. The rising rank of the state with increasing value of the property transferred does illustrate, however, the consequences of applying progressive inheritance tax rates and additional progressive estate tax rates to a single aggregate of property passing at death.

The estate tax receipts have not yet been sufficient to compensate for the irritation of taxpayers and the unfavorable publicity which has issued in growing volume from inheritance tax services, protective agencies, and the public press. It was noted in the analysis of North Carolina's tax collections[2] that the amount received from the estate tax during the year 1927-1928 was slightly more than forty-seven thousand dollars, which represented only 6.67 per cent of the total of inheritance and estate taxes for the year. If subsequent collections should increase the estate tax for that year by as much as twenty-five thousand dollars the estate tax would be merely 9.84 per cent of the increased total collections.

Instead of continuing the use of two independent taxes payable at death it would probably be preferable for one or both to be modified so as to provide a unified and consistent method of taxation. The relative merits of the estate tax and the inheritance tax have been compared as follows:[3]

Estate Tax.

A. *Advantages*:

1. Simplicity and speed:
   a. One set of rates.
   b. No investigation of the beneficiaries.
   c. Saving of time and expense both to the estate and the government.

[1]In form this is an Estate Tax, but the courts of Oregon have held it to be a Succession Tax on the ground that it is prorated among the beneficiaries.
[2]Page 9.
[3]From the *Report of the National Committee on Inheritance Taxation to the National Conference on Estate and Inheritance Taxation, held at New Orleans, Louisiana, November* 10, 1925, pages 34-39; and William J. Shultz, *The Taxation of Inheritance*, pages 214—215.

d. The testator can usually determine in advance the total tax and thus provide for exact division of net amounts among the various beneficiaries.[1]

[1]Can market value be anticipated so precisely?

e. No difficulty with life estates and remainders.

2. A step in the direction of harmonizing the death taxes of the States to each other and to the Federal Government.
3. Greater revenue, since when the individual shares are taxed the rates on the higher brackets cannot be applied so far as upon the entire estate.

B. *Disadvantages*:

1. Less precise adjustment of the tax to the ability to pay the beneficiaries of the estate, on account of the absence of progression according to the degree of relationship:
   a. The effect of low rates upon direct heirs and dependents ordinarily provided by an inheritance tax can be secured in an estate tax by:
      (1) Liberal exemptions. These, however, would benefit collaterals and strangers as well, unless they were determined by
      (2) Exemptions computed according to the number and degree of kinship of the beneficiaries to the decedent.
   b. Inequality of the tax upon estates of equal size some of which pass to a few beneficiaries and others to many beneficiaries. But, under either estate or succession taxes, the testator can control the distribution of the tax among the beneficiaries.

Inheritance Tax:

A. *Advantages*:

1. Theoretically greater fairness on account of more precise adjustment of the tax to the principle of ability to pay.
2. It is the prevailing form among the States. It is thus an old tax which would seem to be less disturbing to the public than imposition of the same burden in a new form.
   a. But the Federal estate tax is now an old tax also.
   b. The persons subject to the tax are likely to be more interested in the effect of the tax than in its form.

B. *Disadvantages*:

1. Greater complexity.
   a. More varied base.
   b. Problem of appraising for the purpose of the tax life estates and remainders.

The National Committee on Inheritance Taxation reported to the National Conference on Estate and Inheritance Taxation at New Orleans in 1925 that the weight of the argument was on the side of the estate tax. But the care with which that conclusion was reached and presented has not been sufficient to influence the force of accepted ideas and long usage which sustain the inheritance tax in the legislatures of all but three of the states that impose death taxes.

If it were possible to make an entirely fresh start it may be that the advantages of the Estate Tax would secure its adoption. In the absence of such a possibility, the fact that the inheritance tax is the older and the prevailing form among the states, that the administrative machinery is adjusted to its application, and that it makes possible higher rates upon shares passing to remote kin and strangers probably justify its continued use by North Carolina. It is suggested, therefore, that the inheritance tax be retained. The amount of revenue now collected from both the inheritance tax and the estate tax can be secured from the inheritance tax alone by raising the rates slightly and by making the progression more rapid and more sustained.

A single schedule of rates producing a given amount of taxes would occasion less irritation than the application of two separate death taxes yielding the same amount of receipts. Just where the rates should be fixed can be decided best by those who combine careful study with long experience. The State Department of Revenue is prepared to submit a schedule of rates which will combine simplicity of operation with productivity of returns. The level of rates should be high enough to yield an important part of the State's tax receipts, but not so high as to discourage unduly the things taxed. Taxes should not be applied roughly with the closed fist but deftly with sensitive fingers.

In view of the great safeguard of state receipts from inheritance taxes which is offered by the Credit to the Federal estate tax law of 1926, it appears desirable to impose a tax which in every case will secure for North Carolina the benefit of that provision. While it seems equitable and expedient to remove the independent character of the North Carolina estate tax, it may not be wise to repeal it altogether. The state inheritance tax may be devised so as to take full advantage of the Federal credit in every anticipated case. Yet, to provide against an unexpectedly large estate and against the possible increase of the credit, it is suggested that the North Carolina estate tax be amended so as to impose an estate tax equal to the excess, if any, of the amount of the credit to the Federal estate tax allowed by the United States for death taxes paid to a state. It should be provided further that the credit referred to shall be that of the Federal estate tax of 1926 so long as it shall be in force and that thereafter it shall be that credit for payment of death taxes to the States which may be granted by act of Congress.

TREATMENT OF INTANGIBLE PERSONAL PROPERTY

At the present time North Carolina imposes a tax upon the transfer at death of all the intangible personal property of a resident of this state. The practice is in harmony with the familiar and generally applied principle that intangible personalty is taxable by the state of residence of the deceased owner. In addition the state taxes those securities owned by non-residents which were issued by any state or municipal authority within North Carolina or by any company incorporated in North Carolina. The taxation of transfers of securities of domestic corporations owned by non-resident decedents has been defended by reference to the jurisdiction which a state has over corporations which have their legal location within it. The power to tax is clear and it has been widely used. Indeed, this taxation according to corporate location has been, and still is, one of the most effective sources of double and multiple inheritance taxes. The inequalities which have grown out of tax laws enacted by sovereign states and applied by them to property which often transcends their limits have occasioned a long series of technical and popular discussions. The glaring multiplicity of state inheritance taxes which has been given sensational publicity appears to some students of the problem to have so impressed public opinion as to threaten the continued use of a valuable and potentially fair tax. Recognizing the need for greater uniformity and fairness, many of the states have attempted to bring order out of the chaos of death duties. The courts, also, have exercised a levelling influence, usually as a result of actions brought by representatives of estates the size of which justified the resort to litigation. Legislative experiments include taxation at a flat rate, retaliatory laws, exemption, reciprocal agreements, and a certain measure of Federal control.

In September, 1928, the policy of the several states with reference to intangible personalty of non-residents was as follows (see Table 166):

(1) Three states—Alabama, Florida and Nevada—and the District of Columbia had no tax payable on the occasion of death.

(2) Eight states exempted such transfers: Colorado, Delaware, Massachusetts, New Jersey, Rhode Island, Tennessee, Vermont, and Virginia.

(3) Twelve states had concluded agreements providing that each state would exempt from its tax the transfer of domestic securities owned by the decedents resident in any other state in the group or resident in a state which entirely exempted such property: California[1], Connecticut[1], Georgia, Illinois, Maine, Maryland, Mississippi, New York, New Hampshire, Ohio[1], Oregon[1], and Pennsylvania.

(4) Four states did not generally tax intangible personalty of non-residents but were not entitled to reciprocity: Idaho, New Mexico, Nebraska, and Wyoming[2].

(5) Twenty-one states taxed such transfers: Arizona, Arkansas, Indiana, Iowa, Kansas, Kentucky, Louisiana, Michigan, Minnesota, Missouri, Montana, *North Carolina*, North Dakota, Oklahoma, South Carolina, South Dakota, Texas, Utah, Washington, West Virginia, and Wisconsin.

(6) Five states taxed the transfer of intangible personalty of non-residents at a flat rate, provided the tax was not superseded by the reciprocal agreements: California, 2 per cent, Connecticut, 2 per cent, Kentucky, 2 per cent, New Hampshire, 2 per cent, and New York, 2 per cent on the gross estate, or 3 per cent on the net estate. New York provided further that the tax on a non-resident should not exceed that which would be levied upon a corresponding estate of a resident.

Taxing the transfers at a flat rate, often called the Mathews two per cent plan, has the advantage of simplicity, saving of delay, and reduction of expense both to the tax collector and the estate. The experience of New Hampshire disclosed the fact that the simplicity of operation of a flat rate can be secured without substantial deviation from the amount collected from progressive rates.

The 2 per cent rate applied proportionally was ". . . almost exactly the average rate which residents of the state were paying under the inheritance tax law, after giving credit for all exemptions and deductions."[3]

Both exemption and reciprocity would to some extent meet the desire of a state to attract capital. Opponents of death taxes often represent in-

[1]California taxes the transfer of stock of domestic corporations owned by non-residents and Connecticut taxes stock and registered obligations of national banks within the state and domestic corporations when transferred from a non-resident. Ohio and Oregon allow no reciprocity with states which have no inheritance laws.
[2]Wyoming is listed by Ohio as being entitled to reciprocity.
[3]Proceedings of the National Tax Association, Vol. xviii, Part 2, 1924, page 47.

vestment capital as a "shy bird, the cosmopolitan bird, having no country, but building its nest where it can best find security."[1] Undoubtedly the tax system of a state is one of the factors in the determination of the location of industrial plants and in the choice of a home. In certain cases, possibly important cases, it may be the most decisive factor. But it is not the only influence upon the development of industry or the establishment of personal residence. Furthermore, it is possible that part of the shouting for repeal of the North Carolina estate tax has come from persons more interested in reducing the tax upon the transfer of property which they will not remove from the state than in the investment of capital within North Carolina. The appeal to self-interest is persuasive, yet before repealing part or all of a particular tax it is well to inquire carefully what is the interest of the state. Granting that the attraction of investment is desirable and that low taxes are inviting, it must be remembered that unless expenditures are reduced a decrease of the rates of one tax must either secure as great or greater receipts through the growth of taxables attracted by the low rates or be followed by increase of other taxes. If it should develop that other taxes had to be raised, then either the capital subject to those taxes would be repelled or, if they were not imposed upon investment capital, the burden would have to be borne by the other taxpayers of the state. It is evident also that additional investment in North Carolina is not an absolute gain. More capital and more people occasion larger expenditures. Presumably the greater economic productivity and greater tax capacity exceed the attendant social and fiscal costs, but measurements are uncertain and only when they do exceed the costs is there a net gain to North Carolina. Considerations less buttressed by popular prejudice but built upon secured foundations are those of simplicity, uniformity and justice. It is upon those grounds that exemption or reciprocity may be urged most effectively.

Exemption is the simplest and speediest method of dealing with the transfer of property of non-residents. As shown above, it has been adopted by eight states including Massachusetts, New Jersey, Delaware, and Virginia. Securities issued under the authority of those eight states are not taxed by them when such securities pass at the death of a non-resident owner. If North Carolina were to adopt this policy it would refrain from taxing the transfer of securities issued under its authority when owned by a non-resident decedent. By this step immunity would be gained for citizens of North Carolina from taxes upon the transfer of securities issued by corporations or governmental agencies under the jurisdiction of the twelve reciprocal states. North Carolina would exempt the transfer of its securities owned by residents of all other states, but residents of North Carolina would be subject to death taxes upon securities issued under the authority of twenty states. In this respect absolute exemption is less advantageous than reciprocity. Exemption releases non-resident decedents from the tax upon intangible personalty freely and without any effort to secure a similar benefit for residents of this state. Reciprocity, on the other hand, would provide an exemption only for residents of those states which allow exemption for residents of North Carolina. By withholding exemption from residents of states which continue to tax the transfer of

[1]William J. Shultz, *The Taxation of Inheritance*, page 321, quoted from Soward and Willan, *Taxation of Capital*, page 150.

intangible personality of non-residents, North Carolina would add its influence to the effort to secure uniformity without any uncompensated sacrifice of the interest of its citizens.

Exemption and reciprocity are advantageous to:

1. Non-resident decedents owning North Carolina securities.
2. Resident decedents owning securities of foreign corporations incorporated in states having reciprocal or absolute exemption legislation, since those other states would not tax them.
3. State income and corporation taxes, local general property taxes, and communities in the state to the extent that new capital is attracted or removal of existing capital is avoided.
4. Local government's sale of bonds.
5. Inheritance tax receipts to the extent, if any, that more property is accumulated and subsequently taxed at death.

They are disadvantageous to:

1. State inheritance tax receipts to the extent that securities otherwise taxable would be exempted. This disadvantage may be offset in part by raising the rates so as to take for North Carolina part of the taxes upon residents of this state which are now imposed by the reciprocal states and from which those residents of North Carolina would be relieved if reciprocity were adopted.
2. Payers of *other taxes* to the extent that such taxes have to be increased to make up for loss of inheritance tax receipts.

Precisely what amount of revenue would be lost as a result of adopting exemption or reciprocity cannot be determined. The reduction of taxes which would follow renunciation of this source of governmental income would depend upon unpredictable deaths of non-residents possessed of intangible personal property taxable by North Carolina. Estimates based upon experience of the past two years indicates that absolute exemption would occasion a loss to the State Treasury of about $50,000.[1]

The sacrifice incident to reciprocal exemption of intangible personalty would be less on account of the fact that the exemption would extend only to 23 states and the District of Columbia. During the two years 1926-1927 and 1927-1928 the loss would have been not more than $40,000[2], possibly not more than $35,000. Of course, if the number of exempting or reciprocal states were to increase there would be a corresponding increase of the immediate loss of tax receipts.

The questions at issue, then, are (1) As a matter of principle, should a state tax the transfer at death of personal property owned by a resident of another state? (2) As a matter of self-interest, would the indirect gains to North Carolina exceed the certain loss of unpredictable amounts of inheritance taxes?

The following examples illustrated the manner in which legislatures have provided for reciprocity with regard to the intangible personalty of non-residents.

[1]Fiscal Year	Taxes paid to North Carolina on the transfer of Non-Residents' Estates Total	On Real Property	On Personal Property
1926-1927	$98,956	$45,106	$53,850
1927-1928	86,744	36,243	50,501

Reciprocal Statute of Georgia, Act Number 331, Section 5, Approved August 20, 1927

> Be it further enacted by the authority aforesaid that the tax[2] imposed by this act on personal property (except tangible personal property having an actual situs in this state) shall not be payable if the laws of the state of residence of the decedent at the time of his death exempted residents of this state from transfer taxes or death taxes on such property.

Reciprocal statute of Maryland, Chapter 350, Laws of 1927, Section 148-A.

> Except as to tangible personal property having an actual situs in the State of Maryland, no tax on commissions of executors or administrators of non-resident decedents, and no inheritance, estate, or death or transfer tax of any character, in respect of personal property (including also therein mortgages upon real or personal property located within the State of Maryland) of non-resident decedents, shall be payable (a) if the decedent at the time of his death was a resident of a state or territory of the United States, or of any foreign country, which at the time of the distribution, transfer, or other disposition of such personal property of such decedent in Maryland did not impose a transfer tax or death tax of any character in respect of personal property of residents of this state (except tangible personal property having an actual situs in such state or territory or foreign country), or (b) if the laws of the state, territory or country of residence of the decedent at the time of such distribution, transfer or other disposition contained a reciprocal exemption provision under which residents of Maryland are exempted from transfer taxes or death taxes of every character in respect of personal property (except tangible personal property having an actual situs in such state or territory or foreign country) provided the State of Maryland allows a similar exemption to residents of the state, territory or country of residence of such decedent. For the purposes of this section the District of Columbia and possessions of the United States shall be considered territories of the United States. Nothing herein shall be construed to subject to taxation anything heretofore exempt therefrom; and any and all laws or parts of laws of Maryland in conflict or inconsistent with the provisions of this Section 148-A are hereby repealed to the extent of such conflict or inconsistency.

Reciprocal statute of New York, Chapter 357, Laws of 1926, Article 10-A, Section 248-p.:

> The tax imposed by this article in respect of personal property (except tangible personal property having an actual situs in this state) shall not be payable (1) if the transferor is a resident of a state or territory of the United States which at the time of the transfer did not impose a transfer tax or death tax of any character in respect of personal property of residents of this state (except tangible personal property having an actual situs in such state or territory), or (2) if the laws of the state or territory of residence of the transferor at the time of the transfer contained a reciprocal provision under which non-residents were exempted from transfer taxes or death taxes of every character in respect of personal property (except tangible personal property having an actual situs therein), providing the state or territory of residence of such non-residents allowed a similar exemption to residents of the state or territory of residence of such transferor. For the purposes of this section the District of Columbia shall be considered a territory of the United States.

[2] The Georgia Estate Tax.

In the event of adoption by North Carolina of either absolute exemption or reciprocity a considerable saving to estates of non-residents and some economy in the administration of our state inheritance tax might be achieved by statutory approval of the substitute for waiver which has been proposed by Mr. Howard B. Smith.[1] A substitute for waiver simply authorizes the tax authority to permit immediate transfer by the issuing corporation of securities of a non-resident decedent upon receipt of an affidavit showing that the deceased was a resident of a state entitled to exemption. The affidavit should be made in duplicate so that one copy may be sent to the State Department of Revenue and the other to the corporation or the governmental agency transferring on its books the ownership of the securities. By this means the state may simplify the procedure. Corporations may transfer stocks and bonds without waiting for a formal waiver. The administration of estates may be speeded up, and sometimes hardship upon beneficiaries growing out of delay and shrinkage of values may be avoided. Excessive losses, expense, and delay occur only in extreme cases, but it is in the exceptional cases that relief is most needed. Mr. Franklin S. Edmonds[2] has reported an instance of shrinkage of the value of property in a New York case from $3,471 to $63 during a period of three months intervening between the time of death and the transfer of the securities. The additional examples quoted below illustrate difficulties which sometimes arise and which might be obviated with advantage to estates in process of settlement and without loss to North Carolina.

"In the recent settlement of an estate that had to transfer one share of stock of a railroad company which was incorporated in Maryland and Pennsylvania and which maintained a transfer office in New York, it was necessary to prepare and file three copies of the will, two of which had to be certified; three certified copies of the letters testamentary; two applications under oath for appraisal; six schedules setting forth assets and liabilities; a copy of the petition for letters; a copy of the executor's bond; an order of court; a resolution of the board of directors of the corporate executor; evidence of payment of the transfer taxes; an affidavit of no indebtedness in Pennsylvania, a Pennsylvania short certificate, a New York inheritance tax waiver, a Pennsylvania inheritance tax waiver. And the value of the stock was less than $100 and the tax liability less than a dollar."[3]

Another case was reported by Mr. Davidson of Buffalo, N. Y., to the preliminary conference on Inheritance and Estate Taxation.[4] "A woman about 55 years old came into our office the other day and said that her brother had died about six months before. Her brother was a bachelor, running a drug store, and had a little surplus money, and he wanted to be absolutely safe, so he would invest only in stocks listed on the New York stock exchange. He died, and she was trying to settle the estate. He left about $50,000; $5,000 to an invalid, and the balance was to be divided between herself and a much older brother; so when she started to try to get this, she said she wanted to sell these stocks so she could pay the $5,000 gift and

[1] *Bulletin of the National Tax Association,* Vol. XII, No. 2, page 41.
[2] *ibid,* Vol. XI, No. 9, page 265.
[3] From "The States are Cleaning House, a Survey of Recent Developments in the Taxation of Inheritances," by Franklin Edmonds, reprinted from *The Outlook* of April 21, 1926, in the Bulletin of the *National Tax Association,* Vol. XI, No. 9, June, 1926, page 264.
[4] Held in connection with the Seventeenth Annual Conference of the National Tax Association, St. Louis, 1924, page 77.

the debts. She said she was getting nowhere, and called to know if we had anyone to tell her what to do. I gave her a list of the requirements from the Prentice-Hall Company, which stated she must get eighteen waivers from the State of New York, and she must deal with fifteen states. She said, 'I wrote to this state, and they told me I could not transfer this stock, until I had paid the debts of the whole estate and settled it up, and sent on certificates to that effect. I wrote back and told them I wanted to sell the stock, so I could pay the debts and settle up.' She said, 'One wrote to me, after you pay the taxes in these other states, we can figure out how much this tax is'; but she said, 'When I wrote to the others, they told me I first had to pay the taxes in this state over here before they could tell me what it was.'

"That was just an ordinary estate totaling altogether $50,000, on which she hoped to get $20,000, but to do that she had to deal with fifteen different states and get eighteen waivers from the State of New York."[1]

Another method of avoiding double taxation of intangibles is the allowance of a credit to the inheritance tax payable to this state equal to the sum of taxes paid to other states upon the transfer of property taxable by North Carolina. There is a basic distinction between a credit to the tax and the other agencies of uniformity discussed above. Exemption and reciprocity provide relief for (1) non-residents who die possessed of securities issued under the jurisdiction of the state, and (2) resident decedents whose foreign securities are freed from transfer taxes imposed by the reciprocal states.[2] Crediting the inheritance tax payable to North Carolina with the amount of taxes imposed by other states upon the transfer of the same property would reduce the payments to this state by both residents and non-residents succeeding to property taxable by North Carolina and taxed by other states. Such a credit would tend also to perpetuate the tax upon intangible personal property of non-residents, for taxpayers are less inclined to object to a policy which diverts receipts from the treasury of their state to that of another than to a system which takes from their own pockets two taxes upon one transfer of personal property. A non-taxing state which allowed this credit to its residents would make easier the tax according to corporate location imposed by other states and would have only the consciousness of virtue and self-sacrifice as its reward.

EXEMPTIONS

To Widows and to Minor Children: The inheritance tax often falls most heavily upon a family suddenly deprived of its sole source of support and succeeding to a comparatively small estate. Recognizing the undesirability of aggravating the difficulty experienced by such a family all of the states that tax transfers to direct heirs, with the single exception of Pennsylvania, allow some exemptions. North Carolina allows $10,000 to the widow and $5,000 to each minor child. Reference to Table 164 will show that eighteen states allow a larger exemption to widows than North Carolina. Eleven states exempt the same amount, and nine states permit smaller exemptions.

[1]See footnote 3 on page 505.

[2]Residents of North Carolina are exempted in any case by the eight states that do not tax the transfer of intangible personalty of non-residents. On the other hand, neither exemption nor reciprocity will release residents of this State from the death taxes imposed by the twenty other states of the group to which North Carolina now belongs.

The other states, nine in number, do not apply the tax. Table 165 indicates the 22 states that allow larger exemptions to minor children than North Carolina. The same amount, $5,000, is provided by six other states, and ten states allow smaller exemptions.

It is suggested that the occasional severity of the tax might be reduced by allowing to a widow $15,000 entirely exempt and to each minor child $7,500. Such an increase would cause a loss of revenue. The loss would not be serious, however, and it would be lessened if the larger exemption to these beneficiaries of small estates were coupled with a "vanishing exemption" to beneficiaries who succeed to large estates. This may be accomplished by providing that when a share of an estate is transferred to any individual entitled to an exemption the amount of the exemption shall be diminished by one hundred dollars for each one hundred dollars by which the value of the share transferred exceeds $50,000. Thus a widow succeeding to $25,000 would receive the full exemption of $15,000. Another securing a $60,000 share would be allowed only $5,000 exempt. A third who received $65,000 from her husband's estate would be taxed upon the whole amount without exemption. Possibly the point at which the amount of the exemption begins to diminish should be moved to some lower level, such as $40,000. The "vanishing exemption" has been discussed often, but it has not been adopted by an American state. Belgium included it in the law of October 11, 1919.[1] An analogous but more extreme form is now in effect in Massachusetts. That state provides that if a distributive share exceeds the amount of the exemption the tax shall be computed upon the entire share without allowance of any exemption. If, however, this computation results in reduction of the value of the share below the amount of the exemption no tax is exacted.

To Special Types of Securities. The interest of municipalities and counties in the sale of bonds upon the most advantageous terms has raised the question as to whether the transfer of those bonds should not be exempted from the North Carolina inheritance tax. The practice of the several states is not uniform. Twelve states, including New York, Pennsylvania, and California, tax some securities owned by non-resident decedents, but do not tax the transfer of municipal bonds. Twenty-two states, including Connecticut, Ohio, and North Carolina, tax the transfer of municipal bonds under certain conditions.[2] Without doubt the exemption of such securities would be favorable to their sale. The adoption of *exemption or reciprocity* with regard to all intangible personal property owned by non-resident decedents would secure for the state substantially all of the advantages of a specific exemption to governmental bonds. Either of those general policies seems preferable to the addition of another privilege by specific exemption of a particular class of property.

TREATMENT OF INSURANCE PAYABLE AT OR AFTER DEATH OF THE INSURED

North Carolina taxes the proceeds of insurance policies payable to the estate of the insured. It does not tax payments to specific beneficiaries. The Federal Government includes in the taxable estate all insurance payments in excess of forty thousand dollars ($40,000) regardless of whether it is paid to

[1]William J. Shultz, *The Taxation of Inheritance*, 270-271.
[2]See the *Prentice-Hall Tax Diary and Manual for 1928*, page 30.

the estate or to named beneficiaries. A tax upon the passing of insurance money to a named beneficiary is imposed at the present time by Wisconsin, Mississippi, Montana, Arkansas, and Tennessee.[1]

The cases decided by the courts have not yet been sufficient to constitute a completely final test of the tax upon such payments. In the case of State v. Allis, 174 Wis. 527, 184 N. W. 381, the constitutionality of taxing insurance paid to named beneficiaries was sustained. The court held that when the premiums were paid by the decedent directly or indirectly, through wife or child, for example, the tax would accrue. But where "business concerns take out insurance upon lives of employees and officers, the premium being paid by the concerns, there is no inheritance tax."[2]

The present discrimination in favor of insurance which prevails in most of the states, including North Carolina, has developed because of reasons which are self-evident. There now appear reasons for modifying that discrimination. Insurance payments are made in the most liquid form, cash. Paying the tax would not, therefore, involve the burden of a sacrifice sale. If a policyholder dies before the policy matures the beneficiaries receive a payment greater than the sum of the premiums. If he dies after maturity of the policy his dependents have had the benefit of the protection afforded by insurance and they secure at his death an accumulated investment. In either case there is a definite ability to pay the inheritance tax. There is sometimes an inequality in the burden of the tax which arises from the inability of the productively employed member of the family to secure insurance. If one of two neighbors is an unacceptable risk to the insurance companies and yet by thrift and industry builds an estate in securities and a home amounting to $25,000 at his death, the widow who succeeds to the whole of it must pay an inheritance tax to North Carolina amounting to $150. If the other neighbor lives in a rented house and makes no investment except the purchase of $25,000 of Ordinary Life Insurance payable to his wife in a lump sum, the widow escapes the tax entirely. Such a case would be exceptional, but it may emphasize the question as to why insurance should be treated more favorably than other property left for the maintenance of dependents or more liberally than other investments.

The more liberal treatment of the proceeds of insurance policies might be removed altogether by treating payments at or after death like the transfer of other property to beneficiaries, but to protect needy dependents it might be provided that only the excess of the total amount of insurance above $40,000 shall be subject to the tax.

CLOSELY REPEATED SUCCESSIONS

Occasionally it happens that the frequency of deaths within a family during a short time may cause hardship upon surviving heirs who succeed to property diminished by repeated imposition of the inheritance tax. If a family were to experience an automobile accident causing the immediate death of an aged grandfather, the death of the grandmother fifteen months later, and the death of an adult son two years and a half after the accident, the transfers of a residence from the grandfather to his widow, from the grandmother to

[1] *Commerce Clearing House Inheritance Tax and Stock Transfer Service*, 1926-1928. Vol. 1, page 31.
[2] *ibid*, Vol II, pages 2803-2804.

her adult son, and from the adult son to a minor grandson would be taxed separately as they occurred. That is, the North Carolina inheritance tax would be imposed three times within less than three years.

In order to avoid excessively frequent imposition of the tax without releasing from it unexpected successions by collateral heirs and strangers, it is suggested that the law be amended so as to provide that in the transfer of property from direct heirs to direct heirs in all cases where a second death occurs within five years, a deduction should be made of the amount paid in the next preceding transfer.

ADMINISTRATION OF THE INHERITANCE AND ESTATE TAXES

Present Organization. Since 1921 North Carolina has made use of that method of collecting inheritance and estate taxes which experience of this and other states has proven to be most effective. The State Department of Revenue has complete charge of the administration of these taxes. It employs fifteen deputy commissioners, each of whom is charged with the collection of inheritance taxes, license and privilege taxes, and the income tax in the district of the state to which he is assigned. Three deputy commissioners have general supervision over the local deputies. One is stationed in Raleigh, one in Rockingham, and one in Statesville. Inheritance tax inventories are scrutinized by the inheritance tax deputy. All of the deputies are responsible ultimately to the Commissioner of Revenue. While the personnel of the collecting force is concerned with taxes other than the inheritance tax and is by no means confined exclusively to it, there is opportunity for the development of specialized knowledge. In addition the checking of returns and coördination of methods of procedure are promoted by the inheritance tax deputy, who gives the greater part of her time to this work.

Cost of Collection. The cost of collecting the North Carolina inheritance and estate taxes in 1927-1928 represented five per cent of the net receipts from this source. In 1926-1927 the cost of collecting the inheritance tax was four and one-half per cent of the net collections.[1]

The cost of collection in North Carolina is greater than the 2½ per cent reported in the case of Wisconsin by the National Industrial Conference Board.[2] It is less than the 9 per cent[3] which in 1924 was the average cost in forty-eight counties of New York. The latter state still retains a relatively decentralized system of collection.

Prevention of Avoidance and Evasion. A simple and effective method of escaping the North Carolina inheritance tax that appears to be gaining the favor of owners of large properties is to change personal residence from North Carolina to a state which imposes lower rates or none at all and to convey property in North Carolina to a corporation incorporated in that other state. In cases of this kind North Carolina has no jurisdiction over the per-

[1]Fiscal Year	Office salaries field deputies, & misc expense	Clerks' fees	Total	Net Collections
1927-1928	$29,754	$6,726	$36,480	$710.636
1926-1927	30,594	6,641	37,235	824,541

Note—The totals of office salaries, etc., represent actual outlay without allowance for the budgetary reduction of about 20 per cent on account of receipts from the Automobile Bureau.

[2]*The Tax Problem in Wisconsin*, page 118. Quoted by Shultz, *The Taxation of Inheritance*, page 200.

[3]*Bulletin of the National Tax Association*, Vol. XI, No. 7, page 196.

son of the decedent. Neither can it tax the transfer of stock in a foreign corporation even though all the productive property which that stock represented might be located in North Carolina.

This tendency may be discouraged slightly by providing that incorporation under such conditions within three years prior to death shall, in the absence of proof to the contrary, be deemed a conveyance in contemplation of death, and, therefore, subject to the tax.

It may be prevented more certainly by removing the incentive. That is, so long as the Federal estate tax is in force, North Carolina may fix the schedule of inheritance tax rates so that the tax imposed by this state upon the larger estates shall not exceed the Federal credit by an amount great enough to make worth while the withdrawal of property from the jurisdiction of the state.

A means of evasion which has been detected and checked in some measure by twenty-six states is the failure to list bearer securities among the taxable transfers. If he is so disposed the representative of a decedent in North Carolina may quietly divide coupon bonds among the beneficiaries and ignore the existence of those securities in making out the inventory for tax purposes. The possibility of evading the tax in this way may be reduced by requiring that on the occasion of death of a tenant of a safe-deposit box the bank or safe-deposit company shall take an inventory of the contents of the safe deposit box before the administrator or any other persons, including co-tenants, shall have access to the safe deposit box. It should be provided, however, that the will and a deed to a cemetery lot may be withdrawn under the personal supervision of an officer of the bank or safe-deposit company. A proper penalty should be imposed to insure observance of the enactment.

Twenty-one states impose a requirement similar to the one suggested upon banks and safe-deposit companies with respect to boxes held by both residents and non-residents: Arkansas, California, Colorado, Idaho, Illinois, Indiana, Iowa, Kentucky, Louisiana, Michigan, Minnesota, Missouri, Montana, New Jersey, New York, North Dakota, Ohio, Oklahoma, Oregon, South Carolina, and Utah. Five states impose such a requirement with respect to non-resident decendents only: Arizona, New Mexico, Washington, Wisconsin, and Wyoming.

The right of a state to know what property is left in a safe-deposit box, whether held individually or jointly, in order to determine whether a tax is due was sustained in the case of the National Safe Deposit Co. v. Stead, 250 III. 584, 95 N. E., and affirmed in 232 U. S. 58.

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William J. Shultz, *The Taxation of Inheritance*, 1926.

TABLE 158—ESTIMATE OF THE AMOUNT OF DEATH TAXES PAYABLE TO THE SEVERAL STATES UPON THE TRANSFER OF ESTATES EACH OF WHICH IS ASSUMED TO BE LOCATED ENTIRELY IN THE STATE OF RESIDENCE OF THE DECEDENT. THE AMOUNT TAXABLE IS THE REMAINDER AFTER ELIMINATION OF ALL DEDUCTIONS EXCEPT THE EXEMPTIONS. THE PROPERTY IS ASSUMED TO BE DIVIDED EQUALLY BETWEEN A WIDOW AND ONE MINOR CHILD IN THE CASE OF $200,000 ESTATE AND BETWEEN A WIDOW AND ONE ADULT CHILD IN THE CASE OF THE OTHER ESTATES.

State	State Inheritance $ 200,000	Tax on $ 1,000,000	Estate of $10,000,000	State Estate $ 200,000	Tax on $ 1,000,000	Estate of $10,000,000	Total Tax Payable $ 200,000	To the State $ 1,000,000	On Estate of $ 10,000,000
Alabama	----------	No Tax							
Arizona	$ 4,380	$ 36,380	$ 486,380	----------	----------	----------	$ 4,380	$ 36,380	$ 486,380
Arkansas	8,700	70,700	960,700	----------	----------	----------	8,700	70,700	960,700
California	5,020	79,160	1,159,160	----------	----------	----------	5,020	79,160	1,159,160
Colorado	8,500	72,750	747,750	None	None	319,850	8,500	72,750	1,067,600
Connecticut	----------	----------	----------	4,650	36,650	396,650	4,650	36,650	396,650
Delaware	3,340	33,340	393,340	None	None	674,260	3,340	33;340	1,067,600
Florida	----------	No Tax	----------	----------	----------	----------	----------	----------	----------
Georgia	----------	----------	----------	1,200	33,200	1,067,600	1,200	33,200	1,067,600
Idaho	3,050	23,110	393,110	----------	----------	----------	3,050	23,110	393,110
Illinois	4,400	68,000	1,326,400	----------	----------	----------	4,400	68,000	1,326,400
Indiana	4,300	32,330	392,330	----------	----------	----------	4,300	32,330	392,330
Iowa	1,758	29,497	563,980	----------	----------	----------	1,758	29,497	563,980
Kansas	1,025	16,450	41,875	----------	----------	----------	1,025	16,450	41,875
Kentucky	4,200	41,250	866,250	----------	----------	----------	4,200	41,250	866,250
Louisiana	5,400	29,400	299,400	----------	----------	----------	5,400	29,400	299,400
Maine	2,700	19,600	199,600	None	13,600	868,000	2,700	33,200	1,067,600
Maryland	----------	----------	No Tax on Di	rect Heirs	----------	----------	----------	----------	----------
Massachusetts	5,500	42,500	660,000	None	None	401,600	5,500	42,500	1,067,600
Michigan	2,300	27,600	796,200	----------	----------	----------	2,300	27,600	796,200
Minnesota	4,700	36,700	396,700	----------	----------	----------	4,700	36,700	396,700
Mississippi	----------	----------	----------	1,200	33,200	1,067,600	1,200	33,200	1,067,600
Missouri	2,533	26,767	383,700	None	6,433	683,900	2,533	33,200	1,067,600
Montana	4,305	36,305	396,305	None	None	647,695	4,305	36,305	1,044,000
Nebraska	900	4,900	49,900	----------	----------	----------	900	4,900	49,900
Nevada	----------	No Tax	----------	----------	----------	----------	----------	----------	----------

New Hampshire	------------	No Tax	on Direct Hei	rs --------	------------	------------	------------	------------	------------
New Jersey	2,900	43,900	1,221,900	------------	------------	------------	2,900	43,900	1,221,900
New Mexico	1,900	9,900	99,900	------------	------------	------------	1,900	9,900	99,900
New York	3,300	33,100	393,100	None	100	674,500	3,300	33,200	1,067,600
North Carolina	3,200	32,020	561,781	1,200	33,200	1,067,600	4,400	65,220	1,629,380
North Dakota	------------	------------	------------	3,500	33,975	658,515	3,500	33,975	658,515
Ohio	3,180	33,040	393,040	None	160	674,560	3,180	33,200	1,067,600
Oklahoma	4,250	36,250	699,450	------------	------------	------------	4,250	36,250	699,450
Oregon	No Inherit	ance Tax on	Direct Heirs	4,525	52,525	952,525	4,525	52,525	952,525
Pennsylvania	4,000	20,000	200,000	None	13,200	867,600	4,000	33,200	1,067,600
*Rhode Island	1,250	11,750	274,250	1,900	33,200	1,067,600	1,200	33,200	1,067,600
South Carolina	4,500	47,300	587,300	------------	------------	------------	4,500	47,300	587,300
South Dakota	4,500	36,500	396,500	------------	------------	------------	4,500	36,500	396,500
Tennessee	4,525	38,525	513,025	------------	------------	------------	4,525	38,525	513,025
Texas	2,500	32,500	562,500	------------	------------	------------	2,500	32,500	562,500
Utah	9,200	49,200	499,200	------------	------------	------------	9,200	49,200	499,200
Vermont	5,300	42,300	492,300	None	None	575,300	5,300	42,300	1,067,600
Virginia	2,800	26,800	466,800	None	6,400	600,800	2,800	33,200	1,067,600
Washington	2,600	46,600	946,000	------------	------------	------------	2,600	46,600	946,000
West Virginia	5,500	51,000	681,000	------------	------------	------------	5,500	51,000	681,000
Wisconsin	8,660	72,660	972,660	------------	------------	------------	8,660	72,660	972,660
Wyoming	3,600	19,600	199,600	------------	------------	------------	3,600	19,600	199,600

*The excess of the tax payable above 80% of the Federal Estate Tax is refunded upon order by the Board of Tax Commissioners.

TABLE 159—AMOUNTS OF STATE INHERITANCE AND ESTATE TAXES ON AN ESTATE OF $50,000. NET AFTER ALL DEDUCTIONS EXCEPT THE PERSONAL EXEMPTIONS. THE ESTATE IS ASSUMED TO BE DIVIDED EQUALLY BETWEEN A WIDOW AND ONE MINOR CHILD.

Rank	State	Amount of Tax	Rank	State	Amount of Tax
1	Utah	$ 1,700	25	Idaho	$ 300
2	Arkansas	1,200	26	Indiana	300
3	Pennsylvania	1,000	27	Minnesota	300
4	Louisiana	900	28	Vermont	300
5	Wisconsin	660	29	Virginia	300
6	Connecticut	650	30	Washington	300
7	Wyoming	600	31	Oklahoma	250
8	Oregon	525	32	North Dakota	250
9	Tennessee	525	33	Illinois	200
10	Massachusetts	500	34	Kentucky	200
11	South Dakota	500	35	Michigan	200
12	West Virginia	500	36	Missouri	200
13	Maine	450	37	Nebraska	150
14	Delaware	440	38	Kansas	50
15	Colorado	400	39	California	20
16	New Jersey	400	40	Alabama	No Tax
17	New Mexico	400	41	Florida	No tax
18	New York	400	42	Georgia	None
19	Rhode Island	400	43	Iowa	None
20	Arizona	380	44	Maryland	None
21	North Carolina	350	45	Mississippi	None
22	Ohio	340	46	Nevada	No tax
23	South Carolina	325	47	New Hampshire	None
24	Montana	305	48	Texas	None

TABLE 160—AMOUNTS OF STATE INHERITANCE AND ESTATE TAXES ON AN ESTATE OF $200,000 NET AFTER ALL DEDUCTIONS EXCEPT THE PERSONAL EXEMPTIONS. THE ESTATE IS ASSUMED TO BE DIVIDED EQUALLY BETWEEN A WIDOW AND ONE MINOR CHILD.

Rank	State	Amount of Tax	Rank	State	Amount of Tax
1	Utah	$9,200	25	North Dakota	$3,500
2	Arkansas	8,700	26	Delaware	3,340
3	Wisconsin	8,660	27	New York	3,300
4	Colorado	8,500	28	Ohio	3,180
5	Massachusetts	5,500	29	Idaho	3,050
6	West Virginia	5,500	30	New Jersey	2,900
7	Louisiana	5,400	31	Virginia	2,800
8	Vermont	5,300	32	Maine	2,700
9	California	5,020	33	Washington	2,600
10	Minnesota	4,700	34	Missouri	2,533
11	Connecticut	4,650	35	Texas	2,500
12	Oregon	4,525	36	Michigan	2,300
13	Tennessee	4,525	37	New Mexico	1,900
14	South Carolina	4,500	38	Iowa	1,758
15	South Dakota	4,500	39	Georgia	1,200
16	Illinois	4,400	40	Mississippi	1,200
17	North Carolina	4,400	41	Rhode Island	1,200
18	Arizona	4,380	42	Kansas	1,025
19	Montana	4,305	43	Nebraska	900
20	Indiana	4,300	44	Alabama	No tax
21	Oklahoma	4,250	45	Florida	No tax
22	Kentucky	4,200	46	Maryland	No tax
23	Pennsylvania	4,000	47	Nevada	No tax
24	Wyoming	3,600	48	New Hampshire	No tax

TABLE 161—AMOUNTS OF STATE INHERITANCE AND ESTATE TAXES ON AN ESTATE OF $1,000,000 NET AFTER ALL DEDUCTIONS EXCEPT THE PERSONAL EXEMPTIONS. THE ESTATE IS ASSUMED TO BE DIVIDED EQUALLY BETWEEN A WIDOW AND ONE ADULT CHILD.

Rank	State	Amount	Rank	State	Amount
1	California	$79,160	25	Georgia	$33,200
2	Colorado	72,750	26	Maine	33,200
3	Wisconsin	72,660	27	Mississippi	33,200
4	Arkansas	70,700	28	Missouri	33,200
5	Illinois	68,000	29	New York	33,200
6	North Carolina	65,220	30	Ohio	33,200
7	Oregon	52,525	31	Pennsylvania	33,200
8	West Virginia	51,000	32	Rhode Island	33,200
9	Utah	49,200	33	Virginia	33,200
10	South Carolina	47,300	34	Idaho	33,110
11	Washington	46,600	35	Texas	32,500
12	New Jersey	43,900	36	Indiana	32,330
13	Massachusetts	42,500	37	Iowa	29,496
14	Vermont	42,300	38	Louisiana	29,400
15	Kentucky	41,250	39	Michigan	27,600
16	Tennessee	38,525	40	Wyoming	19,600
17	Minnesota	36,700	41	Kansas	16,450
18	Connecticut	36,650	42	New Mexico	9,900
19	South Dakota	36,500	43	Nebraska	4,900
20	Arizona	36,380	44	Alabama	No tax
21	Montana	36,305	45	Florida	No tax
22	Oklahoma	36,250	46	Maryland	No tax
23	North Dakota	33,975	47	Nevada	No tax
24	Delaware	33,340	48	New Hampshire	No tax

TABLE 162—AMOUNTS OF STATE INHERITANCE AND ESTATE TAXES UPON CERTAIN ESTATES. IN EACH CASE THE VALUE OF THE ESTATE IS THE REMAINDER AFTER ALL DEDUCTIONS EXCEPT THE PERSONAL EXEMPTIONS. EACH ESTATE IS ASSUMED TO BE DIVIDED EQUALLY BETWEEN A WIDOW AND ONE ADULT CHILD. THE STATES SHOWN ARE THE EIGHT HIGHEST.

	Estate of $3,000,000			Estate of $3,500,000			Estate of $4,000,000	
Rank	State	Amount of Tax	Rank	State	Amount of Tax	Rank	State	Amount of Tax
1	Illinois	$ 326,400	1	Illinois	$ 416,400	1	North Carolina	$ 602,180
2	North Carolina	323,780	2	North Carolina	400,980	2	Illinois	436,400
3	Wisconsin	269,660	3	California	379,160	3	California	439,160
4	Arkansas	260,700	4	Oregon	352,525	4	Oregon	402,525
5	Oregon	252,525	5	Wisconsin	322,660	5	Wisconsin	372,660
6	Colorado	222,750	6	Arkansas	320,700	6	Arkansas	370,700
7	New Jersey	221,900	7	New Jersey	277,900	7	New Jersey	337,900
8	California	219,160	8	Colorado	260,250	8	Colorado	297,500

TABLE 163—AMOUNTS OF STATE INHERITANCE AND ESTATE TAXES ON AN ESTATE OF $10,000,000 NET AFTER ALL DEDUCTIONS EXCEPT THE PERSONAL EXEMPTIONS. THE ESTATE IS ASSUMED TO BE DIVIDED EQUALLY BETWEEN A WIDOW AND ONE ADULT CHILD.

Rank	State	Amount of Tax	Rank	State	Amount of Tax
1	North Carolina	$1,629,380	25	Oklahoma	$699,450
2	Illinois	1,326,400	26	West Virginia	861,000
3	New Jersey	1,221,900	27	North Dakota	658,515
4	California	1,159,160	28	South Carolina	587,300
5	Colorado	1,067,600	29	Iowa	563,980
6	Delaware	1,067,600	30	Texas	562,500
7	Georgia	1,067,600	31	Tennessee	513,025
8	Maine	1,067,600	32	Utah	499,200
9	Massachusetts	1,067,600	33	Nebraska	499,000
10	Mississippi	1,067,600	34	Arizona	486,380
11	Missouri	1,067,600	35	Minnesota	396,700
12	New York	1,067,600	36	South Dakota	396,500
13	Ohio	1,067,600	37	Connecticut	393,650
14	Pennsylvania	1,067,600	38	Idaho	393,110
15	Rhode Island	1,067,600	39	Indiana	392,330
16	Vermont	1,067,600	40	Louisiana	299,400
17	Virginia	1,067,600	41	Wyoming	199,600
18	Montana	1,044,000	42	New Mexico	99,900
19	Wisconsin	972,660	43	Kansas	41,875
20	Arkansas	960,700	44	Alabama	None
21	Oregon	952,525	45	Florida	None
22	Washington	946,000	46	Maryland	None
23	Kentucky	866,250	47	Nevada	None
24	Michigan	796,200	48	New Hampshire	None

TABLE 164—EXEMPTION ALLOWED WIDOWS

	State	Amount
1	Nebraska	One-half of estate + $10,000
2	Iowa	One-third of estate + $15,000
3	Idaho	One-half of community property + $10,000
4	Arkansas	Widow's dower $5,000 + $3,000
5	Kansas	$75,000
6	Michigan	30,000
7	Rhode Island	25,000
8	Texas	25,000
9	California	24,000
10	Colorado	20,000
11	Illinois	20,000
12	Kentucky	20,000
13	Missouri	20,000
14	Montana	17,500
15	Indiana	15,000
16	Oklahoma	15,000
17	West Virginia	15,000
18	Wisconsin	15,000
19	Arizona	10,000
20	Maine	10,000
21	Massachusetts	10,000
22	Minnesota	10,000
23	North Carolina	10,000
24	South Carolina	10,000
25	South Dakota	10,000
26	Tennessee	10,000
27	Vermont	10,000
28	Virginia	10,000
29	Washington	10,000
30	Wyoming	10,000
31	Louisiana	5,000
32	New Jersey	5,000
33	New York	5,000
34	Ohio	5,000
35	Delaware	3,000
36	Pennsylvania	No exemption
37	Connecticut	10,000 To entire class
38	New Mexico	10,000 On entire Estate
39	Utah	10,000 On entire Estate
40	Alabama	No tax
41	Florida	No tax
42	Georgia	No Inheritance tax on residents
43	Maryland	Entirely exempt
44	Mississippi	No Inheritance tax
45	New Hampshire	Entirely exempt
46	Nevada	No tax
47	North Dakota	No Inheritance tax
48	Oregon	Entirely exempt

TABLE 165—EXEMPTION ALLOWED MINOR CHILDREN

	State	Amount
1	Rhode Island	$25,000
2	Texas	25,000
3	California	24,000
4	Illinois	20,000
5	Iowa	15,000
6	Kansas	15,000
7	Colorado	10,000
8	Idaho	10,000
9	Kentucky	10,000
10	Maine	10,000
11	Massachusetts	10,000
12	Minnesota	10,000
13	Nebraska	10,000
14	Oklahoma	10,000
15	South Dakota	10,000
16	Tennessee	10,000
17	Vermont	10,000
18	Virginia	10,000
19	Washington	10,000
20	West Virginia	10,000
21	Wyoming	10,000
22	South Carolina	7,500
23	Indiana	5,000
24	Louisiana	5,000
25	Michigan	5,000
26	New Jersey	5,000
27	New York	5,000
28	North Carolina	5,000
29	Ohio	5,000
30	Arkansas	3,000
31	Delaware	3,000
32	Arizona	2,000
33	Missouri	2,000
34	Montana	2,000
35	Wisconsin	2,000
36	Pennsylvania	None
37	Connecticut	10,000 To entire class
38	New Mexico	10,000 On entire Estate
39	Utah	10,000 On entire Estate
40	Alabama	No tax
41	Florida	No tax
42	Georgia	No Inheritance tax on residents
43	Maryland	Entirely exempt
44	Mississippi	No Inheritance tax
45	Nevada	No tax
46	New Hampshire	Entirely exempt
47	North Dakota	No Inheritance tax
48	Oregon	Entirely exempt

TABLE 166—TREATMENT OF INTANGIBLE PERSONAL PROPERTY OF NON-RESIDENTS.

States which have no Inheritance or Estate Tax:	States which allow absolute exemption:	Reciprocal States:	States which do not generally tax intangible personal property of non-residents, but are not entitled to Reciprocity:
Alabama District of Columbia Florida Nevada	Colorado Delaware Massachusetts New Jersey Rhode Island Tennessee Vermont Virginia	California Connecticut Georgia Illinois Maine Maryland Mississippi New Hamsphire New York Ohio Oregon Pennsylvania	Idaho New Mexico Nebraska Wyoming‡‡
States which do tax intangible personal property of non-residents:	**States which tax intangible personal property of non-residents at a flat rate:**		
Arizona Arkansas Indiana Iowa Kansas Kentucky Louisiana Michigan Minnesota Missouri Montana North Carolina North Dakota Oklahoma South Carolina South Dakota Texas Utah Washington West Virginia Wisconsin	California,† 2% Connecticut,† 2% Kentucky, 2% New Hampshire, 2% New York†, 2% on gross estate or 3% on net net estate.		

†Provided the deceased owner is not a resident of a reciprocal State.
‡‡Ohio lists Wyoming as being entitled to reciprocity.

TABLE 167—FORMS OF TAXES PAYABLE AT DEATH APPLIED BY THE SEVERAL STATES

Inheritance Tax only:	Estate Tax only:	Inheritance and Estate Taxes:	Neither Inheritance nor Estate Tax:
1. Arizona	1. Georgia on residents only	1. California	1. Alabama
2. Arkansas	2. Mississippi	2. Colorado	2. Florida
3. Connecticut	3. North Dakota	3. Delaware	3. Nevada
4. Georgia on non-residents only		4. Maine	
5. Idaho		5. Massachusetts	
6. Illinois		6. Missouri	
7. Indiana		7. Montana	
8. Iowa		8. New York	
9. Kansas		9. North Carolina	
10. Kentucky		10. Ohio	
11. Louisiana		11. Oregon	
12. Maryland		12. Pennsylvania	
13. Michigan		13. Rhode Island	
14. Minnesota		14. Vermont	
15. Nebraska		15. Virginia	
16. New Hampshire			
17. New Jersey			
18. New Mexico			
19. Oklahoma			
20. South Carolina			
21. South Dakota			
22. Tennessee			
23. Texas			
24. Utah			
25. Washington			
26. West Virginia			
27. Wisconsin			
28. Wyoming			

TABLE 168—THE FEDERAL ESTATE TAX OF 1926
NET ESTATE AFTER ALL DEDUCTIONS AND EXEMPTIONS.

Exceeding	Not Exceeding	Amount of Block	Rate (Per Cent)	Tax	Total	80% of Total
....	$ 50,000	$ 50,000	1	$ 500	$ 500	$ 400
$ 50,000	100,000	50,000	2	1,000	1,500	1,200
100,000	150,000	50,000	3	1,500	3,000	2,400
150,000	200,000	50,000	3	1,500	4,500	3,600
200,000	250,000	50,000	4	2,000	6,500	5,200
250,000	400,000	150,000	4	6,000	12,500	10,000
400,000	450,000	50,000	5	2,500	15,000	12,000
450,000	600,000	150,000	5	7,500	22,500	18,000
600,000	750,000	150,000	6	9,000	31,500	25,200
750,000	800,000	50,000	6	3,000	34,500	27,600
800,000	1,000,000	200,000	7	14,000	48,500	38,800
1,000,000	1,500,000	500,000	8	40,000	88,500	70,800
1,500,000	2,000,000	500,000	9	45,000	133,500	106,800
2,000,000	2,500,000	500,000	10	50,000	183,500	146,800
2,500,000	3,000,000	500,000	11	55,000	238,500	190,800
3,000,000	3,500,000	500,000	12	60,000	298,500	238,800
3,500,000	4,000,000	500,000	13	65,000	363,500	290,800
4,000,000	5,000,000	1,000,000	14	140,000	503,500	402,800
5,000,000	6,000,000	1,000,000	15	150,000	653,500	522,800
6,000,000	7,000,000	1,000,000	16	160,000	813,500	650,800
7,000,000	8,000,000	1,000,000	17	170,000	983,500	786,800
8,000,000	9,000,000	1,000,000	18	180,000	1,163,500	930,800
9,000,000	10,000,000	1,000,000	19	190,000	1,353,500	1,082,800
10,000,000	....	....	20	....	....	

TABLE 169—INHERITANCE AND ESTATE TAXES OF THE STATES.

State	Date Effective	Exemptions, Direct Heirs		Rates, Direct Heirs Per Cent	Exemptions, Collateral Heirs and Strangers		Rates Collaterals and Strangers Per Cent	Graduation Stated in $1,000's
Alabama		No tax						
Arizona	July 17, 1922	Widow Others	$10,000 2,000	1,2,3,4,5	Class B Class C Class D Class E	$ 500 250 150 100	2,4,6,8,10 3,6,9,12,15 4,8,12,16,20 5,10,15,20,25	$25†,50,100,500+
Arkansas	Mar. 19, 1923	Widow or minor child Widow's dower or husbands curtesy All others	3,000 5,000 1,000	1,2,3,4,5,6, 7,8,9,10	Class B Class C	1,000 500	2,4,6,8,10,12 14,16,18,20 4,8,12,16 20,24,28 32,36,40	$5*,10,25,50,75 100,200,500 1000+
California	Aug. 2, 1921	Widow or minor child Others	24,000 10,000	1,2,4,7,10,12	Class B Class C Class D	2,000 1,000 500	3,6,9,12,15,18 4,8,10,15,20,20 5,10,15,20,20,20	$25†,50,100 200,500
Colorado	July 4, 1927	Widow Others	20,000 10,000	2,2,2,2,2,2,2, 2,2,4,5,7,7.5, 7.5,7.5,7.5	Class B Class C None except entire exemption of transfers under Class D	2,000 $500	3,3,3,5,5,5,7 7,7,7,7,8,8, 10,10,10, 4,5,6,7,8,9,9, 10,11,12,12,12, 12,12,13,14 7,8,9,10,12,12 14,14,14,14,14 14,14,14,14,16	$2.5*,5,10 15,20,25, 30,40,50 75,100,150 200,250,500+
Connecticut	July 1, 1921	Entire Class	10,000	1,2,3,4.	Class B	3,000	2,3,4,5,	$25†,100,200+

					Class C	500	5,6,7,8	
Delaware......	Mar. 24, 1917	Each Beneficiary	3,000	1,1,2,3,4,	Class B Class C None	1,000	2,3,3,4,5, 5,6,6,7,8,	$25 †,30,100 200+
Florida........		No tax						
Georgia.......		No inheritance tax on residents						
Idaho..........	May 8, 1907	Widow or minor child Half of com- munity property Others	10,000 4,000	1,1½,2,2½,3	Class B Class C Class D Class E	2,000 1,500 1,000 500	1½,2½,3,3½,4½ 3,4½,6,7½,9 4,6,8,10,12 5,7½,10,12½,15	$25 †,50 100,500+
Illinois........	July 1, 1921	Each Beneficiary	20,000	2,2,4,4,4,6,6, 10,14	Brother or Sister Class B Class C	 10,000 500 100	 2,2,4,4,4,6,6,10,14 6,8,8,12,12,12,16,16,16 10,12,16,16,20,24,24,30,30	 $20*,50 70,100,150,170, 250,500+
Indiana........	May 31, 1921	Widow Child under 18 All others	15,000 5,000 2,000	1,2,3,4,	Class B Class C Class D Class E	500 250 150 100	2,4,6,8, 3,6,9,12 4,8,12,16 5,10,15,20	$25 †,50 300+
Iowa...........	Mar. 30, 1921	Surviving Spouse One-third of decedent's estate+ Others	 15,000 15,000	0,1,1½,2,2½,3, 3,4,5,5,6,7,	Class B	None, except all of an estate of $1,000 or less	5,5,5,5,5,5,6,6,6, 7,7,7,	$15*,30, 45,60,90, 100,120,

When the first bracket is constituted by the amount stated ABOVE THE EXEMPTION it is marked
†When it is constituted by the amount stated LESS THE EXEMPTION is marked†

INHERITANCE AND ESTATE TAXES OF THE STATES—*Continued*

State	Date Effective	Exemptions, Direct Heirs	Rates, Direct Heirs Per Cent	Exemptions, Collateral Heirs and Strangers	Rates Collaterals and Strangers Per Cent	Graduation Stated in $1,000's
				Class C None Calss D None	10 20	180,200,240 300+
Kansas	Mar. 29, 1919	Widow $75,000 Others 15,000	½,1,1½,2,2½ 1,2,3,4,5	Class B $5,000 Class C None, except all of a share less than $200	3,5,7½,10,12½ 5,7½,10,12½,15	$25*,50, 100,500+
Kentucky	June 16, 1926	Widow 20,00 Minor child 10,000 All others 5,000	01,2,3,4,5,6,7,8,9 10,11,12,13,14,15,16	Class B[1] 2,000 Class B[2] 500 Class C 500	2,3,5,7,9,12,12,13 13,14,14,14,15,15,15,16 6,8,10,12,14,16,16,16, 16,16,16,16,16,16,16,16,	$25 *,50 100 250,500,750, 1000, 2000. 3000,4000 5000,6000 7000,8000 10,000+
Louisiana	Dec. 9, 1921	Each Beneficiary 5,000	0,2	Class B 2,000 Class C 500	5,5,7 5,10,10	$5*,20+
Maine	July 1, 1909	Class A[1] 10,000 Class A[2] 500	1,1½,2	Class B 500 Class C 500	4,4½,5 5,6,7	$50*,100*+

Maryland	April 8, 1908	Entirely exempt			Class B	None except the whole of estates not in excess of $500	5	Tax on entire amonnt
Massachusetts.	May 2, 1922	Grandchild All others	$1,000 10,000	1,1,2,4,5,5½, 6,7	Class B Class C Class D	$1,000 1,000 1,000	1,2,4,5,6,7,8,9, 3,5,7,8,9,10,11,12 5,6,7,8,9,10,11,12	$10*,25,50 250,500,750 1,000+
Michigan	Aug. 28, 1925	Husband or Wife All others	30,000 5,000	1,2,4,6,8,	Class B	None, except all of transfers less than $100	25	$50*,250, 500,750+
					Class C	None, except all of transfers less than $100	5,10,10,15,15	
Minnesota	April 24, 1919	Class A Class B Class B	10,000 3,000 10,000	1,2,2½,3,4 1½,3,3¾,4½, 6	Class C Class D Class E	1,000 250 100	3,6,7½,9,12 4,8,10,12,16 5,10,12½,15,20	$15†,30,50 100+
Mississippi		No Inheritance tax						

INHERITANCE AND ESTATE TAXES OF THE STATES—*Continued*

State	Date Effective	Exemptions, Direct Heirs	Rates, Direct Heirs Per Cent	Exemptions, Collateral Heirs and Strangers	Rates Collaterals and Strangers Per Cent	Graduation Stated in $1,000's
Missouri	Nov. 2, 1921	Husband or wife 20,000 Incapacitated lineal descendent 15,000 All others 2,000	1,2,3,4,5,6,	Class B[1] 500 Class B[2] 250 Class C 100 Class D None except all of transfers less than $100	3,6,9,19,15,18 4,8,12,16,20,24 5,10,15,20,25,30	$20*,40,80 200,400+
Montona	Mar. 5, 1923	Widow 17,500 Husband 5,000 All others 2,000	1,2,3,4,	Class B 500 Class C None Class D None	2,4,6,8, 3,6,9,12 4,8,12,16	$25,†50, 100 +
Nebraska	Aug. 3, 1923	Class A 10,000 In addition, a surviving spouse is allowed the statutory marital right to one-half of the estate entirely exempt.	0,0,1,1,1,	Class B 2,000 Class C None except all of transfers less than $500	4,4,4,4,4 4,6,8,10,12	$5†,10,20, 50+
Nevada	July 1, 1925	No tax				
New Hampshire	April 24, 1925	Entirely Exempt		Class B None	5	Tax on Entire Amount.

New Jersey....	July 1, 1926	Class A	5,000	1,2,3,4,5,6,7,8,9,10 11,12,13,14,15,16,	Class B	None	5	
					Religious and charitable associations	except all of transfers of less than $500		$50†,100, 150,200,300, 500,700,900, 1100,1400,1700, 2200,2700,3200 3700+
					Class C	None, except all of transfers less than $500	5,5,5,5,5,6,6,7,9,11 13,14,16,16,16,16	
					Class D	None, except all of transfer less than $500	8,8,8,8,8,8,8,8,10,12 14,16,16,16,16,16	
New Mexico...	Mar. 14, 1921	Father, mother, husband, wife, lineal descendent, etc.	10,000 on entire estate	1	Wife or widow of son, husband of daughter brother, sister, etc.	10,000 on entire estate	5	Tax on Entire Amount
					Class C	500 on the entire estate	5	
New York.....	July 1, 1925	Father, mother, husband, wife, child	5,000		Class B	None except share less than 500	2,3,4,5	$25*,100,200+
		Lineal descendent	None, except share less than $500	1,2,3,4	Class C	None, except share less than $500	5,6,7,8	
North Carolina	Mar. 9, 1927	Widow	10,000	1,1,2,3,4,5,6,	Class B	None	3,4,5,6,8,10,12	$10*,25,50 100,250,500+
		Minor child	5,000		Class C	None	7,8,9,10,12,14,16	

INHERITANCE AND ESTATE TAXES OF THE STATES—*Continued*

State	Date Effective	Exemptions, Direct Heirs	Rates, Direct Heirs Per Cent	Exemptions, Collateral Heirs and Strangers	Rates Collaterals and Strangers Per Cent	Graduation Stated in $1,000's
		All others $2,000				
North Dakota..	Mar. 5, 1927	No Inheritance Tax				
Ohio..........	June 5, 1919	Widow or minor child 5,000 All others 3,500	1,2,3,4,	Class B $500 Class C None	5,6,7,8, 7,8,9,10	$25*,100,200 +
Oklahoma......	Mar. 28, 1927	Widow 15,000 Child 10,000 All others 5,000	1,2,3,4,4.8,5.6, 6.4,7.2,8,8.8, 9.6,10.4,11.2, 12,12.8,13.6,14.4 15.2, 16	Class B 1,000 Class C 500	1,3,4,5,5.8, 6,7,7.2,8,8.8, 9.6,10.4,11.2, 12,12.8,13.6 14.4,15.2,16 6,7,8,10,10,10,10, 10,10,10,10,10,11,12,	$25†,50,100,700, 900,1100,1600,2100, 2600,3100,3600,4100 5000,6000,7000,8000 9000,10,000 +

							12.8,13.6,14.4,15.2,16	
Oregon--------	May 29, 1919	Entirely exempt			Class B Class C None Class C None	$1,000	0,0,1,1,2,2,4,7,7, 10,15 2,4,6,8,8,10,10,15 20,20,25	$.5†,1,2,3,4,5, 10,25,30,50+
Pennsylvania---	May 4, 1921	Class A None		2	Class B None		10	Tax on Entire Amount
Rhode Island--	April 26, 1926	Class A	25,000	½,1,1½,2,2½,3	Class A [2] Class B	25,000 1,000	½,1,1½,2,2½,3, 5,6,7,7,7,8	$50†,250,500, 750,1000+
South Carolina-	Feb. 23, 1922	Husband or wife Minor child Adult child or parent Grandchild	10,000 7,500 500	1,2,3,4,5,6,	Class B Class C	500 200	2,3,4,5,6,7 4,6,8,10,12,14	$20*,40,80,150, 300+
South Dakota--	Dec. 2, 1921	Wife or lineal issue Husband, adoped or acknowl-edged child	10,000 10,000	1,2,3,4, 2,4,6,8	Class C Class D Class E	500 200 100	3,6,9,12 4,8,12,16 5,10,15,20	$15†,50,100+

INHERITANCE AND ESTATE TAXES OF THE STATES—*Continued*

State	Date Effective	Exemptions, Direct Heirs		Rates, Direct Heirs Per Cent	Exemptions, Collateral Heirs and Strangers		Rates Collaterals and Strangers Per Cent	Graduation Stated in $1,000's
Tennessee	April 1, 1919	Lineal ancestor Each beneficiary	$3,000 10,000	1,1½,2,3,3,3,3,5	Class B	$1,000	5,5,6,7,8,9,10,10	$25†,50,100,150,200,250,500 +
Texas	Feb. 24, 1927	Each beneficiary	25,000	0,0,1,2,3,4,4,5,5,6	Class C Class D Class E	10,000 1,000 500	0,3,4,5,6,6,7,8,9,10 4,5,6,7,10,10,10,12,12,15 5,6,8,10,12,12,12,15,15,20	$10†,25,50,100 200,250,500,750,1000 +
Utah	Mar. 20, 1915	On the entire estate	10,000	3,5				First $25, less the exemption. Over $25
Vermont	June 1, 1917	Each beneficiary	10,000	1,2,4,5,	Class B	None	5,5,5,5	$25†, 50,250 +
Virginia	June 16, 1928	Each						

		beneficiary	10,000	1,1,2,3,4,5	Class B Class C	4,000 1,000	2,4,6,8,10,10 5,7,9,12,15,15	$25†,50,100, 500,1000+
Washington....	June 7, 1923	Each beneficiary	 10,000	 1,2,3,4,5,7,10	Class B None Class C None		5,6,8,10,12,15,20 10,12,15,20,25,30,40	$50*,100,150, 300,500+
West Virginia..	Aug. 3, 1921	Widow All others	15,000 10,000	2,4,4½,5,5½ 6,6½,7	Class B None Class C None Class D None		4,8,9,10,11,12,13,14 6,12,13½,15,16½,18,19½,21, 10,20,22½,25,27½,30,32½, 35	$50†,100,150,200, 300,400,500+
Wisconsin......	June 27, 1923	Widow All others	15,000 2,000	2,4,6,8,10	Class B Class C Class D	500 250 100	4,8,12,16,20 6,12,18,24,30 8,16,24,32,40	25†,50,100, 500+
Wyoming......	Feb. 21, 1925	Each bene- ficiary in: Class A Class B	 10,000[2] 5,000[4]		Class B[3] Class C None	5,000	4 6	Tax on the Entire Amount
District of Coumbia....		No Tax						

When the first bracket is constituted by the amount stated ABOVE THE EXEMPTION it is marked

†When it is constituted by the amount stated LESS THE EXEMPTION is marked†.

THE INCOME TAX

SUMMARY OF RECOMMENDATIONS

I. Substantive Provisions of the Statute.[1]

1. Personal Exemptions (Sec. 324).[1]
   - (a) Do away with the special extra exemption of $1,000 allowed a married woman having a separate and independent income. Sec. 324 (f). Pass the necessary statute and if this is held unconstitutional, amend the Constitution at an opportune time.
   - (b) Clear up by statute, or by rulings made known to every one, the other provisions regarding personal exemptions. These are not interpreted and applied uniformly at present. Sec. 324 (b), (c), (d).
2. Permit the carrying forward of net losses from one year to the next somewhat as is done under the federal income tax law.
3. In installment sales of real estate, permission should be given to allocate profit and loss over the period of payments instead of attributing all of the profit or loss to the year when the transaction is made.

Note.—These, and other matters which might well be considered at a time of general revision but about which no specific recommendations are made at present, are discussed in the body of this report.

II. Administration.

1. The income tax staff should be larger, better qualified, better organized, better paid, better supervised, and kept as free as possible from political influence.

   It is especially important that a thoroughly competent supervisor should be placed in charge of the field force engaged in the auditing of corporation returns.

   The auditing of returns should be brought and kept more nearly up to date.
2. Rulings and interpretations of the statute should be published regularly in order to promote uniformity, equity, and efficiency of administration.
3. The forms upon which incomes are reported for taxation should be improved.
4. More effort should be made to instruct taxpayers about filling out returns properly and completely.
5. The provision of the statute requiring the collection and publication of income tax statistics should be carried out. (Sec. 453.)
6. The system of filing income tax returns should be improved.

[1]The income tax law is found in Schedule D of the 1927 Revenue and Machinery Acts. Reference to section numbers are made to the Revenue Act.

7. There should be more coöperation between the federal and state income tax officials, especially with respect to corporate returns, for which there already exists statutory authority. Steps should be taken to secure similar authority for individual returns.
8. North Carolina might well take the initiative in organizing an association of state income tax administrators, to the great advantage of all states.
9. North Carolina should make it possible for the income tax deputy in charge, and perhaps other officials also, to visit occasionally the states having the best income tax administrations.

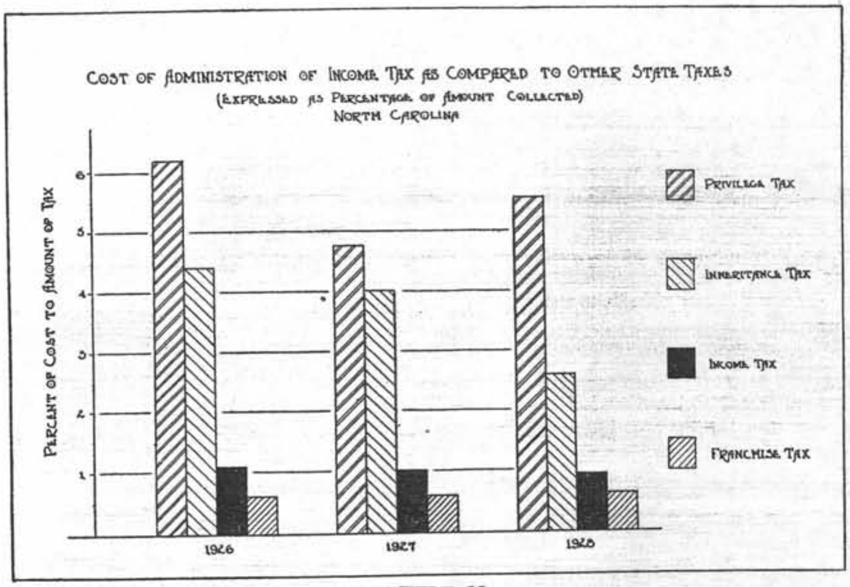

FIGURE 38

CHAPTER XX

THE STATE INCOME TAX

PRELIMINARY SURVEY

States Having Income Taxes. Today there are twelve states levying taxes upon the incomes of individuals. They are Delaware, Massachusetts, Mississippi, Missouri, New Hampshire, New York, North Carolina, North Dakota, Oklahoma, South Carolina, Virginia, and Wisconsin. With the exception of Oklahoma and North Dakota all of these states levy taxes upon the incomes of corporations also; and in addition the states of Connecticut and Montana, which do not have individual income taxes levy income taxes on corporations. It would perhaps be more proper to designate some of these so-called income taxes on corporations as *license* or *franchise* taxes, or, better still perhaps, as *business* taxes.

Early Beginnings. Income taxes of one kind or another have been employed in some of our states for nearly three hundred years. We find the rudiments of such taxes in Massachusetts as early as 1634 and in most of the other New England colonies during the same century. We also find beginnings of such taxes in Virginia and other southern and middle Atlantic states during the latter part of the seventeenth and the first half of the eighteenth century. For the most part, these taxes were not very well administered. In a great many cases they were farces, being paid by relatively few citizens and yielding comparatively insignificant revenues. In this respect they remind us of the intangible personal property taxes of various states today.

North Carolina, Early History. The income tax was introduced in North Carolina in 1849. The following summary of its history gives a fair picture of the development in North Carolina and is typical also of the situation in most other states prior to the adoption of the modern income taxes of the present century:

"In 1921 the state of North Carolina completed 72 continuous years of income taxation, and demonstrated its reliance upon this form of tax by the passage of a new law along modern lines.

"An income tax was first introduced in North Carolina in 1849, when a 3 per cent tax was laid upon profits from financial dealings and a three-dollar tax upon salaries and fees. The law underwent frequent changes one of the most important of which was an extension during the Civil War period when rates were increased and progressive scales introduced. In 1870 the rate of taxation was greatly reduced. In succeeding years changes have been made repeatedly. Another trial of progressive rates was made from 1893 to 1901, but the proportional plan of taxation was reintroduced in the latter year, to be succeeded by a graduated tax in 1919.

"According to the law in force in the early years of the present century, a tax of 1 per cent was imposed upon the excess over $1,000 of gross incomes from all property not otherwise taxed, salaries and fees, annuities, and trades and professions. The amount yielded by the tax in this form was insignificant, although the receipts had improved over those of earlier years. In the decade

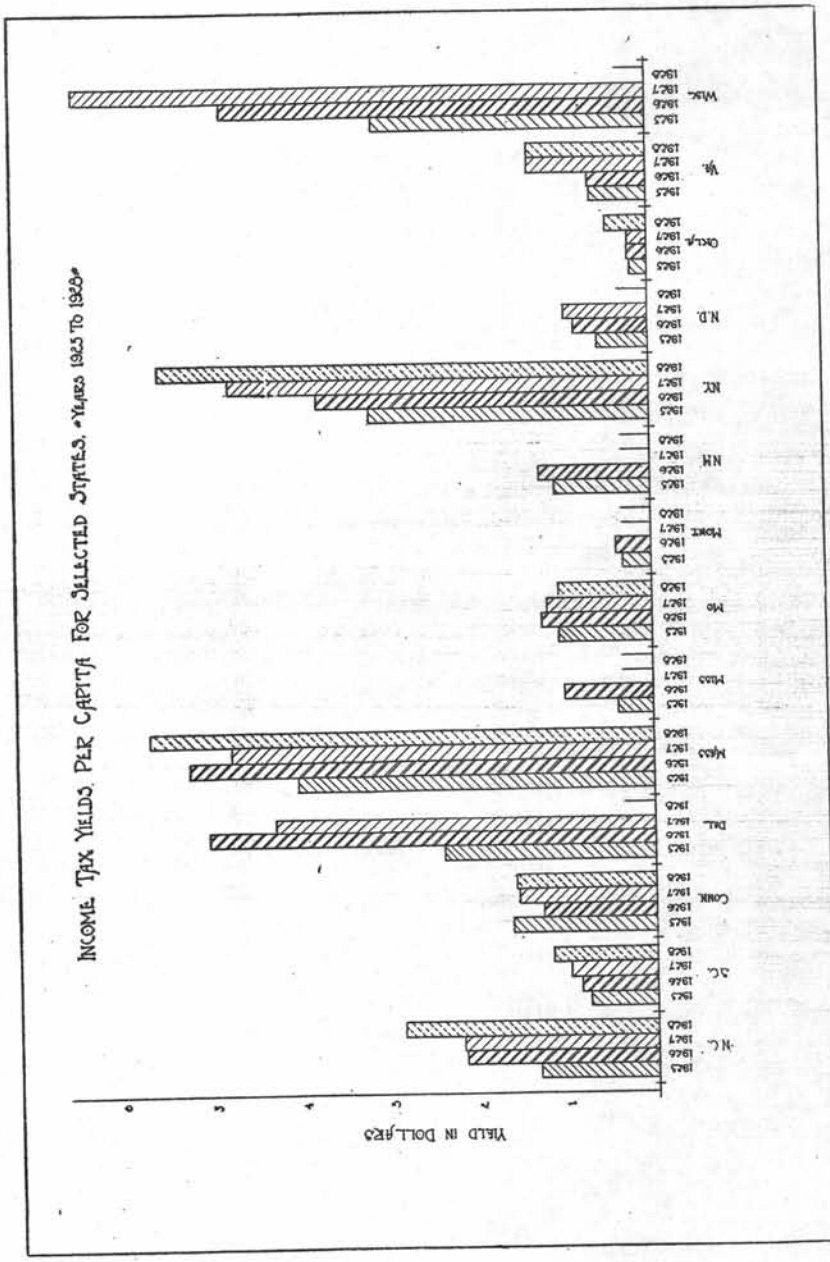
INCOME TAX YIELDS PER CAPITA FOR SELECTED STATES. • YEARS 1925 TO 1928 •
YIELD IN DOLLARS
1
2
3
4
5
6
N.C.
S.C.
CONN.
DEL.
MASS.
MISS.
MO.
MONT.
N.H.
N.Y.
N.D.
OKLA.
VA.
WISC.
1925
1926
1927
1928

FIGURE 39

1890-1900 the revenue from the income tax had ranged from about $2,000 to $4,500 a year. In the next decade the receipts increased, and furnished from $20,000 to $40,000 a year. In succeeding years the proceeds expanded as follows:

Year of Collection	*Revenue Receipts From Income Taxes*
1912	$ 36,497
1913	42,657
1914	50,798
1915	58,606
1916	61,386
1917	64,152
1918	109,285

In 1919 the State Tax Commission (then the Corporation Commission) recommended a constitutional amendment that would permit adoption of a comprehensive income tax law, and thus pave the way for supplying all the revenue needs of the state without a state property tax. Such an amendment was adopted by the General Assembly of 1919, and ratified by the people in the general election in 1920.

The General Assembly of 1919 also adopted, for the first time, a graduated scale of rates on such income as the constitution at that time permitted to be taxed, the rates graduating from 1 to 2½ per cent.

THE NEW ERA OF STATE INCOME TAXES

NEW MOVEMENT GETS UNDER WAY

Wisconsin Pioneers the Way. The modern period of state income taxation begins with Wisconsin, which enacted its first income tax measure in 1911. Other states have followed her lead, notably Massachusetts in 1916 and New York in 1919. Several other states have been stimulated to enact income tax laws partly by the example of these states, but unfortunately most of them have failed to learn the principal lesson taught by the experience of these more successful states. Especially have they failed to grasp the importance of proper administrative methods, upon which success depends.

North Carolina Joins the Movement and Makes Rapid Progress. North Carolina adopted her present income tax in 1921. Since that time she has made rapid strides, the collections increasing rapidly as shown in the following table:

1922	$2,233,780
1923	3,573,350
1924	4,481,378
1925	3,751,349
1926	6,083,577
1927	6,399,751
1928	8,196,049

Very few, if any, states exhibit such rapid increases in collections. Only three other states collect more each year, namely, Wisconsin, Massachusetts, and New York. Only four other states collect more per capita, namely, Wisconsin, Massachusetts, New York, and Delaware. No other state with large yields collects such a vast sum at such a small cost of administration. North Carolina's record in this respect is little short of marvelous. (See Table 178 and Figures 38, 39 and 40.)

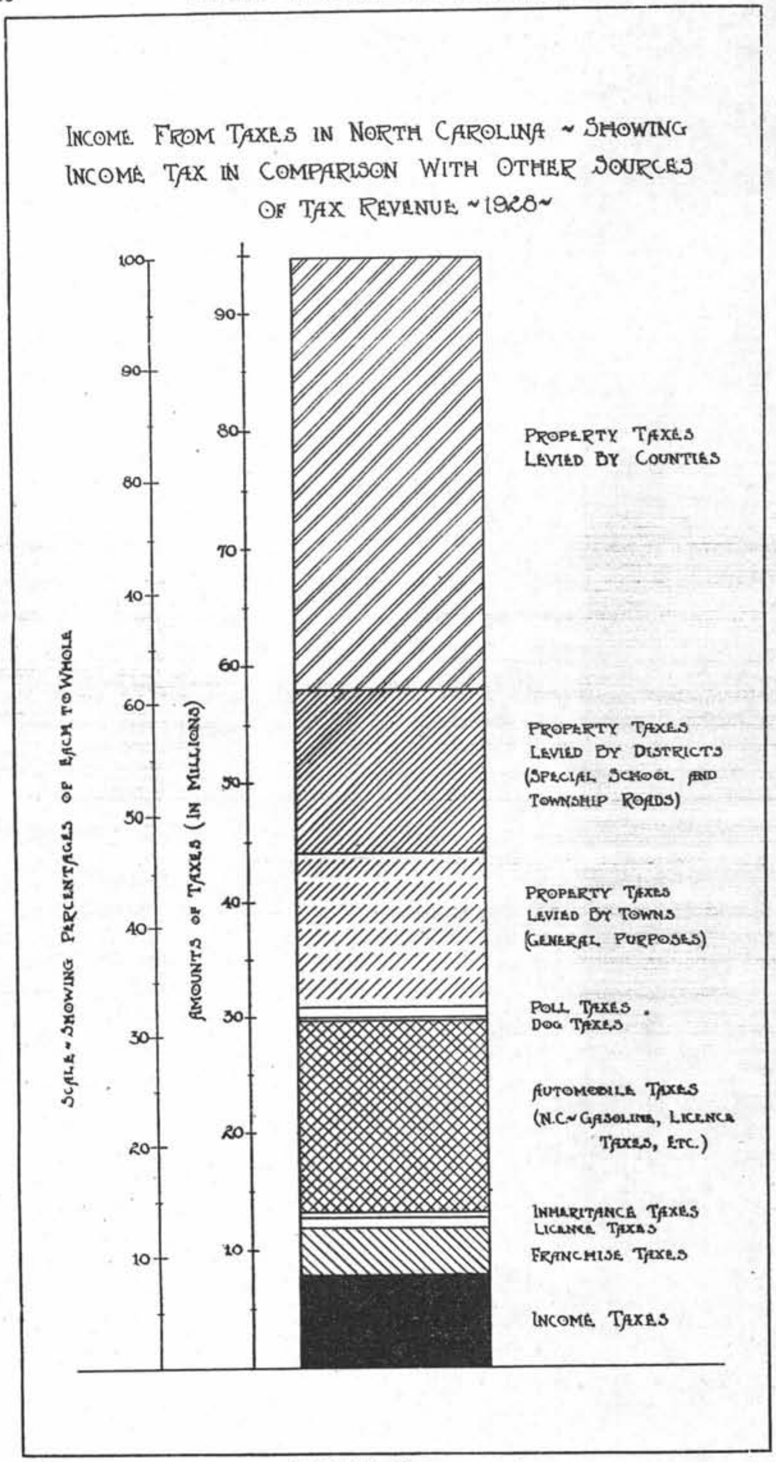
INCOME FROM TAXES IN NORTH CAROLINA ~ SHOWING INCOME TAX IN COMPARISON WITH OTHER SOURCES OF TAX REVENUE ~1928~
SCALE ~ SHOWING PERCENTAGES OF EACH TO WHOLE
AMOUNTS OF TAXES (IN MILLIONS)
PROPERTY TAXES LEVIED BY COUNTIES
PROPERTY TAXES LEVIED BY DISTRICTS (SPECIAL SCHOOL AND TOWNSHIP ROADS)
PROPERTY TAXES LEVIED BY TOWNS (GENERAL PURPOSES)
POLL TAXES
DOG TAXES
AUTOMOBILE TAXES (N.C.~GASOLINE, LICENCE TAXES, ETC.)
INHERITANCE TAXES
LICENCE TAXES
FRANCHISE TAXES
INCOME TAXES

FIGURE 40

BRIEF CHARACTERIZATION OF INCOME TAXES OF THE LEADERS

Wisconsin. As mentioned above, Wisconsin is the pioneer of the new era. So frequent and universal had been the failure of income taxes in various states of the Union that it was considered proved beyond a doubt that a state income tax was doomed to failure. Books and treatises had been written explaining why all such taxes had failed and why it was impossible for them to succeed. The best authorities in the United States were practically unanimous in their opinions about this matter.

The movement for an income tax in Wisconsin began about thirty years ago and was prompted largely by the difficulty of taxing intangible property. The proposal was debated in and out of the legislature and was voted upon by the people of the state several times in more or less heated campaigns. After many contests and after very careful consideration not only of the substantive features of the bill, but particularly of administrative measures, the first income tax law was enacted in 1911, eight years after it was first formally proposed. Only two or three details of this early law need be mentioned at this point. Inasmuch as no one was certain of its success, the tax on intangible personal property was retained although it was provided that any amount paid in such taxes might be credited toward the payment of income taxes. This was called the "personal property offset." It was not removed until several years later when the state was assured of the yield of the income tax. But when the success of the income tax was demonstrated, the ad valorem tax on intangible personal property was abandoned.

The real secret of Wisconsin's success was in the form of administration and its practical removal from politics. The main reason for the failure of such taxes in other states in earlier years had been that the administration was nearly always put in the hands of local officials without proper state supervision. Wisconsin provided that her income tax should be administered under the supervision of the State Tax Commission, which was itself an appointive body. The Tax Commission was authorized to divide the state into districts and to appoint supervisors over each district. The assessors of income were put under civil service and their compensation and tenure was put in the hands of the Tax Commission. The Commission divided the state into forty districts and appointed an assessor of incomes over each district. They and their assistants supervised the assessment of individual incomes, the assessment of corporate incomes being kept in the hands of the Tax Commission itself at its central office. Everything possible was done to avoid friction, to secure competent assessors and auditors, to make all appointments and tenure depend upon merit, and to reduce political influence in administration to the lowest possible minimum. To the surprise of everybody except the people of Wisconsin the new tax succeeded.

Massachusetts, like all other states, had suffered from inefficient administration of the taxes on intangible personalty. She was impressed with the success of Wisconsin's income tax. The federal income tax had been adopted in 1913. By 1916 she was ready to provide for a state-wide income tax.

The Massachusetts law is peculiar in at least three respects. First, it applies to certain incomes only. For example, it does not apply to the income from real estate or to interest on mortgages secured by Massachusetts real estate for an amount equal to the mortgage. In the second place, its income tax is not graduated, the rates being the same regardless of the amount of income. In the third place, it provides for what is called "differentiation," that is, it taxes so-called "unearned" or investment income at higher rates than "earned" income. Because of these differences it is very difficult to compare the Massachusetts income tax, its yield, cost of administration, et cetera, with the income taxes of other states.

The matter of special importance for our purposes, however, is that Massachusetts followed Wisconsin's lead in the matter of administration; that is, she provided for centralization and strict enforcement under the state Commissioner of Revenue. This official in Masachusetts is appointed rather than elected. He was authorized to divide the state into districts and to appoint supervisors over each district. The attempt has been made and fairly successfully carried out to have the administrative staff selected on the basis of merit and to keep it reasonably free from politics. The result has been that Massachusetts has duplicated the success of Wisconsin.

New York adopted her great income tax in 1919. This had been preceded by the passage of the corporation income tax law in 1917. As in Wisconsin and Massachusetts, New York secured the ablest of advice in planning her statute and took great pains to frame it along workable lines. One advance step which she took was to follow the federal statute as closely as possible in order to facilitate administration and to avoid unnecessary annoyance of taxpayers. She took particular pains to heed the experience of Wisconsin and Massachusetts in the matter of a thoroughly supervised administration. Federal experience had by this time taught the same lesson. Due to a political tangle, the tax was first placed under the comptroller rather than under the tax commission, as had been planned by its sponsors. But the state soon saw its error and made the proper change. With thorough-going centralized administration under an appointive body, with the state divided into districts and a competent supervisor over each, and with an experienced staff under civil service, New York has made a tremendous success of her tax, collecting over $63,000,000 in the year just closed and this with the highest personal exemptions and among the lowest rates in the United States. Of course New York is a rich state, but after making all due allowances her income tax must be commended as an outstanding success.

Other States. Numerous other states have adopted income taxes or revised their old income taxes since Wisconsin initiated the new era in 1911, but with few exceptions the income taxes of these other states have fallen far short of their possibilities. This is chiefly because of faulty administrative methods. The usual thing has been for the administration of the law to be put in the hands of some official like the state treasurer or the state auditor and for the actual securing of returns to be placed in the hands of the local assessor. General experience has been that such administration has exhibited all of the weaknesses of the local administration of the general property tax. Evasion, lack of uniformity, and small yields have resulted in nearly every case. It is true that some of the states have received substantial sums and sometimes at rather low unit costs, but the amounts they have received have been ridiculously small as compared with what they might have received under efficient administration. Furthermore, their conscientious taxpayers, or those who have happened to be caught, have borne a burden escaped by the less conscientious.

Perhaps North Dakota should be mentioned as an unusual example. The meagerness of her success has been due perhaps to an excess of zeal and more especially to the fact that she is almost wholly an agricultural state. It is notorious that income taxes are paid by industry and by the inhabitants of cities and towns, not by farmers. North Dakota provided for an unusual system of taxing corporations besides for twenty-three separate rates (and brackets) for individual incomes. The whole was complicated by a multiplicity of fractional rates and differentiation between earned and unearned incomes. Experience showed that there were very few large unearned incomes in the state and her system of differentiation was so faulty that it defeated itself. Her present income taxes on both individuals and corporations are much more like those of North Carolina, but this does not mean that income taxes are likely to yield large revenues in a purely agricultural state, especially when her agricultural has long been depressed.

North Carolina. This state has been peculiarly fortunate with respect to its new income tax. By 1921 she had the benefit of Wisconsin's experience of ten years, Massachusett's experience of five years, New York's experience of two years, and the federal government's experience of eight years, to say nothing of lessons of what not to do as examplified by numerous other states. What was particularly fortunate for North Carolina was that by 1921 different committees of the National Tax Association had worked out principles and drafts of model state income tax laws both for individuals and for businesses. It is largely because the model draft was used as a pattern in framing the North Carolina law that there is so little to criticize in the statute of this state.

The plan of administration embodied in the North Carolina law is also based upon the experience of the three most successful states. It appears, however, that full advantage has not been taken of the possibilities. Furthermore, it seems entirely probable that the North Carolina statute would not have achieved the remarkable success that it has attained had it not been that for eight years the people of the state had been educated by the administration of the federal income tax, and were it not that this state has an unusually willing body of taxpayers.

But before carrying the discussion of administration further, it may be well to discuss first some of the substantive features of various income tax statutes.

COMPARISON OF IMPORTANT FEATURES OF THE INCOME TAX LAWS OF DIFFERENT STATES

A comparison of the important provisions of the income tax laws and practices in other states may suggest strong and weak points in the North Carolina law and its administration. The following will be considered: Rates of taxes, deductions, exemptions, financial results, and administrative problems. Following this discussion, improvements will be recommended.

RATES

Individuals. An examination of Table 171, which presents the exemptions and rates of the tax on individuals in each state, will show that North Carolina has a relatively high schedule of rates as compared with the schedules of other states. This fact is brought out even more clearly in the graph showing rates. (See Figures 41-46, also Tables 174 to 177.) It may be noted that Wisconsin and North Dakota have rates that are higher on the average and South Carolina and Virginia have higher taxes on some of the smaller incomes. (See Figures 41-46.) Rates of South Carolina and Mississippi run very close to those of North Carolina. Those of New York, Delaware, and Virginia approximate an average of one-half to one-third of the North Carolina rates, whereas those of Oklahoma and Missouri are much lower. It is difficult to compare the rates of the other two income tax states, namely, New Hampshire and Massachusetts, because they are levied upon entirely different bases. In Massachusetts there is a flat rate of 6 per cent upon the income from intangible property (in lieu of ad valorem tax), but upon income from professions and business, and also from annuities the rate is only 1½ per cent. An examination of Table 171, referred to above, will show that practically all of the states have graduated rates on individual incomes, that is, the rates increase as the size of the income increases. We have just pointed out that this is not the case in Massachusetts, nor is it the case in Missouri, where there is a flat rate of 1 per cent.

It will be noted also that some states have very many more brackets than other states. North Carolina has six brackets. The first four consist of \$2,500 each; the fifth of \$5,000; and the sixth of the excess above \$15,000 (over exemptions). Delaware, New York, Oklahoma, and Virginia have only three rates and three brackets, with a maximum rate of 3 per cent in all of these states, except Oklahoma, where the maximum is 2 per cent. Mississippi, North Dakota, and South Carolina, like North Carolina, each has six brackets, though the brackets are not all of the same size. Wisconsin leads the list in having twelve brackets, though she was formerly surpassed by North Dakota with 23 brackets and many fractional rates, besides more serious complications which that state soon learned it should repeal. It will be noted that at the present time no state has a rate exceeding 6 per cent on the largest incomes, and that none except Oklahoma begins with a smaller rate than 1 per cent.

The model state income tax law as drafted by the committee of the National Tax Association provides for the following rates on the amounts by which individual incomes exceed the personal exemptions: 1 per cent on the first \$1,000; 2 per cent on the second \$1,000; 3 per cent on the third \$1,000; 4 per cent on the fourth \$1000; 5 per cent on the fifth \$1,000; and 6 per cent on amounts in excess of \$5,000. It will be noted that the North Carolina brackets are much larger than those suggested in the model law and that the maximum rate lacks 1 per cent of reaching the 6 per cent maximum of the model law. For both of these reasons the North Carolina income tax is appreciably lower than that suggested in the model draft although, as stated above, it is higher than the taxes in all of the states, except two, throughout most of its range.

Corporations. The rate of income tax upon corporations (See Table 172) is relatively high in North Carolina, being 4½ per cent as compared with 2 per cent as suggested in the model law; 2 per cent in Connecticut, and 3 per cent in North Dakota and Virginia. New York has alternative methods of taxing corporations: one provides for a tax of 4½ per cent of the entire net income, but exempts personal property from ad valorem taxation. This applies unless the alternative method will bring in more revenue. Mississippi and

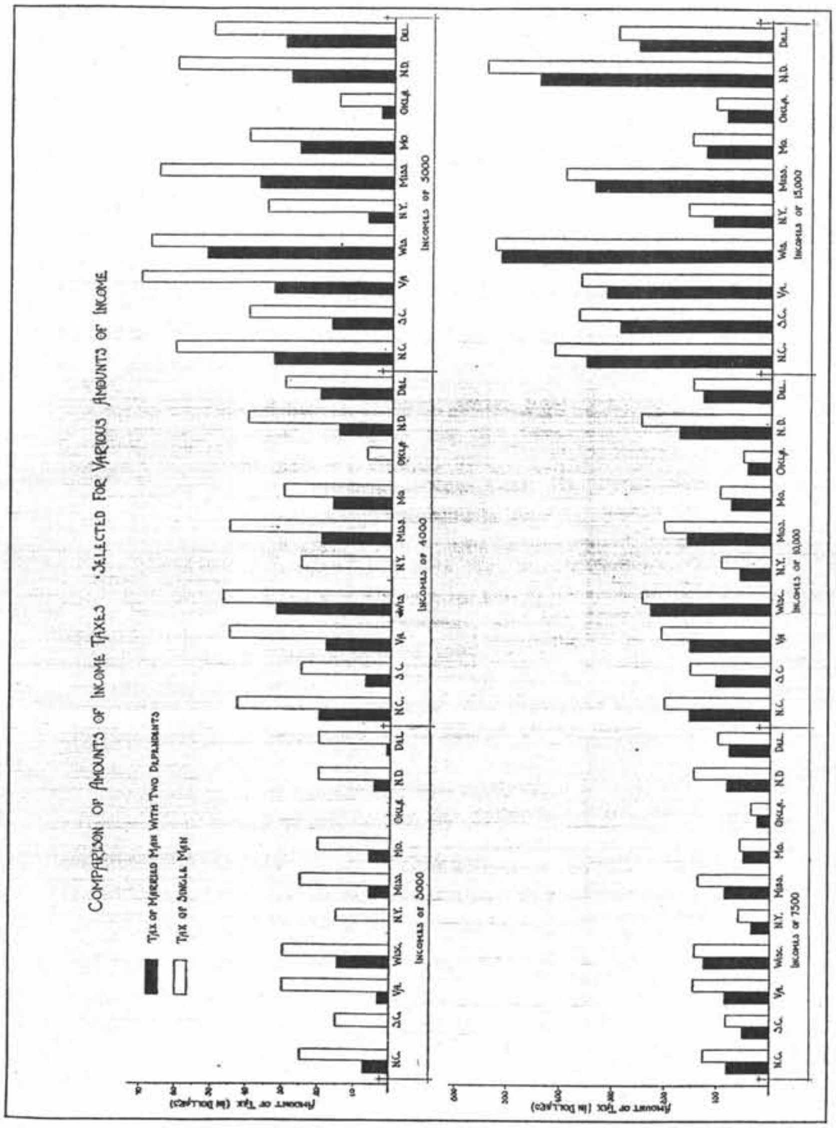
Comparison of Amounts of Income Taxes Selected for Various Amounts of Income
Tax of Married Man With Two Dependents
Tax of Single Man
Incomes of 3000
Incomes of 4000
Incomes of 5000
Incomes of 7500
Incomes of 10,000
Incomes of 15,000
N.C. S.C. Va. Wis. N.Y. Miss. Mo. Okla. N.D. Del.
Amount of Tax (in Dollars)

FIGURE 41

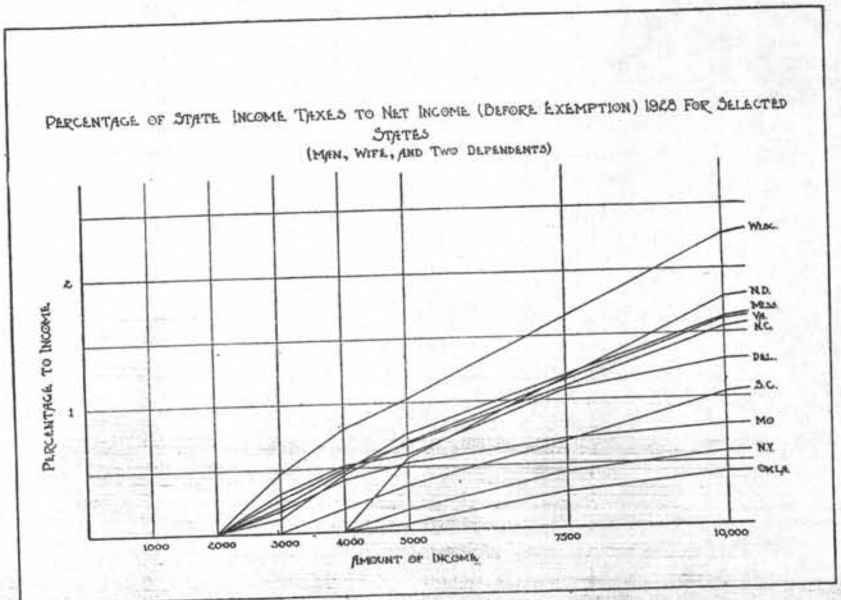

FIGURE 42

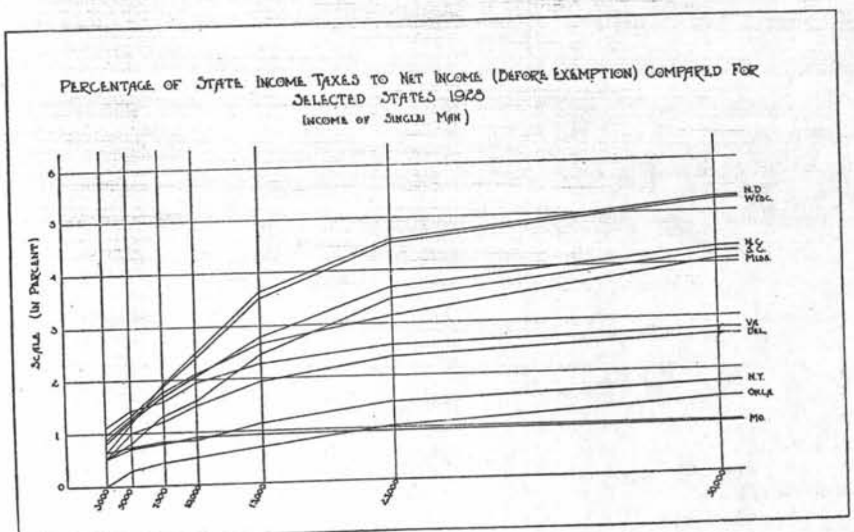

FIGURE 43

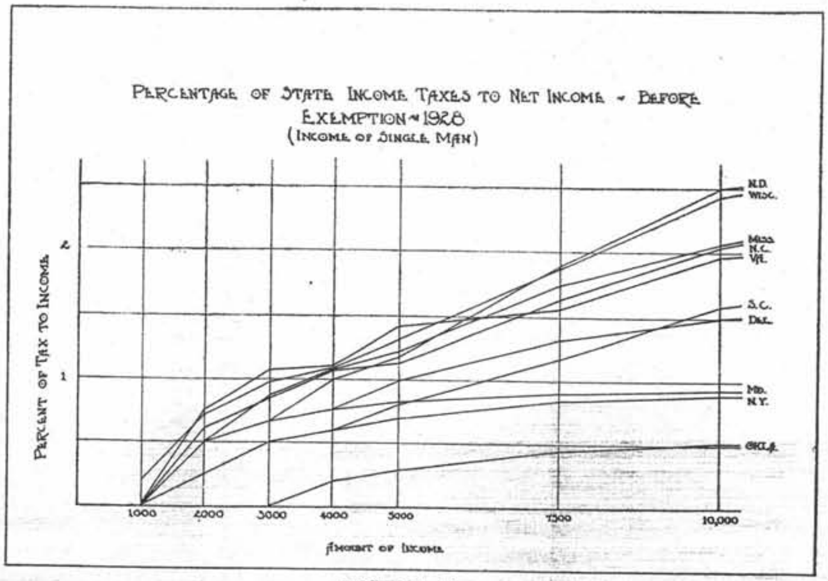

FIGURE 44

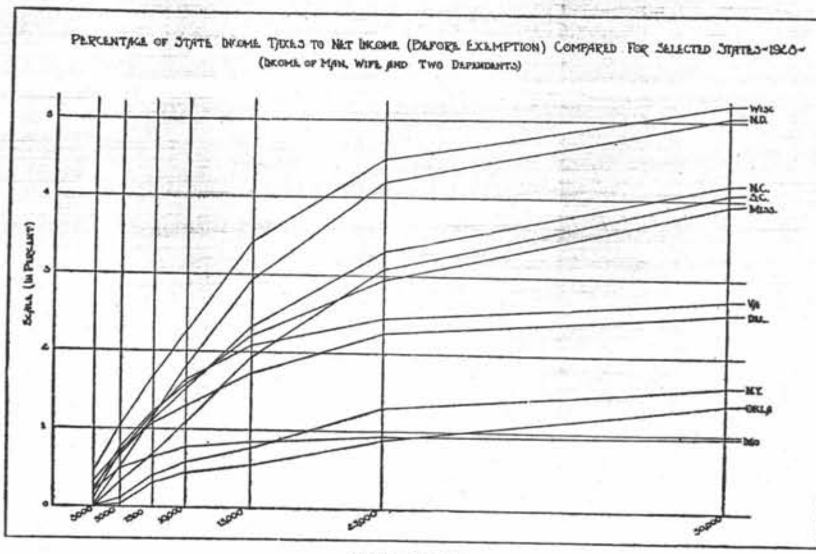

FIGURE 45

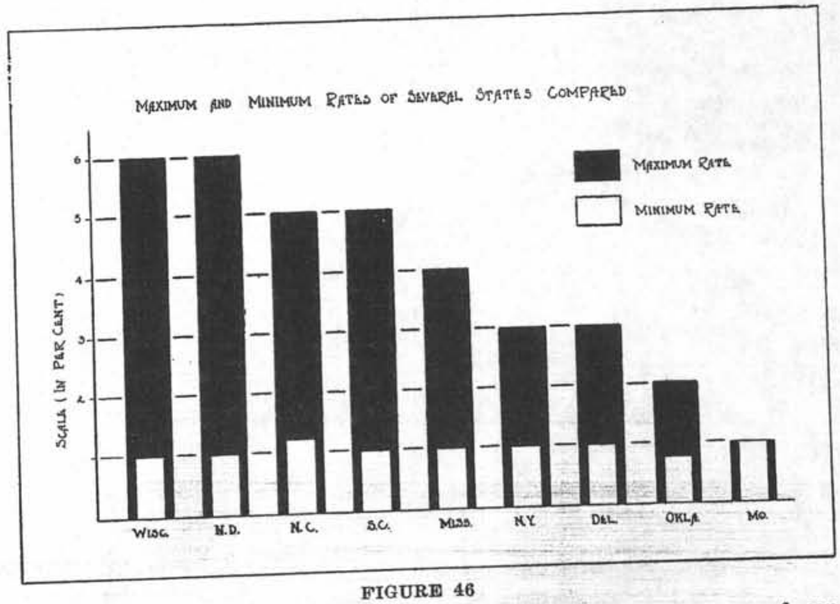

FIGURE 46

Wisconsin are peculiar in providing graduated rates upon incomes of corporations. Inasmuch as the income of corporations goes to individuals of very different taxpaying capacities, it is generally thought improper to graduate such rates. For example, persons of very small means and persons of very large means may own stock in the same corporation but to tax the income of both classes of taxpayers at the same rate is not in harmony with the fundamental principle which lies at the bottom of the modern advocacy of income taxation, namely, graduation on the basis of ability to pay.

EXEMPTIONS AND DEDUCTIONS

Definitions. There is much confusion in the minds of taxpayers as to differences between *deductions*, *exemptions*, and *credits*. There is even confusion in the statutes of different states. In general, the term *deductions* refers to expenses incurred in the producing of income. From *gross* income we subtract these deductions in order to arrive at *net* income.

Exemptions on the other hand are granted to portions of net income which are excused from paying the tax. It is usual to permit personal and family exemptions to cover part or all of necessary living expenses. Net income contributed to charity and other approved purposes is commonly exempt also.

Credits. The term credits is usually applied to the tax rather than to the income which is taxed. For example, if a resident of North Carolina pays a tax in New York on the part of his income which is produced in New York, North Carolina may permit him to subtract the amount of the New York tax from the amount of the North Carolina tax, if the latter is calculated upon the taxpayer's total income. The term *credit* is also used in connection with the federal income tax to designate an amount of tax which may be deducted in case the taxpayer's income is "earned." In other words, the tax is first calculated on earned income in the usual manner then a credit of 25 per cent of the tax (with some qualifications) is deducted from the tax so calculated.

Personal Exemptions in Different States Compared. Tables 171 and 173 show that not only North Carolina but also most of the income tax states, permit a personal exemption of $1,000 for single persons; $2,000 for married couples (or heads of families), and $200 for each minor child or other dependent. Personal exemptions of New York are larger than for any other state. They were purposely made the same as those of the federal income tax. It is worthy of note also that Oklahoma and North Dakota permit increased exemptions for dependents who are attending school or college. (See Figure 47.)

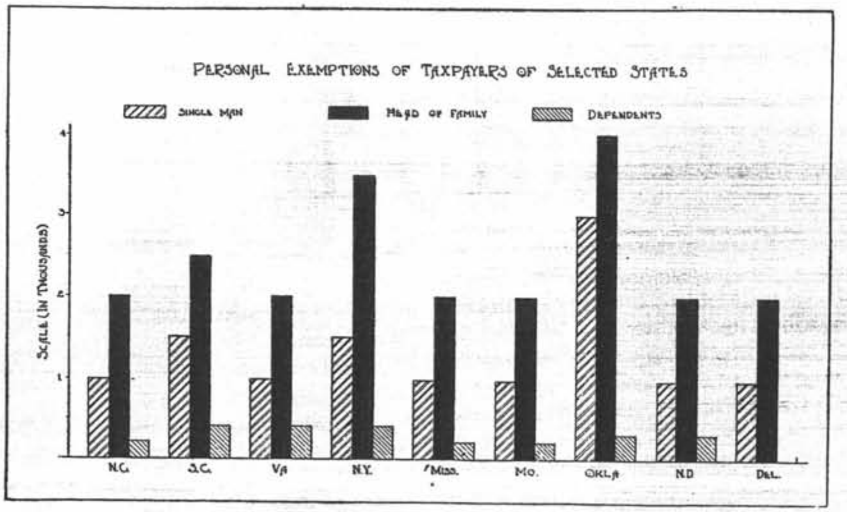

FIGURE 47

Wisconsin is peculiar in providing for exemptions in terms of *tax* instead of in terms of *income*. In most states the personal exemption is subtracted from net income in order to arrive at "taxable net income," the base to which the tax rate is applied. Wisconsin followed this practice prior to two years ago but at that time changed its law. The tax is now calculated upon the entire net income (before allowing personal exemption), and the personal exemption in terms of tax is then subtracted from this amount rather than from the income. By this method Wisconsin provides the same amount of personal exemption for each one of the same marital status, regardless of the amount of his income.

Under the laws of North Carolina and most other income tax states, the taxpayers with the largest incomes receive the largest personal exemptions. This is true because $1,000 or $2,000 figured at the rates of the higher brackets amounts to more than the same exemptions figured at the rate of the lower brackets. For example, in North Carolina an exemption of $2,000 to a first bracket income taxpayer amounts to a maximum of 1¼ per cent upon that sum, which is $25; whereas in the case of a taxpayer having taxable net income of over $15,000, the personal exemption of $2,000 may amount to a maximum of 5 per cent of that sum, or $100. Of course, the discrimination is increased in the same proportion if there are dependents.

Wisconsin's exemption of $8 of tax for a single person is equivalent to 1 per cent upon $800, which is the amount that was formerly permitted when the personal exemption was in terms of income rather than tax. That state has always been noted for its relatively low personal exemptions, which result in bringing a large percentage of its citizens within the scope of the income tax. Though its population is not greatly larger than that of North Carolina, it has handled during the past year nearly 500,000 income tax returns, seven or eight times as many as have been secured by the North Carolina department of revenue. Of course, not all of the difference is to be explained by the size of the personal exemptions; part is due to Wisconsin's greater wealth and a part of the difference may be accounted for by the thoroughness of Wisconsin's administration.

New York stands at the other extreme from Wisconsin in the matter of personal exemptions. Its large exemptions permit a larger proportion of its citizens to escape income taxes. The fact is that the income tax is a class tax. It falls upon a relatively small per cent of the population. In North Carolina about thirty-five to forty thousand, out of a population of 2,800,000, are all that pay the tax upon individual incomes. It may be questioned whether or not it is wise social policy for any state to permit the mass of its people to have practically no interest in the extravagances of its state government. It may be further questioned if the mass of citizens should be permitted to vote heavy taxes upon one-tenth or one-twentieth of its citizens, taxes in which they themselves do not participate, except in the benefits. Large personal exemptions do have one merit, however: they eliminate what would be the most costly and least remunerative part of the administration. This is a very important matter in the early stages of any tax. After administration is perfected many refinements not theretofore justifiable may be introduced.

A provision of the North Carolina law which permits the exemption of an extra $1,000 for the married woman who reports a separate income is an anomaly. It is believed that such a provision cannot be found in the statutes of any other state or country. It has the appearance of having been put into the law through oversight or as a special privilege. It is certainly a very unfair provision, giving an exemption where it would be more equitable and reasonable to apply an additional tax.

Outline of the Model System. It will be recalled that the National Tax Association committee in its plan for a model system of state and local taxation recommended three taxes: (1) a personal income tax upon the entire net income of every resident at the place of his domicile regardless of where the income is produced; (2) a tax upon all tangible property at its situs; (3) for those states desiring any tax in addition to the two previously mentioned, a tax on business at the place conducted, and applicable to all business carried on in the state, whether by individuals, partnerships, or corporations. A flat rate of 2 per cent upon net income, after allowing an exemption of $1,000, was recommended.

DEDUCTIONS

Interest. North Carolina and most other states exempt the interest from their own state bonds. This may increase the borrowing power of the state, but it tends to nullify to a certain extent the graduation of rates and thus is contrary to the spirit of income taxation.

Taxes. It is common for most states to permit the deduction of all taxes except federal income taxes, their own state income taxes, and perhaps inheritance taxes. Wisconsin does not allow the deduction of taxes on unproductive property. Mississippi allows the deduction of ad valorem taxes only. Oklahoma and Virginia do not allow the deduction of taxes paid to the federal and to foreign governments. North Carolina does not allow the deduction of federal or state income taxes. New York allows the deduction of all taxes except income taxes. The model tax draft permits the deduction of all but inheritance and income taxes paid in the state of residence. It would seem that permission to deduct all taxes would be the simplest practice and the most nearly in accord with taxation on the basis of ability to pay.

Losses. The averaging of yearly incomes and the carrying forward of losses are methods which have been adopted in some statutes in order to minimize the inequities which arise in connection with the taxation of fluctuating incomes. This can best be shown by an example. Suppose there are two men who receive an average income of $25,000 per year. The first man receives a regular income each year of the amount named. The second man may have a net income of $60,000 one year, of $40,000 the next year, and a net loss of $25,000 the third year. Both men have received the same total net income during the three-year period. The first man, however, has had to pay a smaller total of taxes because he has had the full benefit of all his personal and other exemptions each year and he has not had such large amounts of income thrown into the high brackets any year. The second man, on the other hand, lost the benefits of his exemptions in the year he had a net loss and paid at the rates of the highest bracket on an abnormally large proportion of his income for the years in which he made larger than average profits. In order to avoid such inequity the English long provided for the taxation of average income. Two years ago Wisconsin provided for the taxation of the average of one's income for the last three years. A somewhat similar result is brought about under the federal law which permits the carrying forward of losses for two years. Thus the net loss in one year is allowed to reduce the taxable net income of succeeding prosperous years.

The three-year average system is slightly, though not greatly, more complicated. It has, however, one great advantage to the state, that of preventing large fluctuations in revenue with the ups and downs of business prosperity. This is rather important to North Carolina where such a large proportion of the state's funds come from the income tax. A severe depression might cut corporation incomes in half or reduce them even more, and thus cripple state finances severely. The average system has the disadvantage of making it possible that some taxpayers will be called on to pay income taxes in years when they suffer net losses, though, of course, this would be offset in prosperous years by averaging in the incomes of the poorer years.

Profit and Losses on Installment Sales of Real Estate. According to the provisions of the present law, the state does not permit a taxpayer to pro

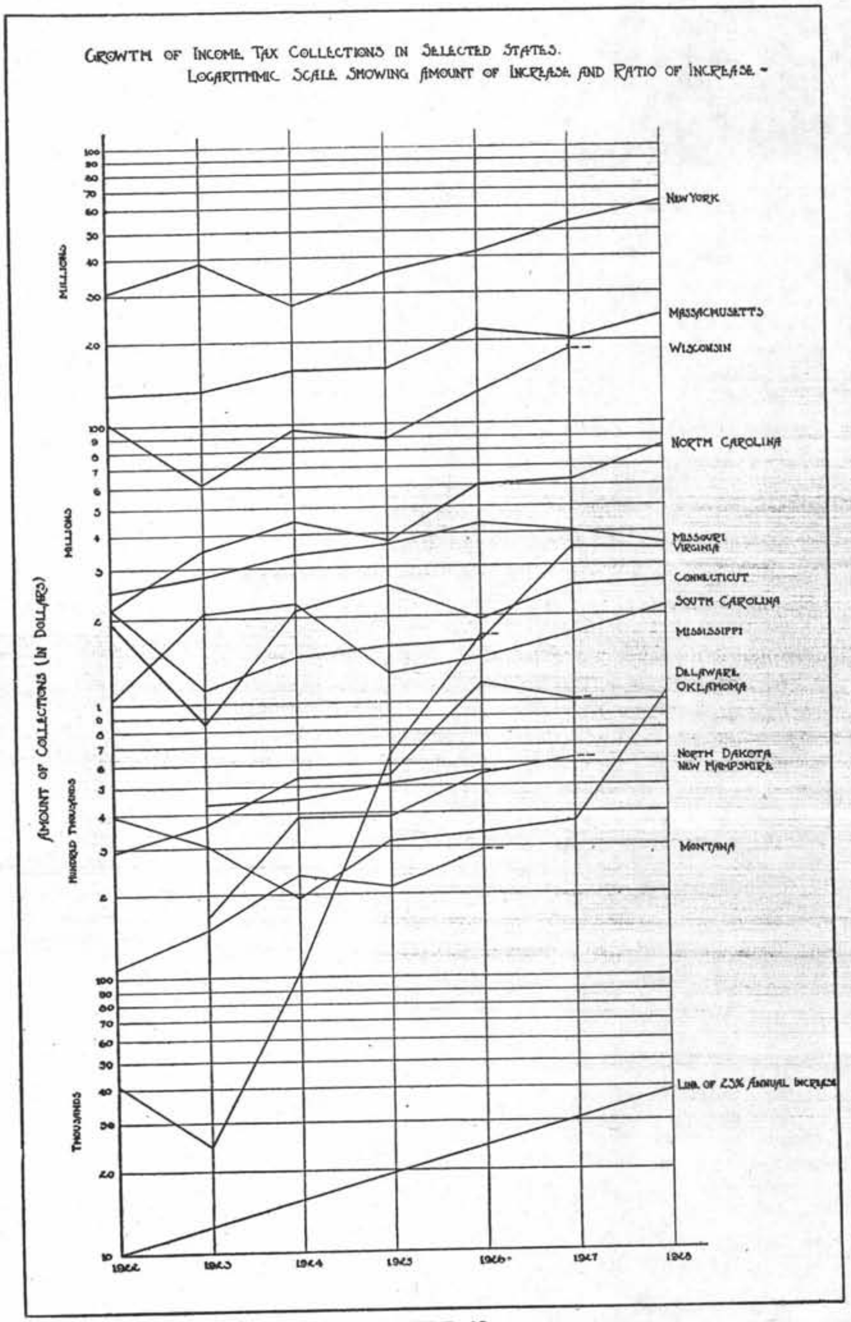
GROWTH OF INCOME TAX COLLECTIONS IN SELECTED STATES.
LOGARITHMIC SCALE SHOWING AMOUNT OF INCREASE AND RATIO OF INCREASE
AMOUNT OF COLLECTIONS (IN DOLLARS)
MILLIONS
HUNDRED THOUSANDS
THOUSANDS
NEW YORK
MASSACHUSETTS
WISCONSIN
NORTH CAROLINA
MISSOURI
VIRGINIA
CONNECTICUT
SOUTH CAROLINA
MISSISSIPPI
DELAWARE
OKLAHOMA
NORTH DAKOTA
NEW HAMPSHIRE
MONTANA
LINE OF 25% ANNUAL INCREASE
1922
1923
1924
1925
1926
1927
1928

FIGURE 48

rate profits on installment sales of real estate or personal property. This has caused some confusion. The federal government has worked out very elaborate provisions as to pro rating profits on installment sales and it requires and demands that the taxpayer keep his records and make his reports on certain specified bases. As a result of the State Commissioner's ruling many taxpayers find themselves in the predicament of keeping one set of books for the federal government and having to keep an entirely different record for the state government; or, if they do not keep such record, it means a great amount of adjustment to make a proper report to the state. It is probable that the Commissioner of Revenue cannot handle installment sales of real estate properly so long as his personnel is inadequate, but with an adequate staff an attempt should be made to follow more closely the practice of the federal government with respect to such installment sales. In other words, profits and losses should be allocated for the period of deferred payments. They should not all be attributed to the one year in which the transaction is made.

FINANCIAL RESULTS

Table No. 178 shows the income tax collections for each state for the past six or seven years. (See Figure 48). It will be noted that in general the states with well-supervised administrations are the ones that get results. Of course, collections are affected very much by exemptions, rates, and the wealth of the people, but the very small collections in some well-to-do states are significant comments upon the inefficiency of administration in such states. Considering its wealth and population, including the large proportion of colored population, North Carolina stands on middle ground, or perhaps in the upper third, of income tax states. Her results are much more satisfactory than those obtained by most of the income tax states and, as mentioned earlier in this report, the growth in her collections has been unusually rapid.

ADMINISTRATION

We have already seen that North Carolina's income tax law is a well constructed statute, following in the main the general form of the model statute recommended by the National Tax Association, and is producing large revenue in annually increasing volume. There are two ways in which this revenue could be increased:

First. By changes in the rate of progression of the scale of graduation in the personal income tax schedule, or by increase in the maximum rate of tax. However, our present maximum rate of 5 per cent on personal income and our flat rate of 4½ per cent on corporate income are exceeded by only one state.

Second. By legislative provision for more thorough administration of the income tax law.

Following are some of the indications of imperfect administration and while not every one of them is conclusive, each is suggestive and all combined appear rather convincing:

1. After making all due allowances it is difficult to explain why so much more net personal income is reported for North Carolina to the Federal Gov-

ernment than to the state government. As suggested, the data are not exactly comparable and is not entirely conclusive, but it does raise doubts that are strengthened by other available facts.

2. The number of returns made to the state government exceeds the number of returns made to the federal government, but not by so great an excess as would appear reasonable in view of the fact that the personal exemptions for the federal income tax are $1,500 for single persons, $3,500 for married couples and $400 for dependents as compared with $1,000, $2,000 and $200 respectively for the state tax.

3. The North Carolina Department of Revenue has collected only the most meager data with reference to state income taxes. About all it knows is the amount of tax collected and the number of returns made. It does not know the latter figure exactly. It does not know the amount of net income upon which the income taxes are figured. It does not know this for the total, nor does it know the sub-totals for the several brackets. Section 453 of the Revenue Act says: "The Commissioner of Revenue shall prepare and publish annually statistics reasonably available, with respect to the operation of this act, including amounts collected, classifications of taxpayers, income and exemptions, and such other facts as are deemed pertinent and valuable."

This very important provision has not been carried out, and it cannot be carried out as it should be with the income section understaffed as it is. In this matter North Carolina presents a striking contrast to those income tax states with the most efficient administrations.

4. The cost of administration of the income tax of North Carolina is remarkably low, less than one per cent of the total collections during the year just closed. Only Oklahoma approached such a low figure. (See Appendix III on cost of administration.) This may be cited as a proof of the efficiency of North Carolina's administration, but it is probably nearer the truth to say that the cost is so low because we are skimming the cream. It is probable that the state could collect seven-eights of what it now collects at one-fourth of the present cost. That much would probably come in without any effort. But it would not be real economy thus to reduce the cost of collection. It might be better economy to spend twice as much as at present—if it were spent wisely.

5. The smallness of North Carolina's income tax staff is one reason for the extremely low cost of administration. (See Appendix IV.) It suggests also the possibility of increased revenues with an adequate staff. The office audit is unnecessarily behind, now a little more than half through 1926 returns. It would cost no more in the end to have sufficient staff to bring this up to date and keep it current. Loss of revenue and much inconvenience to taxpayers would thereby be avoided.

The field force of corporation auditors should be larger, better qualified, better paid, and it is in especial need of a competent supervisor. The size, organization, and compensation of the staff in North Carolina as compared with the staffs in Wisconsin, New York, Massachusetts, and Virginia, and also in comparison with the staff employed in the collection of federal income taxes in the State of North Carolina, are set forth in Appendix IV attached to this report. Most of the income tax states other than those named failed to reply to inquiries relative to their staffs, but it is safe to assume on the basis of their collections and other available data that they are relatively small and inefficient. It is noteworthy that the leading income states are the ones that have well organized, well qualified, well paid, and adequate staffs.

6. Practicing accountants in North Carolina state that when making out returns for their clients, either for federal or for state taxes, it is their custom to resolve all doubts in favor of the clients. They state further that, while practically the same setup of income is made for both jurisdictions, they seldom have the returns sent to the state called in question, whereas they have numerous contests over the returns made to the federal government, some of which they win and some of which they lose. With an inadequate staff the state cannot properly audit all returns.

7. The same leniency in enforcement of the law, or lack or thoroughness in state auditing, is indicated by the fewness of contests made on the part of taxpayers. Very few cases have gone to the courts.

RECOMMENDATIONS—EXPLANATIONS

Recommendations have been placed at the beginning of this report rather than here where some might expect to find them. Some of them have been stated so briefly, however, that slight enlargements and explanations may be added at this point.

1. The smallness and inadequacy of the present income tax staff in North Carolina can be appreciated only by a careful comparison with that in other states. If Appendix IV giving some significant data from other states could show salaries in detail, (excluded as confidential), the contrasts would be even more striking.

The field force engaged in auditing corporation returns is of unusual importance. It would be much more effective if better qualified, twice as large, and especially if supervised by a thoroughly competent head. At present there is no such supervisor and in consequence the work suffers badly.

2. The absence of published rulings and regulations has very bad results. Frequently one member of the staff does not know how another member of the staff has decided a similar case, even if he recollects how he himself decided another one some months before. Furthermore, there is much greater temptations to make arbitrary and discriminatory decisions when there are no published rulings. All rulings and decisions should be accessible to every one and a special attempt should be made to have the most important of them brought to the attention of all the people of the state through the newspapers and through publication in annual reports.

3. The income tax forms upon which returns are made should have schedules for the explanation of such items as taxes, contributions, bad debts, et cetera. In the opinion of most accountants they would be improved by conforming more closely to the federal forms. This would make them more convenient to taxpayers also. It has been objected that this would cause undue contention on the part of accountants arguing with state officials for federal interpretations and that it would also entail much additional correspondence. It might be well if the Commissioner of Revenue would request a carefully selected and competent committee of accountants and other income tax experts to confer with the department with reference to this matter. It would seem a great convenience to taxpayers if they were furnished with duplicate forms.

4. If the income tax staff were increased adequately, a great deal more attention could and should be given to instructing the public in the making

out of returns. Examination of the files reveals appalling carelessness and ignorance on the part of many taxpayers. Serious thought ought to be given to some method of improving this situation. If returns were properly filled out, or if even 90 per cent of them were so filled out, it would eliminate a vast amount of correspondence.

5. Proper administration and the guidance of the legislature in the improvement of the law depend upon the collection and publication of proper statistics.

7. It might be worth while to try the experiment of having one first-class auditor stationed at Washington checking up corporation returns under the authority of existing law. Part of this auditor's time might be devoted to the checking of returns of foreign corporations. The present federal statute permits the examination of corporate returns, but not of individual returns by state officers. North Carolina's delegation in Congress might take the initiative in securing the coöperation of the delegations from other income tax states in changing the federal law so that individual returns of federal income taxes would also be open to inspection by state officers, under proper restrictions.

8. North Carolina might take the initiative in organizing an association of state income tax administrators. Such officials could discuss their common problems, promote uniformity of legislation and administration and secure the benefits commonly provided by such associations. Furthermore, they and their committees could stand ready to advise any state contemplating a new income tax law. Such advice would probably be welcome and might prevent faulty provisions that could be eradicated later only with great difficulty. Income tax states are vitally interested in the income tax laws and administration of other states.

9. Whether or not such an association is formed, it would probably be of considerable advantage not only to the income tax deputies but also to the State of North Carolina as well if one or more of them would occasionally make visits of inspection in the states with the most progressive administrations. Each of them should profit by an exchange of ideas and the state should profit by an increase in efficiency on their part.

In spite of all that has been said about needed improvement in administration, North Carolina's income tax must be counted as a remarkable success. The statute is well drawn and the administration excels that of most states. Furthermore, as noted in the beginning of this report, collections have increased with great rapidity and only the best of the income tax states show better results than North Carolina. But the administration of this law is so important a part of the state's fiscal system, that its continuing improvement should be the constant aim of the state. It should be liberally supported in appropritions to be expended in the discretion of the Commissioner of Revenue, and an increased personnel should be selected upon the basis of competency and merit.

These observations and recommendations are not, and are not intended to be, critical of the Department of Revenue or its management. This department has already achieved a large degree of success in the administration of the income tax. The recommendations are made for the constructive purpose of emphasizing the need for a larger appropriation in order to provide a more thorough administration as the income tax continues to grow in importance.

APPENDICES

TO

THE INCOME TAX

I. Statistical Tables

II. Comparison of North Carolina Income Taxes Upon Corporations and Partnerships

III. Cost of Administering Income Taxes In Various States

IV. Staffs for Income Tax Administration In Various States —Size, Organization, Etc.

APPENDIX I

TABLE 170—NORTH CAROLINA INCOME TAX EXEMPTIONS, BRACKETS, RATES AND COLLECTIONS

On Income of the Year	Brackets and Rates						Corporation Tax (Flat) No Exemptions	Income Tax Collections		
	1	2	3	4	5	6		Individual Income Tax	Domestic Corporation Tax	Foreign Corporation Tax
1922	\$0-\$2,500 1%	\$2,501– \$5,000 1½%	\$5,001– \$7,500 2%	\$7,501– \$10,000 2½%	Over \$10,000 3%		3%	\$ 513,935.13	\$1,469,658.60	\$ 250,182.14
1923	0– 2,500 1%	2,501– 5,000 1½%	5,001– 7,500 2%	7,501– 10,000 2½%	Over 10,000 3%		3%	745,720.47	1,690,355.38	1,137,275.99
1924	0– 2,500 1%	2,501– 5,000 1½%	5,001– 7,500 2%	7,501– 10,000 2½%	Over 10,000 3%	....	3%	975,058.82	1,940,436.28	1,565,883.10
1925	0– 2,500 1¼%	2,501– 5,000 2%	5,001– 7,500 2¾%	7,501– 10,000 3½%	10,001– 15,000 4¼%	Over \$ 15,000 5%	4%	977,681.05	1,166,569.78	1,607,098.40
1926	0– 2,500 1¼%	2,501– 5,000 2%	5,001– 7,500 2¾%	7,501– 10,000 3½%	10,001– 15,000 4¼%	Over 15,000 5%	4%	1,734,177.81	2,813,682.76	1,535,716.49
1927	0– 2,500 1¼%	2,501– 5,000 2%	5,001– 7,500 2¾%	7,501– 10,000 3½%	10,001– 15,000 4¼%	Over 15,000 5%	4½%	1,702,852.34	2,320,443.29	2,316,456.18
1928	0– 2,500 1¼%	2,501– 5,000 2%	5,001– 7,500 2¾%	7,501– 10,000 3½%	10,001– 15,000 4¼%	Over 15,000 5%	4½%	2,354,433.11	2,851,841.56	2,989,775.16

Personal exemptions have not been changed. They are \$1,000 for single persons, \$2,000 for heads of families and \$200 for dependents.

TABLE 171—STATE INCOME TAXES(1928) PERSONAL INCOME

State	Personal Exemption			Tax Rates	Methods of Collection and Distribution
	Single Person	Married Person or head of Family	Allowance for Dependent		
Delaware[1]	$1,000	$2,000		1% on first $3,000 of net income above exemption 2% on next $7,000. 3% on balance.	State School Tax Department for school purposes.[2]
Massachusetts[3]				Massachusetts incomplete income tax does not fit into this schedule.	
Mississippi[4]	$1,000	$2,000	$200 [6]	1% on first $1,000 net income above exemption. 1½% on second $1,000. 2% on next $3,000. 3% on next $5,000 4% on next $1,500. 5% on balance.	County collectors. Credited to general revenue fund of state.[2]
Missouri[5]	$1,000	$2,000	$200	1%	Collectors of revenue and city treasurers. Credited to general revenue fund of the state.[2]

[1]Prentice-Hall, Tax *Diary and Manual*, 1928, p. 3.

[2]U. S. Census, *Digest of State Laws Relating to Taxation and Revenue*, 1922, p. 537.

[3]*Exemptions.* $2,000 from business employment of trade; $1,000 of interest dividends or annuties if received by a person whose total income does not exceede $1,000 but the exemption is not given to any married person if the combined income of husband and wife exceed $1,500.

Rates. 1½% on income from annuties, professions, employment and trades of business. 3% net earnings from dealings in intangible personal property. 6% on interest and dividends. Prentice-Hall, *Tax Diary and Manual*, 1928, p. 7.

[4]Prentice-Hall *Tax Diary and Manual*, 1928, p. 7

[5]$200 for each dependent under 18 years of age or incapable of self-support or attending school or colege. Prentice-Hall, *Tax Diary Manual*, 1928, p. 8.

TABLE 171—STATE INCOME TAXES (1928) PERSONAL INCOME—*Continued*

State	Personal Exemption			Tax Rates	Methods of Collection and Distribution
	Single Person	Married Person or head of Family	Allowance for Dependent		
New Hampshire[1]	**$200**	**$200**	------------	**"The rate used is the average rate of taxation existing upon other property throughout the state excepting the polls, savings bank deposits and property specially taxed for the year in which the income is assessed."**	**Tax Commission, distributed to the towns and cities where taxpayers reside, except about 2% retained by state to pay cost of assessment and distribution.**[4]
New York[2]	**$1,500**	**$3,500**	**$400**	**1% on first $10,000 of net income less exemptions. 2% in amounts above $10,000 and not over $50,000. 3% on amounts over $50,000. Reductions of 25% allowed 1923, 1924, 1925 and for any returns due in 1926.**	**State tax commission through local agents. 50% credited to general fund of state. 50% to counties in proportion to assessed valuation of real property in each amount credited to counties is further distributed among cities and towns in proportion to assessed valuation of real property. A town may distribute not to exceed one-third of its share to school districts: balance used for general town purposes.**[3]

[1]Prentice-Hall, *Tax Diary Manual*, 1928, p. 11.
[2]Ibid, p. 12.
[3]Ibid, p. 14.
[4]Letter from Tax Commission in reply to questionaire Ibid, 1929, p. 12.

1923, 1924, 1925, and part 1926 25% (half states share) rebated, or allowed as a credit. P-H, 1929, p. 12.

TABLE 171—STATE INCOME TAXES(1928) PERSONAL INCOME—*Continued*

State	Personal Exemption			Tax Rates	Methods of Collection and Distribution
	Single Person	Married Person or head of Family	Allowance for Dependent		
North Carolina[3]	$1,000	$2,000[7]	$200	1¼% on first $2,500 above exemptions. 2% on next $2,500. 2¾% on next $2,500. 3½% on next $2,500. 4½ %on next $5,000. 5% on excess over $15,000.	Commissioner of Revenue Credited to general revenue fund of state.[4]
North Dakota[5]	$1,000	$2,000	$300[8]	1% on first $2,000 above exemptions. 2% on next $2,000. 3% on next $3,000 4% on next $2,000. 5% on next $2,000. 6% on excess of $10,000.	State treasurer. Credited to general fund of state.
Oklahoma[6]	$3,000	$4,000	$300 for child under 18, $500 while dependent is acquiring education. $200 other dependent.	7½ mills to the dollar on 1st $10,000. 15 mills to the dollar on next $15,000. 20 mills to the dollar on the balance.	State Treasurer. Credited to general fund of state.

[3] Ibid, p. 14.
[4] U. S. Census, *Digest of State Laws*, etc. *Relating to Taxation and Revenue*, p. 537.
[5] Prentice-Hall, *Tax Diary and Manual*, 1928, p. 16.
[6] Ibid, p. 18.
[7] An additional personal exemption of $1,000 is permitted a married person making a separate return of income from that made by the other spouse. Certain fiduciaries $1,000.
[8] For Children between 18 and 21 if dependent and attending school.

TABLE 171—STATE INCOME TAXES(1928) PERSONAL INCOME—*Continued*

State	Personal Exemption			Tax Rates	Methods of Collection and Distribution
	Single Person	Married Person or head of Family	Allowance for Dependent		
South Carolina[1]	$1,500	$2,500	$400[4]	1% on net income over exemptions and under $2,500. 1½% on net income between $2,500 and $5,000. 2½% on net income between $5,000 and $7,500. 3½% on net income between $7,500 and $10,000. 4½% on net income between $10,000 and $15,000. 5% on net income over $15,000.	State Treasurer through State tax commission. Credited to general fund of state.
Virginia[2]	$1,000	$2,000	$400	1½% on 1st $3,000 of net income. 2½% on next $2,000. 3% on net income over $5,000.	County and city treasurers. Credited to general fund of state[3].
Wisconsin[3]	$8.00 of tax	$17.50 of tax	$3.00 of tax	Normal. 1% 1st $1,000. 1¼% 2nd $1,000. 1½% 3rd $1,000. 1¾% 4th $1,000. 2% 5th $1,000. 2½% 6th $1,000. 3% 7th $1,000. 3½% 8th $1,000. 4% 9th $1,000. 4½% 10th $1,000. 5% 11th $1,000. 5½% 12th $1,000. 6% on excess over $12,000.	City, town and village treasurer. 40% State 10% County. 50% locality, except not over 2% of assessed value of district. Used for general expenses except that in cities of 1st class a certain amount must be created to the firemen's pension fund.[3]

[1] Prentice-Hall, *Tax Diary and Manual*, 1928, p. 21

[2] Ibid, p. 23.

[3] Digest of State Laws, 1922, p. 538.

[4] For dependents under 21 years.

TABLE 172—STATE CORPORATION INCOME TAX

State	Corporations Liable	Rate	Methods of Collection and Distribution
Connecticut[1]	Doing business in state and liable to federal income tax report.	2%[2]	Tax Commission for state purposes.[6a]
Delaware[3]	All corporations except those merely maintaining a principal office or place of business in the state.	2½ mills on each dollar of capital.[4]	
Massachusetts	Every Domestic Corporation.	$5.00 for $1,000 on the value of its corporate excess: 2½% of that part of net income covered in last federal return which is derived from business carried on within the state. Plus income from securities not taxable under Federal law and by adding back any net losses deducted for previous years' losses. Minimum tax one-twentieth of 1% of fair cash value of capital stock.[6]	

[1] Prentice-Hall, *Tax Diary and Manual*, 1929, p. 102.
[2] Based on the Connecticut portion of the amount of income on which the corporation was required to pay a tax to the United States, a minimum of $10 is due.
[3] Prentice-Hall, *Tax Diary and Manual*, p. 104.
[4] Including surplus and undivided profits used and invested in the state during the preceding calendar year plus $3.00 filing fee.
[5] Prentice-Hall, *Tax Diary and Manual*, p. 131.
[6] Domestic corporations deriving profits principally from ownership, sale, rental or use of real estate or tangible personal property are subject to a minimum tax of one-twentieth of 1% of their gross receipts from business assignable to Massachusetts.
[6] Tax Commission in reply to questionaire Nov. 1928.
[7] Edie and Metzger, *State Income Taxation*, p. 11.

TABLE 172—STATE CORPORATION INCOME TAX—*Continued*

State	Corporations Liable	Rate	Methods of Collection and Distribution
Mississippi[7]	Domestic and Foreign.	1% on first $1,000 of taxable income. 1½% on second $1,000 of taxable income. 2% on next $3,000 of taxable income. 3% on next $5,000 of taxable income. 4% on next $15,000 taxable income. 5% on income over $25,000.	Goes to State.[12a]
Missouri[8]	Domestic and Foreign[9]	1%	Goes to State.[12a]
Montana[10]	Domestic and Foreign	1%[11]	Goes to State [12a]
New York[12]	Corporations whose entire business is within the State.	Whichever of the following amounts is greatest: (a) 4½% on entire net income (13) or (b) 1 mill on every dollar of par stock issued or (c) a minimum of $10.00.	⅞ to State, ⅛ to County and Local districts.[12a]
	Corporations whose business is partly within and partly without the State.	Whichever of the following amounts is greatest: (a) 4½% on part of income represented by portion of its assets segrated to State. (b) 1 mill of every dollar of apportionment of face value of issued stock allocated to the State or (c) Minimum tax of $10.00	

[7] Prentice-Hall, *Tax Diary and Manual*, p. 138.

[8] Prentice-Hall, *Tax Diary and Manual*, p. 140, 141.

[9] The tax is based on net income derived from Missouri, except that in case of a corporation engaged in both interstate and intrastate business a reasonable allocation of all income which can not be definitely allocated, is included.

[10] Prentice-Hall, *Tax Diary and Manual*, p. 143.

[11] License tax based upon total net income received from all sources within Montana during the preceding calendar year ending Dec. 31st, or the company's fiscal year.

[12] Franchise tax on business corporations. Prentice-Hall, *Tax Diary and Manual*, p. 157, 158.

[12a] Edie and Metzger, *State Income Taxation*, p. 11.

TABLE 172—STATE CORPORATION INCOME TAX—*Continued*

State	Corporations Liable	Rate	Methods of Collection and Distribution
North Carolina[14]	Domestic Foreign	4½% on entire net income[15] 4½% on portion of net income[16]	State Revenue Commissioner for State uses[23]
North Dakota[17]	All corporations	3% on entire net income from North Dakota sources[18]	
South Carolina[19]	All corporations	4% on entire net incomes but income from business outside the state is deductible.	State Tax Commission for State uses[23]
Virginia[20]	All corporations	3% on net income attributable to business done and property owned within the State.	State uses[23]
Wisconsin[21]	All corporations	2% on 1st $1,000 2½% on 2nd $1,000 3% on 3rd $1,000 3½% on 4th $1,000[22] 4% on 5th $1,000 5% on 6th $1,000. 6% on 7th $1,000 6% on balance in addition surtax one-sixth above rates on income over $3,000	County Treasurer: 40% to State 10% to County 50% to locality where collected[24]

[14] Prentice-Hall, *Tax Diary and Manual*, p. 159.
[15] Income received from a business outside of North Carolina is deductible if such incomes is earned in a state that levies on income tax.
[16] Determined in accordance with certain arbitrary rules, the essence of which aims at taxing the incomes from business done only in the state.
[17] Prentice-Hall, *Tax Diary and Manual*, p. 162, 163.
[18] Net business income is apportioned on the basis that North Dakota business and property bear to the total business and property.
[19] Prentice-Hall, *Tax Diary and Manual*, p. 174, 175.
[20] Prentice-Hall, *Tax Diary and Manual*, p. 188, 189.
[21] Prentice-Hall, *Tax Diary and Manual* p. 199.
[22] Average net income computed by averaging net incomes or losses for 2 previous years except for 1928, when average income or losses for 1926-1927 or corresponding fiscal year is taken. Corporations doing business within and without the state are taxed only on such income as is derived from business transacted and property located within the state.
[23] State Tax Commission in reply to questionnaire Nov. 1928.
[24] Edie, p. 11.

TABLE 173—STATE INCOME TAXES COMPARED—INDIVIDUAL INCOME
Minimum and Maximum Rates and Amount to which they apply—(a)

	N. C.	S. C.	Va.	Wis.	N. Y.	Miss.	Mo.	Okla.	N. D.	Del.
Minimum Rates	1¼%	1%	1½%	1%	1%	1%	1%	¾%	1%	1%
Applies to first (above exemptions)	$ 2,500	$ 2,500	$ 3,000	$1,000	$10,000	$ 1,000	entire income	$10,000	$ 2,000	$ 3,000
Maximum Rates	5%	5%	3%	6%	3%	4%	1%	2%	6%	3%
Applies to taxable income above. [1]	$15,000	$15,000	$ 5,000	$12,000	$50,000	$15,000	0	$15,000	$10,000	$10,000
Personal exemptions single person	$ 1,000	$ 1,500	$ 1,000	$ 8.00	$ 1,500	$ 1,000	$ 1,000	$ 3,000	$ 1,000	$ 1,000
Husband and wife, or head of family	[2] $ 2,000	$ 2,500	$ 2,000	$17.50	$ 3,500	$ 2,000	$ 2,000	$ 4,000	$ 2,000	$ 2,000
Dependents	$ 200	[6] $ 400	$ 400	[7] $ 3.00	$ 400	[4] $ 200	$ 200	[3] $ 300	[5] $ 300	------

(a) Based chiefly upon Prentice-Hall *tax diary and manual, 1929, pp. 3-24.*

[1] Taxable income is net income, less personal exemptions, and some other deductions and exemptions in some states.

[1] An additional $1,000 personal exemption is permitted a married woman making a separate return of income. Certain fiduciaries $1,000.

[3] For child under 18, $500 while dependent is acquiring education. $200 other dependent.

[4] $200 for each dependent under 18, or incapable of self support or attending school or college Prentice-Hall Tax Diary Manual 1929, page 8.

[5] For children between 18 and 21 if dependent and attending school.

[6] For dependents under 21 years.

[7] Wisconsin exemptions are in tax rather than in income, as in other states.

TABLE 174—STATE INCOME TAXES COMPARED—1928

(Family of man, wife and two dependents assumed for purposes of including personal exemptions in their calculations)[1]

Amount Net Income	N. C.	S. C.	Va.	Wis.	N. Y.	Miss.	Mo.	Okla.	N. D.	Del.
$ 1,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
2,000	0	0	0	0	0	0	0	0	0	0
3,000	7.50	0	3.00	14.00	0	6.00	6.00	0	4.00	1.00
4,000	20.00	7.00	18.00	31.50	0	19.00	16.00	0	14.00	20.00
5,000	33.25	17.00	33.00	51.50	7.00	37.00	26.00	3.00	28.00	30.00
7,500	84.00	50.50	87.50	124.00	32.00	88.00	51.00	21.75	87.00	80.00
10,000	153.50	105.00	161.00	226.50	57.00	163.00	76.00	40.50	176.00	130.00
15,000	354.50	289.00	311.00	511.50	114.00	339.00	126.00	81.00	444.00	260.00
25,000	842.50	772.50	611.00	1,111.50	314.00	739.00	226.00	231.00	1,044.00	560.00
50,000	2,092.50	2,022.50	1,361.00	2,611.50	814.00	1,965.00	476.00	708.00	2,544.00	1,310.00
100,000	4,592.50	4,522.50	2,861.00	5,611.50	2,271.00	4,465.00	976.00	1,708.00	5,544.00	2,810.00
200,000	9,592.50	9,522.50	5,861.00	11,611.50	5,271.00	9,465.00	1,976.00	3,708.00	11,544.00	5,810.00
500,000	24,592.50	24,522.50	14,861.00	29,611.50	14,271.00	24,465.00	4,976.00	9,708.00	29,544.00	14,810.00
1,000,000	49,592.50	49,522.50	29,861.00	59,611.50	29,271.00	49,465.00	9,976.00	19,708.00	59,544.00	29,810.00
10,000,000	499,592.50	499,522.50	299,861.00	599,611.50	299,271.00	499,465.00	99,976.00	199,708.00	599,244.00	299,810.00

[1] Calculations based upon rates and personal exemptions given in Prentice-Hall, *Tax Diary and Manual*, 1929, pp. 3-24.

TABLE 175—STATE INCOME TAXES COMPARED—1928

Percentage of tax to net income (before exemptions).
(Income of man wife and two dependents)

Amount of Net Income	N. C.	S. C.	Va.	Wis.	N. Y.	Miss.	Mo.	Okla.	N. D.	Del.
$ 1,000	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
2,000	0	0	0	0	0	0	0	0	0	0
3,000	.25	0	.10	.47	0	.20	.20	0	0	.33
4,000	.50	.17	.45	.79	0	.47	.40	0	0	.50
5,000	.66	.34	.66	1.03	.14	.74	.52	.06	.56	.60
7,500	1.12	.67	1.17	1.65	.43	1.17	.68	.29	1.16	1.07
10,000	1.53	1.05	1.61	2.24	.57	1.63	.76	.41	1.76	1.30
15,000	2.36	1.93	2.07	3.41	.76	2.21	.84	.54	2.96	1.73
25,000	3.37	3.09	2.44	4.45	1.26	2.96	.90	.92	4.18	2.24
50,000	4.18	4.04	2.72	5.22	1.63	3.95	.95	1.42	5.09	2.62
100,000	4.59	4.52	2.86	5.61	2.27	4.43	.98	1.71	5.54	2.81
200,000	4.80	4.76	2.93	5.81	2.63	4.73	.99	1.85	5.77	2.90
500,000	4.91	4.90	2.97	5.92	2.85	4.89	.99	1.94	5.91	2.96
1,000,000	4.96	4.95	2.99	5.96	2.93	4.95	1.00	1.97	5.95	2.98
10,000,000	4.99	4.99	3.00	6.00	2.99	4.99	1.00	2.00	5.99	3.00

TABLE 176—STATE INCOME TAXES COMPARED—1928

Single Man (to the nearest dollar)

Amount Net Income	N. C.	S. C.	Va.	Wis.	N. Y.	Miss.	Mo.	Okla.	N. D.	Del.
$ 1,000	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
2,000	12.00	5.00	15.00	14.00	5.00	10.00	10.00	10,00	10.00	10.00
3,000	25.00	15.00	30.00	29.00	15.00	25.00	20.00	0	20.00	20.00
4,000	42.00	25.00	45.00	47.00	25.00	45.00	30.00	7.00	40.00	30.00
5,000	61.00	40.00	70.00	67.00	35.00	65.00	40.00	15.00	60.00	50.00
7,500	122.00	87.00	140.00	139.00	60.00	130.00	65.00	34.00	140.00	100.00
10,000	202.00	160.00	215.00	242.00	85.00	205.00	90.00	52.00	250.00	150.00
15,000	417.00	370.00	305.00	527.00	170.00	395.00	140.00	105.00	540.00	290.00
25,000	912.00	862.50	665.00	1,127.00	370.00	795.00	240.00	255.00	1,140.00	590.00
50,000	2,162.00	2,112.50	1,415.00	2,627.00	870.00	2,035.00	490.00	740.00	2,640.00	1,340.00
100,000	4,662.00	4,612.50	2,915.00	5,627.00	2,355.00	4,535.00	990.00	1,740.00	5,640.00	2,840.00
200,000	9,662.00	9,612.50	5,915.00	11,627.00	5,355.00	9,535.00	1,990.00	3,740.00	11,640.00	5,840.00
500,000	24,662.00	24,612.50	14,915.00	29,627.00	14,355.00	24,535.00	4,990.00	9,740.00	29.640.00	14,840.00
1,000,000	49,662.00	49,612.50	29,915.00	59,627.00	29,355.00	49,535.00	9,990.00	19,740.00	59,640.00	29,840.00
10,000,000	499,662.00	499,612.50	299,915.00	599,627.00	299,355.00	499,535.00	99,990.00	199,740.00	599,640.00	299,840.00

TABLE 177—STATE INCOME TAXES COMPARED—1928

Percentage of tax to net income (before exemptions)
(Income of single man.)

Amount of Net Income	N. C.	S. C.	Va.	Wis.	N. Y.	Miss.	Mo.	Okla.	N. D.	Del.
$	%	%	%	%	%	%	%	%	%	%
1,000	0	0	0	.20	0	0	0	0	0	0
2,000	.62	.25	.75	.72	.25	.50	.50	0	.50	.50
3,000	.83	.50	1.10	.98	.50	.83	.67	0	.67	.66
4,000	1.06	.62	1.12	1.17	.62	1.12	.75	.18	1.00	.75
5,000	1.22	.80	1.40	1.34	.70	1.30	.80	.30	1.20	1.00
7,500	1.63	1.17	1.60	1.86	.80	1.73	.87	.45	1.87	1.33
10,000	2.02	1.60	1.95	2.42	.85	2.05	.90	.52	2.50	1.50
15,000	2.78	2.47	2.30	3.51	1.13	2.63	.93	.70	3.60	1.93
25,000	3.65	3.45	2.58	4.51	1.48	3.18	.96	1.02	4.56	2.36
50,000	4.32	4.22	2.79	5.21	1.74	4.07	.98	1.48	5.28	2.68
100,000	4.66	4.61	2.89	5.61	2.35	4.53	.99	1.74	5.64	2.84
200,000	4.83	4.81	2.95	5.80	2.68	4.77	.99	1.87	5.82	2.92
500,000	4.93	4.92	2.98	5.92	2.87	4.91	1.00	1.95	5.93	2.97
1,000,000	4.97	4.96	2.99	5.96	2.93	4.95	1.00	1.97	5.96	2.98
10,000,000	5.00	5.00	3.00	6.00	2.99	4.99	1.00	2.00	6.00	3.00

TABLE 178—STATE INCOME TAX COLLECTIONS

	1922	1923	1924	1925	1926	1927	1928
Connecticut	$1,930,308[1]	$ 845,499[1]	$2,158,947[1]	$2,626,842[1]	$1,995,923[1]	$2,586,851[1]	$2,623,011[1]
Delaware	295,682[2]	368,237[3]	540,684[4]	573,702[5]	1,212,232[6]	1,049,188[7]	----------
Massachusetts	13,290,226[8]	14,621,827[8]	17,105,335[8]	16,951,267[8]	21,952,482[8]	20,243,305[8]	24,220,801[14]
Mississippi	41,517[9]	24,874[10]	105,867[11]	642,512[12]	1,789,189[13]	----------	----------

[1] State Tax Commission in reply to questionnaire, November, 1928
[2] State Treasurer's Report, 1922 p. 31.
[3] Financial Statistics of State, 1923, p. 75.
[4] Ibid, 1924, p. 73.
[5] Ibid, 1925, p. 70.
[6] State Auditor's Report, 1926, p. 38.
[7] Report of State Treasurer, 1927, p. 29.
[8] Net amount collected for the levy of each year, Report of Com. of Corporations and Taxation 1927, p. 107.
[9] Biennial Report of State Auditor, 1921-22, p. 16.
[10] Ibid 1923-25, tables facing 6.
[11] Financial Statement, 1924, p. 4.
[12] Mississippi, Business, 1925, p. 2.
[13] Mississippi, Business, 1926, p. 3.
[14] To December 27, 1928. Letter from Commissioner Long.

TABLE 178—STATE INCOME TAX COLLECTIONS—*Continued*

	1922	1923	1924	1925	1926	1927	1928
Missouri	$2,567,545[1]	$2,867,727[1]	$3,344,712[1]	$3,606,374[1]	$4,336,117[1]	$4,029,958[1]	$3,611,424[1]
Montana	112,897[2]	153,686[3]	238,120[4]	214,936[5]	288,921[5]	----------	----------
New Hampshire	----------	----------	218,000[6]	433,653[6]	452,997[6]	502,092[6]	569,903
New York[7]	30,396,571	38,164,287	27,678,062	35,555,933	42,594,359	53,825,000[8]	63,675,389[9]

[1] To Nov. 20. State Auditor in reply to questionnaire, November, 1928.
[2] Report of Auditor, 1921-22, p. 18.
[3] Ibid, 1923-24, p. 28.
[4] Ibid, p. 31.
[5] Ibid, 1925-26, p. 14.
[6] State Tax Commission in reply to questionnaire, November, 1928.
[7] Personal income tax only. Report of State Tax Commission, 1926, p. 187.
[8] Approximate.
[9] Collected for 1927 to date of letter by Commissioner, Dec. 27, 1928

TABLE 178—STATE INCOME TAX COLLECTIONS—*Continued*

	1922	1923	1924	1925	1926	1927	1928
North Carolina	[1] $2,233,780	[1] $3,577,350	[1] $4,481,378	[1] $3,751,349	[1] $6,083,577	[1] $6,339,751	$8,196,049
North Dakota	----------	[2] 173,566	[3] 385,568	[4] 385,654	[5] 557,959	[6] 614,100	----------
Oklahoma	[7] 395,386	[7] 301,964	[7] 189,765	[7] 318,242	[7] 335,714	[7] 362,183	[7] 1,088,866
South Carolina	[1] 1,041,345	[1] 2,032,781	[1] 2,231,186	[1] 1,360,350	[1] 1,558,659	[1] 1,762,194	[1] 2,172,095 to Nov. 15.
Virginia	[8] 2,222,036	[9] 1,147,763	[10] 1,543,992	[11] 1,688,034	[12] 1,691,718	[13] 3,452,814	[14] 3,428,754
Wisconsin	[15] 10,080,223	[15] 6,101,790	[15] 9,567,128	[15] 8,922,917	[15] 13,820,338	[15] 18,775,019	----------

[1] State Tax Commission in reply to questionnaire, November, 1928.
[2] Report of the State Treasurer, 1923, p. 8.
[3] Financial Statistics of States, 1924, p. 72.
[4] Ibid, 1925, p. 70.
[5] Report of the State Treasurer, 1926, p. 8.
[6] Ibid, 1927, p. 7.
[7] Biennial Report of the State Auditor, June 30, 1928, p. 23.
[8] Report of the Treasurer, 1922, p. 7.
[9] Financial Statistics of States, 1923, p. 74.
[10] Ibid, 1924, p. 72.
[11] Report of Auditor, 1925, p. 5.
[12] Report of Treasurer, 1926, p. 13.
[13] Report of the Auditor, 1927, p. 10.
[14] Ibid, p. 7.
[15] Income taxes in Wisconsin are levied on income of the preceding year and paid the following year. For example, taxes paid in 1926 are levied on the income of 1924, assessed in 1925. Before 1926, a tax payer was permitted to pay either the personal property tax or the income tax whichever was larger. After 1925, this "personal property offset" was no longer permitted and both personal property and income taxes must be paid. This accounts for the increase in personal income tax collections of 1926. The corporation income tax collections for both 1926 and 1927 are much larger because of a large assessment of back taxes and an increase in the amount of income assessed.

TABLE 179—PER CAPITA INCOME TAX YIELDS [1]

	1925	1926	1927	1928
North Carolina	$1.32	$2.15	$2.20	$2.85
South Carolina	.74	.85	.96	1.18
Connecticut	1.65	1.26	1.60	1.62
Delaware	2.40	5.07	4.35	----
Massachusetts	4.04	5.24	4.78	5.71
Mississippi	.36	1.00	----	----
Missouri	1.03	1.24	1.15	1.03
Montana	.31	.42	----	----
New Hampshire	1.11	1.26	----	----
New York	3.17	3.79	4.74	5.60
North Dakota	.60	.87	.96	----
Oklahoma	.14	.14	.15	.46
Virginia	.67	.68	1.36	1.35
Wisconsin	3.11	4.82	6.45	----

[1] At the time these calculations were made only part of the desired population figures were at hand. The 1925 and 1927 U. S. Census Population figures for those respective years were used. 1926 Population figures given in Financial Statistics of States for 1926 were used for 1926. The Population figures for 1927 were used for 1928. The errors resulting are not large.

TABLE 180—FEDERAL INCOME TAXES—Individuals—North Carolina

NORTH CAROLINA

Year	Number of returns	Net Income		Tax	
		Total	Average	Total	Average
1916	2,207	$ 24,825,826	$ 11,249.00	$ 560,970	$ 254.00
1917	22,977	84,220,131	3,665.00	2,747,673	120.00
1918	21,738	89,748,811	4,129.00	5,575,001	256.00
1919	37,185	161,613,467	4,346.00	10,010,348	269.00
1920	47,342	163,799,837	3,460.00	9,620,675	203.00
1921	44,161	127,992,951	2,898.00	3,760,499	85.00
1922	58,009	171,929,259	2,964.00	4,908,611	85.00
1923	68,191	206,638,618	3,030.90	4,767,257	70.00
1924	63,864	200,888,953	3,145.00	3,777,873	59.00
1925	38,740	161,623,754	4,172.00	3,178,767	82.00
1926	35,332	153,231,981	4,337.00	3,398,245	96.00

(Note) Statistics of Income for 1926, p. 174.

TABLE 181—FEDERAL INCOME TAXES—CORPORATIONS (North Carolina)

Year	Total No. of corporations	CORPORATIONS REPORTING NET INCOME				
		Total No. reporting net income	Net Income	Income tax	War profits and excess profits tax	Total tax
1916	5,021	3,438	$ 60,882,803	$ 1,200,185	----------	$ 1,200,185
1917	5,155	3,986	91,608,121	4,124,725	$ 16,228,373	20,353,098
1918	4,212	3,362	107,028,177	6,661,419	44,016,680	50,678,099
1919	4,396	3,501	114,681,366	8,707,081	21,102,835	29,809,916
1920	4,812	3,143	102,277,769	7,985,041	15,985,211	23,970,252
1921	4,914	2,529	65,426,587	5,401,565	7,597,915	12,999,480
1922	5,714	3,486	99,169,237	11,410,349	55,608	11,465,957
1923	5,987	3,810	107,931,479	12,502,613	----------	12,502,613
1924	6,085	3,529	83,731,523	9,726,312	----------	9,726,312
1925	6,267	3,762	106,623,327	12,821,971	----------	12,821,971
1926	6,450	3,686	102,878,778	13,016,769	----------	----------

(Reference)

Statistics of Income for 1925, Page 156.
Statistics of Income for 1926, Page 314.

APPENDIX II

PARTNERSHIP
NET INCOME—$669.03

2 Partners	Partnership	Other Incomes	Deductions	Personal Exemptions	Taxable Net Income	Rate of tax in upper brackets in which partnership income falls	Amount of tax on part of income derived from partnership
1	$ 334.51	$ 2,060	$ 408	$ 2,000	$ 0	% 0	$ 0
2	334.51	8,680	4,205	2,600	2,184.39	1¼	4.18
							$4.18

Corporation—Net Income—$669.03.
Tax at 4½%—$30.10.

PARTNERSHIP
NET INCOME—$3,002.87

2 Partners	Partnership Income	Other Incomes	Deductions	Personal Exemptions	Taxable Net Income	Rate of tax in upper brackets in which partnership income falls	Amount of tax on part of income derived from partnership
1	$1,201.15	$ 2,340	$ 109.75	$ 2,400	$ 581.40	% 1¼	$7.27
2	1,801.72	3,033.75	1,600.68	2,600	3.49	1¼	.04
							7.31

Total State income tax paid by partners on partnership income.

Note—Both of above partners reported no taxable net income, failing to report salary of $2,340 each, charged to partnership. They would pay tax indicated above by including these salaries as they should have been included.

Corporation with sameamount of net income tax at 4½%—$135.13.

PARTNERSHIP
NET INCOME—$26,380.50

4 Partners	Partnership Income	Other Incomes	Deductions	Personal Exemptions	Taxable Net Income	Rate of tax in upper brackets in which partnership income falls	Amount of tax on part of income derived from partnership
1	$6,595.12	$ 0	$1,942	$ 2,400	$ 1,978	1¼%	$24.73
2	6,595.12	0	2,549	2,400	1,396	1¼%	17.45
3	6,595.12	0	2,164	2,600	1,680	1¼%	21.00
4	6,595.12	0	2,468	2,200	1,777.12	1¼%	22.21
	$26,380.50			$ 9,600			$85.38

Corporation—Net Income—$26,380.50.
Tax at 4½%—$1,187.12.

PARTNERSHIP
NET INCOME—$75,840.00

4 Partners	Partnership Income	Other Incomes	Deductions	Personal Exemptions	Taxable Net Income	Rate of tax in upper brackets in which partnership income falls	Amount of tax on part of income derived from partnership
1	$ 20,224	$ 3,927	$ 21,534 (worthless debts $18,425)	$ 2,000	$ 490	1¼%	$6.13 (or 0)
2	20,224	4,504	2,490	2,200	19,933	2–5%	638.
3 Res. N. Y.	20,224 (15,771 N.C.)	43	97	1,000	14,690	1¼–4½%	266. ($182.01 on N.Y.)
4	15,168	227	809	2,000	9,588	1¼–3½%	220.25
							$1130.38

(One lives in N. Y.)
Corporation—Net Income—$75,840.
Tax at 4½%—$3,412.80.

PARTNERSHIP
NET INCOME—$79,448.05

3 Partners	Partnership Income	Other Incomes	Deductions	Personal Exemptions	Taxable Net Income	Rate of tax in upper brackets in which partnership income falls	Amount of tax on part of income derived from partnership
1	$26,482.69	$17,338.68	$4,436.79	$ 2,000	$31,476.91		
	5.88					2%	$ .12
	2,500.00					2¾%	68.75
	2,500.00					3½%	87.50
	5,000.00					4½%	225.00
	16,476.81					5	823.84
							$1,205.21
2	$26,482.69	[2] $15,290.68	[3] $3,644.59	$ 2,400	$33,978.08		
	4.61					2¾%	113
	2,500.00					3½%	87.50
	5,000.00					4½%	225.00
	18,978.08					5	948.91
							$ 1,261.54
3	$26,482.68	[2] $15,245.97	[4] $2,009.44	$ 2,200	$37,169.21		
	4,313.47					4¼%	194.11
	22,169.21					5 %	1,108.46
							1,302.57
							$ 3,769.32

[1] Deductions do not include contributions $5,907.67. Return showed contributions as $9,959.90.
[2] Partnership salary, $15,000.00.
[3] Contributions, $1,750.50.
[4] Contributions, $350.00.
Corporation income of $79,448.05 at 4½%—$3,575.16.

APPENDIX III

COST OF ADMINISTERING INCOME TAXES IN VARIOUS STATES

The cost of administering income taxes is rather difficult to determine with accuracy. This is because in nearly all of the states, part or all of the same staff that is engaged in income tax administration is also used to aid in the assessment and collection of other taxes. In most cases it is rather difficult to separate these joint costs with exactness. Numerous states make no effort to separate them and other states that attempt to do so are not altogether successful. These facts should be kept in mind in considering the following data on costs.

Mr. J. R. Collie, of the North Carolina Department of Revenue, has prepared the following statement of costs for this report.

STATEMENT OF REVENUE COLLECTED—STATE OF NORTH CAROLINA
1926–1927–1928, and the cost thereof.
(Calendar Years)

	Collected	Cost	Per Cent
1926			
Inheritance Tax A	$ 735,028.84	$ 32,175.95	4,377
Privilege Tax B	1,124,983.53	70,617.78	6,188
Franchise Tax C	3,183,122.38	20,468.54	0.643
Income Tax D	6,217,561.03	68,495.46	1.101
Total	$ 11,260,695.78	$ 191,757.73	1.720
1927			
Inheritance Tax A	$ 736,191.43	$ 29,721.54	4.050
Privilege Tax B	1,413,761.40	67,386.05	4.766
Franchise Tax C	3,394,651.85	21,911.60	.616
Income Tax D	6,376,971.50	66,101.03	1.036
Total	$ 11,921,575.68	$ 185,120.22	1.553
1928			
Inheritance Tax A	$ 1,167,216.90	$ 30,102.23	2.579
Privilege Tax B	1,373,271.93	73,904.94	5.542
Franchise Tax C	3,708,646.55	23,736.12	.640
Income Tax D	8,210,264.13	72,444.51	.894
Total	$ 14,459,399.51	$ 200,187.80	1.384
Total three years	$ 37,641,670.92	$ 577,065.75	1.533

This statement shows not only the relatively low cost of collecting the income tax in North Carolina as compared with the cost of collecting inheritance and privilege taxes, but shows in addition the decreasing cost of collection with increasing yields of the tax.

Separating the data for income tax from that for the other state taxes, we have the following summary figures for North Carolina:

Year	Amount Collected	Cost	Per Cent
1926	$6,217,561.03	$68,495.46	1.101
1927	6,376,971.50	66,101.03	1.036
1928	8,210,264.13	72,444.51	.894

Following are data relative to the cost of administration in Massachusetts:[1]

Year	Amount Collected	Cost	Per Cent
1918	$14,956,925	$319,961	2.14
1919	15,771,567	374,694	2.37
1920	17,599,097	399,293	2,27
1921	15,089,036	433,094	2,87
1922	13,290,226	450,489	3.39
1923	14,621,877	437,477	2.99
1924	17,105,335	452,090	2.64
1925	16,951,267	472,006	2.78
1926	21,952,483	479,304	2.18
1927	20,243,305	485,660	2.40
1928	24,220,801	514,284	2.12

Following are some cost figures for New York:[2]

Year	*Cost of Adminis-tration, Pct.*	*Year*	*Cost of Adminis-tration, Pct.*
1920	2.69	1923	2.066
1921	2.86	1924	2.88
1922	2.65	1925	2.41
		1926	1.89

The following are some figures of costs for Wisconsin.[3] Inasmuch as these do not show the entire cost, it is perhaps not justifiable to calculate the percentage figures for Wisconsin.

Fiscal Year Ending June 30	Income Tax Department (Corporation)	Assessors of Incomes (Individual)	Verification of Income Tax (Corporation and Individual)	Estimated Total Cost of Assessing Income Tax
1922	$12,695	$127,224	$38,234	$178,153
1923	8,410	134,018	57,805	200,233
1924	9,303	127,317	71,462	208,082
1925	6,795	134,600	89,248	230,643
1926	7,638	130,090	96,239	233,967
1927	10,782	138,466	95,129	244,377
1928	13,626	143,044	105,378	262,048

[1]See Report of the Commissioner of Corporations, 1927, pages 107 and 112. The data for 1928 were furnished by Commissioner Long in a letter of December 27, 1928.
[2]See Report of the Tax Commission, 1926, page 187.
[3]Wisconsin data from letters from Commissioner, dated December 18 and December 27, 1928.

These data, together with data in letters from Wisconsin Commission, show that their costs of collection run from 1½ per cent to 2 per cent of collections and even more before their collections reached their present huge totals.

Collection figures for Wisconsin are as follows:

1922	$10,080,223	1925	8,912,917
1923	6,101,770	1926	13,820,338
1924	9,567,128	1927	18,775,019

New Hampshire[1] costs of administration.

Year	*Amount Collected*	*Cost of Administration*
1924	$218,000	3.2%
1925	433,653	1.5%
1926	452,998	2.0%
1927	502,092	2.04%
1928	569,903	1.6%

For North Dakota the cost will average about $11,000 per year, according to the Tax Commissioner. The amounts collected from income tax in North Dakota for each of the last five years are as follows:[2]

Year	*Amount Collected*	*Cost of Administration*
1923	$173,563	6.34%
1924	378,788	2.90%
1925	431,562	2.55%
1926	635,376	1.73%
1927	455,410	2.41%

The cost in South Carolina in 1923 was 2.547 per cent of the amount collected. The cost in 1926 can be computed from the following: The total amount collected in 1926 was $1,560,082. The cost of administering the tax in 1926 was $61,502,[3] equal to 3.9%.

The following are costs for Oklahoma:[4]

Year	Amount Collected	Cost	Cost Per Cent
1925	$318,982	$10,800	3.38%
1926	335,714	10,800	3.22
1927	362,183	10,800	2.98
1928	1,088,887	10,800	.99

[1]Letter of John G. Marston, Director, Taxation Interest and Dividends, December 17, 1928.

[2]See Report of the Tax Commission, 1923-24, page 98, and 1925-26, page 53.

[3]See Report of the South Carolina Tax Commission, 1923, page 14; see report of the Tax Commission, 1926, page 172; see report of the Tax Commission, 1926, page 12. A large part of the data of costs of administration given herewith was kindly furnished the Tax Commission by Professor Truman C. Bigham of the University of Arkansas in a letter of December 21, 1928.

[4]From letter of Scott Stine, Assistant Auditor, December 26, 1928.

The above are about all the dependable data available for recent years. Comstock's "State Taxation of Personal Incomes" published in 1921 gives the following costs:

Wisconsin—1 to 3%
Oklahoma—2 to 3%
Massachusetts—1.44 to 2%
Virginia—a little less than 4%
Delaware—about 3%
New York—2 to 3% in the first year of administration
North Dakota—1.65%

Mississippi income tax costs are not separated from the cost of administration of other taxes, as is true also in the case of Missouri.

Most of these costs quoted from Comstock are for about 1918-1920.[1]

[1]See Comstock's "State Taxation of Personal Incomes," pages 48, 58, 64, 79, 88, 91, 126, 144.

APPENDIX IV

INCOME TAX STAFFS OF VARIOUS STATES

SUMMARY OF DATA

Inasmuch as it would give undue publicity to the salaries of various individuals, it seems unwise to publish in detail all of the information available relative to the staffs of the different states. It seems better to make a brief summary, although the organization, classification, and some other matters are so different in different states that it is not possible to make exact comparisons. Furthermore, there is always danger of misinterpreting the data secured chiefly by corespondence. These facts should be kept in mind with respect to the following summaries.

North Carolina. The office staff in this state consists of a chief, two accounting clerks, two principal general clerks, two file clerks, two stenographic clerks, and one junior accounting clerk, besides two assistants. Besides the chief, none of them receive over $1,800. Most of the auditing of individual incomes of the entire state is done by two of these clerks with such assistance as the chief can give. One clerk and two assistants check the information-at-source slips.

For the auditing of the corporation returns there is a field force of five, one of whom is in training at present. The maximum compensation for these is $3,000.

Eighteen general deputies, who have practically no technical training for income tax administration, assist in filling out returns for forty-five days prior to March 15 of each year. Throughout the rest of the year they give what is estimated as one-fifth of their time to income tax administration, though most of their duties are in connection with license taxes.

Wisconsin. Central Office Staff.—This state has six auditors employed in the office in assessing current corporation returns and supervising returns made by field auditors with salaries ranging from $4,500 to $1,800. It has nineteen field auditors employed on corporation audits with salaries ranging from $4,000 to $1,800. Nine of them receive $3,600 or over. There are nine auditors and one accounting clerk employed in the audit of returns of individuals, partnerships and fiduciaries, with salaries ranging from $3,700 to $1,800, the majority of these auditors receiving $3,000 or more.

Field Staff engaged with Taxes on Individuals.—Twenty-eight assessors or supervisors of income tax are placed over as many districts. They receive salaries ranging from $5,000 to $2,200 per year. In addition each of these supervisors has at least one assistant and the Milwaukee man has five. It is estimated that three-fourths of the time of this field force is devoted to income tax administration and the rest to supervising the local property assessors and checking tax data. Practically all of them are technically trained for income tax administration.

Besides the above, the Wisconsin staff includes a clerical and stenographic force, the cost of which is approximately $15,000 a year.

Massachusetts. The income tax staff consists of 220 persons, 66 men and 154 women. Deputies are started at $2,280 and go to $2,820; assessors are paid from $3,180 to $3,720. There are eleven auditors in the main office and more than ten district offices. The number of auditors in each is not reported. The following paragraph from a letter of the Massachusetts Commissioner is suggestive.

"We have our income tax work so arranged that we have about sixty which might be called a 'mobile force.' That is, we throw sixty of them at the beginning of the year on to the receiving of the returns and aiding the people who are filing returns. That same crew is then thrown on to the assessment of the tax, and stays until the assessment is completed. They are then given a vacation and immediately upon returning assist in receiving the collections, and then immediately go on to the gathering of statistics which by the time that is finished brings us to another year when the returns must be taken in again."

New York. Following are extracts from the information furnished by the Tax Commission of New York.

"Our present force consists of 303 employees, of which 149 are male and 154 female. This number includes executives in the main office at Albany and district directors who manage district offices, of which there are seven located in as many districts throughout the state. Our employees are selected from civil service eligible lists after they have qualified for the position by passing a competitive examination therefor. They are appointed by the Commissioner of Taxation and Finance under civil service rules. The law and regulations governing our Civil Service Commission are strictly adhered to. The test is merit and fitness.

These 303 employees are divided into several classifications. First, and perhaps most important, is the audit division. This division is composed of 151 auditors—classified, 37 senior auditors, 54 auditors and 59 junior auditors. These employees perform audit service graded in importance in accordance with title indicated. The salary range for these employees is from $3,600 to $1,400 per annum.

Next, we have the files division. This consists of 46 employees directed by a chief of the division and subdivided into five sections managed by section chiefs. The main section of this division is divided into three sub-sections of the alphabet, A-F, G-M, N-Z. It is equipped with 900 metal file cases, consisting of four drawers each. The index used is second largest in letter size known to be in use in the United States. The alphabet is divided into 7,400 parts, decimally numbered for sur-names, each part containing ten consecutive numbers of given names, making a total of 74,000 subdivisions of the twenty-six letters of the alphabet. We also have fiduciary and partnership sections. Salary scale for employees of the files division ranges from $1,800 to $960 per annum.

The collection division is next, which in a general way has charge of collection of taxes and assessments. This division has a chief and fourteen employees. Collections are also made in the various district offices reporting their main transactions to the main office in Albany. The salaries paid employees in this division range from $2,100 to $960 per annum.

Our stenographic section is composed of a chief in charge and twenty-four stenographers; salaries being from $1,800 to $960 per annum.

We have a comptometer section where returns are mechanically computed; and addressograph plate filing section; a multigraph section and a mimeograph section. These sections are in charge of a chief who supervises the work of thirty-four employees engaged in these activities. The salaries paid range from $1,500 to $960 per annum."

Virginia. Following is an extract from a letter of the Virginia State Tax Commissioner.

"The corporation income tax law is administered altogether by the State Department of Taxation. The individual income tax law is administered locally in large measure. By this is meant that the regular assessing officers are charged with the duty of getting returns from individuals in the first instance. In Virginia the regular assessing officers are the commissioners of the revenue, and we have one commissioner of the revenue for each county and city. The Department of Taxation, however, supervises the administration of the individual income tax law and operates an extensive check-up system, under which all ascertainable delinquents are assessed by the Department of Taxation.

The personnel of the division of corporation taxes of the Department of Taxation is small. This division not only looks after the corporation income tax law, but it also operates a check-up system applicable to capital and license taxes.

The annual salaries in the division of corporation taxes amount to $10,880 and the cost of operating that division is very small. There are only six people employed.

The division of individual taxes is much larger in personnel than the division of corporation taxes. Probably as many as fifteen people are employed in that division. As a rule, however, the salaries are small.

The entire force of the Department of Taxation is composed of forty-two. Salaries range anywhere from $960 per annum up to $4,000, with the exception of the State Tax Commissioner.

The State Tax Commissioner is appointed by the Governor, subject to confirmation by the General Asembly. In my opinion, it is ridiculous to elect a State Commissioner of Revenue as you do in North Carolina. In Virginia, however,the local commissioners of the revenue are elected by the people. This system is bad, but it does not necessarily follow that local appointments would be better than the present system. Theoretically, appointment is better than election, but we must always assume that proper care will be exercised by the appointing power.

North Carolina. Federal Income Tax Staff.—Most of the federal income tax returns for individuals are audited in the office of the collector, Mr. Gilliam Grissom. Some of the difficult individual cases and most of the corporation returns are audited in the office of the revenue agent in charge, Mr. W. L. Shuck of Greensboro. The collector has in his office a total staff of sixty-one, including himself. There are three on desk audit of income taxes all the time.

There are twenty-one field deputies that devote about three-fourths of their time to income tax. There are thirty others that devote about three-fifths of their time to income tax work.

The above information was furnished by Collector Gilliam Grissom of Raleigh, North Carolina.

The following is an extract from a letter of W. L. Shuck, internal revenue agent in charge, stationed at Greensboro, North Carolina. It should be noted that most of the auditing of individual returns in North Carolina is done by the collector and that most of the work of the revenue agent in charge has to do with the auditing of corporation returns.

" * * * * * * * * * in the Greensboro Division we have a staff of twenty-one field officers engaged in verifying income tax returns; that, on an average, each officer will handle eighteen cases per month, or about 216 cases each year.

" * * * * * In addition to the twenty-one field auditors, we have one reviewer of reports, and one conferee for protested cases, three typists of field officers' reports, and two stenographers.

"In regard to the field auditors, the requirements are that they shall have had at least a high school education, also, a course in corporation accounting, and be able to, if necessary, from crude books and records make up balance sheets, financial statements and trial balances. A number of our force are certified public accountants, and on a whole, the service requires men of more than average intelligence, education and personality."

CHAPTER XXI

THE TAXATION OF HIGHWAY ADVERTISING SIGNS

North Carolina has built a magnificent state system of highways, comprising approximately 7,500 miles of improved roads—an achievement in which the state takes modest pride. This system represents an investment of upwards of $200,000,000, including bond issues and amounts spent out of current income. In addition, the counties have spent large sums improving the secondary road system of the state.

Business enterprises have not been slow in taking advantage of the advertising possibilities of the new highways. Every car moving over these roads carries potential buyers of products. Advertising signs have multiplied rapidly and will doubtless be erected in increasing numbers in the future. If the state invests millions of dollars to provide an audience, why should not business take advantage of the fact to address that audience? The question of immediate interest to the Tax Commission is whether business firms using the highways for advertising purposes should pay the state anything for the privilege.

There is undoubtedly considerable sentiment in the state to prohibit altogether the use of advertising signs along the highways. Letters to the State Highway Commission and to other state officials, public addresses, communications to newspapers, resolutions of civic organizations, all testify to this sentiment. It is contended that these signs mar the beauty of the country, that they disfigure the landscape and commercialize the out-of-doors. Many citizens and taxpayers seriously and conscientiously feel that it is bad policy for the state to allow its highways to be used as media of commercial advertising.

However, the complete prohibition of advertising signs along the highways is outside the province of a Tax Commission. It is a matter of policy to be decided by the legislature and the courts. Should such signs be prohibited and would such a prohibition be constitutional, applying as it would to private property? The only way taxation could be involved in such a policy would be for the legislature to attempt to accomplish prohibition by levying a prohibitive tax upon such signs.

Of more immediate and pressing importance is the question whether or not advertising signs along the highways should pay a privilege or license tax. These signs do enjoy a valuable privilege conferred directly upon them by the state in the construction and maintenance of state highways. Should this privilege be extended free or should the beneficiaries pay for it?

Although The Tax Commission is not prepared to recommend this tax at the present time, it feels that as a privilege tax it has merit and that the General Assembly might well give it genuine consideration.

During the summer the Commission addressed an inquiry to each of the other states asking for a statement of their experience with taxing highway advertising. Forty-three states replied. Their practices are shown in a summary at the end of this study.

Types of Signs. Advertising signs along the highways may be classified into three types. First, signs on the right-of-way; second, signs on private property advertising products or services of the owner; third, signs on private property advertising products or services of outside parties. Those of the first type are generally illegal, the important exception being signs erected by the state itself or with the permission of the state. A considerable number of "bootleg" signs appear on the right-of-way from time to time, most of them nailed to trees.

Signs of the second type comprise a large proportion of the total. The most common example is the country filling station, the building itself so painted as to advertise products sold on the premises, and with other signs hanging about the place. Besides filling stations in this class of signs, there are garages, country stores, wayside stands, and some farmers' signs, advertising wares sold on their respective premises. It is somewhat doubtful whether these signs should be taxed, even if the principle of taxing highway signs is adopted. It would seem to many persons unjust to require a man to pay a tax to advertise his own business on his own premises. On the other hand it may be contended that he is using a valuable privilege in the form of the state highway as a location for his advertising.

The third type is what is commonly thought of when highway advertising is mentioned, signs which advertise for third parties. These are typically for national products, such as automobiles, and cigarettes, or for firms in nearby towns, such as hotels and stores. Signs of this type are commonly erected by large advertising firms, which sell space by the month. The farmer or other land-owner on whose property the sign is erected is usually, though not always, paid a small sum yearly for the right to use the land. In some cases the companies owning these signs list them for property taxes, but often they do not. These signs are most numerous near the cities, becoming less numerous as one gets farther from town.[1] In addition to the permanent wooden sign-boards just mentioned, many others more or less temporary belong in this class. Especially common are the paper and cloth signs which are posted or nailed to fences, sheds, tobacco barns, and other structures near the highways.

Estimated Amount of Space Occupied by Signs. During the summer of 1928, while travelling over the state on other investigation work, representatives of The Commission tabulated the amount of advertising found along certain highways. The square foot was taken as the unit of measurement. The measurements were taken, not by stopping and measuring each sign but by estimating the length and height of each as the party drove along. Strict accuracy is not claimed, of course, but the results are believed to be substantially correct. Signs of both the second and third types described above were included. Since time forbade tabulating both sides of the road, the right hand side was taken. The results are shown in Table 182.

On these 1,220 miles of highway were found an average of 235 square feet per mile on one side of the road. This would mean approximately 470 square feet per mile, counting both sides. If these 1,220 miles are typical, the 7,500 miles of state highway would have about 3,525,000 square feet of advertising. It is probable that this estimate is too high, in view of the fact that the sam-

[1]Of course, a great many of these sign-boards are also found within city limits, especially on vacant lots adjoining main traveled streets. This report deals only with those on highways outside of incorporated towns.

TABLE 182—SQUARE FEET OF ADVERTISING SIGNS ALONG CERTAIN STATE HIGHWAYS IN 1928

HIGHWAY FROM	HIGHWAY TO	Number of Miles	Total Number Square Feet on Right-hand Side of Road	Average Number Square Feet per Mile, Right-hand Side of Road
Raleigh	Henderson	45	16,932	376
Oxford	Roxboro	26	6,522	251
Roxboro	Reidsville	56	3,948	71
Reidsville	Greensboro	24	11,563	482
Greensboro	Yadkinville	56	17,824	318
Yadkinville	Wilkesboro	31	3,092	100
Wilkesboro	Morganton	48	3,193	67
Morganton	Marion	20	3,851	193
Marion	Asheville	40	17,156	429
Asheville	Rutherfordton	53	14,300	270
Rutherfordton	Shelby	27	3,624	121
Shelby	Charlotte	48	18,272	381
Charlotte	Salisbury	44	26,929	612
Salisbury	Lexington	17	4,464	263
High Point	Greensboro	17	9,136	537
Greensboro	Raleigh	88	30,026	341
Raleigh	Smithfield	28	10,472	374
Smithfield	Wilson	30	6,902	230
Wilson	Rocky Mount	18	6,462	359
Wilson	Greenville	38	10,373	273
Elizabeth City	Endenton	30	4,398	147
Greenville	Kinston	25	6,017	241
Kinston	New Bern	37	6,745	182
New Bern	Jacksonville	38	4,572	120
Wilmington	Burgaw	25	10,617	425
Wilmington	Lumberton	80	10,632	133
Lumberton	Laurinburg	30	3,146	105
Laurinburg	Rockingham	22	3,459	157
Rockingham	Asheboro	58	3,327	57
Carthage	Fayetteville	57	3,508	62
Jonesboro	Dunn	42	3,871	92
Dunn	Smithfield	22	2,114	96
Total and Average		1,220	287,087	235

ple included too large a proportion of the large towns and the heavy traffic highways to be strictly representative. However, it should be borne in mind that the number of signs is continually increasing and for this reason the above figure may not be a serious over-statement for the highways of 1929 or 1930.

Possible Revenue from Such a Tax. The amount of revenue that might be derived from a tax on highway advertising signs would depend upon the rate of the tax and upon the amount of space paying the tax. The amount of space paying the tax would depend partly upon what signs were included and what exempted by the law and partly upon how many would be removed and how many erected under the operation of the law. Only experience with the tax could tell what would happen.

An estimate may be advanced, however, based on the figures in the table above. Let us assume there are three and one-half million square feet of signs along our highways, all of which would remain in existence and pay the tax the first year. If the rate were 5 cents per square foot the yield of such a tax would be $175,000 the first year, and more in subsequent years as advertising increased. A higher rate would, of course, yield more and a lower rate less. However, it is almost certain that many signs would come down rather than bear the tax. Then too if the law exempted the second type of signs mentioned above (those advertising products sold on the premises,) a large proportion of the advertising would not produce any revenue. If we assume that under these conditions one-half of all present highway advertising would not pay any tax, the yield at 5 cents per square foot would be only about $87,500 the first year.

The effects of such a tax on highway advertising cannot be foreseen. Doubtless many signs would come down, especially the more ancient and decrepit ones, with beneficial results to the appearance of the highways. The removal of the poorer type of signs would clear the field for the better and more artistic ones, making their advertising more effective. Whether or not this would result in more signs of this type being erected, it is impossible to say. Probably the tax would be shifted in whole or in part to the business firms renting the signs. In that event the outcome in the long run would depend mainly upon whether or not business regarded highway advertising at the higher rates as profitable as other available forms of advertising.

Administration of Such a Tax. Since a tax on highway advertising signs would be a privilege or excise tax, it should be administered by the bureau of the State Department of Revenue that handles privilege and license taxes. This bureau has a staff of field men traveling up and down the highways enforcing other taxes, which should make possible the enforcement of this tax with a minimum of additional expense. The individual or corporation responsible for the advertising sign might be required to obtain from the state a license or permit for each sign, paying the stipulated tax for it. This license, possibly in the form of a small metal tag, might be affixed to the sign, so that field officers enforcing the law could tell readily whether or not the tax had been paid on each sign they inspected.

Extension of the Principle to Counties and Towns. If the taxation of highway advertising signs is a sound form of privilege tax, it might well be extended to counties and towns. Counties might be authorized to levy a certain rate of tax on highway signs along county roads, and towns might do the same on signs within city limits. Legal provision could be made that no sign should pay more than one tax and, if deemed advisable, the present license tax (Schedule B) imposed on Outdoor Advertising Business might be eliminated.

At the present time very little revenue accrues from the signboards. Inquiry was made in 56 counties as to whether signboards were listed and assessed for *ad valorem* taxes, and it was found that they were taxed in only three of these counties. For these the total valuation returned for assessment in 1927 was $11,120, and $10,000 of this amount was in one county. In this county such property is assessed according to the size of the billboards.

SUMMARY OF HIGHWAY TAX QUESTIONNAIRE

Number of replies	Number reporting a highway sign tax	Number reporting a general property tax on signs	Number reporting a privilege tax on advertising agencies and bill posters
43	3	12	3
33 report no tax 3 states* are considering a tax on signs 2 others make favorable comments	Georgia Kansas Connecticut	Colorado Rhode Island Utah Massachusetts West Virginia Kansas Oregon New Jersey Kentucky Minnesota New Hampshire Washington	Mississippi Kentucky Tennessee
*Maine Virginia Iowa	Georgia states the law needs revision	Assessed and taxed like other property.	4 states* regulate signs without tax. *Iowa Pennsylvania Michigan Nevada

1. STATES REPORTING A HIGHWAY SIGN TAX

State	Amount and Rate of Tax Collected	Method of Appraisal and Collection	Remarks
Georgia	$652	County Assessor and Local Tax Collector	Law needs revision. No administration. Many evasions. Tax Collector allowed a commission.
Kansas	$6,268 paid by Outdoor Advertising Company, the only company doing a state - wide business. Small advertising companies and individuals pay tax to counties. Returns incomplete. Rate .024 on the dollar of assessed value.	Assessed by County Assessors and State Board of Equalization at $2 per lineal foot. Collected by regular tax collectors.	Up to 1927 signs were valued at $5 to $300 each by local assessors.
Connecticut	Unavailable	By Commissioner of State Police. Assessed at 3 cents per square foot	

2. *States reporting a general property tax on signs.*

California—A few subdivisions levy on signs occasionally.
Colorado—Bilboards are assessed as improvements at full cash value.
Kentucky—Billboards assessed as property.
Minnesota—Billboards assessed as property.
Massachusetts—Locations for signs are reflected in increased valuations by local assessors.
New Hampshire—Taxed as property. Land is figured more valuable than agricultural land.
New Jersey—Taxed as personal property.
Oregon—Taxes large signs as property.
Rhode Island—Signs taxed as property.
Utah—A general property tax on signs.
Washington—Taxed as personal property.
West Virginia—Bilboards assessed as property.

3. *States reporting a privilege tax on Advertising Agencies.*

Kentucky—Collects a privilege tax of $10 each from bill posters and advertising agencies.
Tennessee—A privilege tax of $10 on advertising agencies and bill posters.
Mississippi—A privilege tax is paid by bill posters and advertising companies.

4. *States reporting regulation of signs. No tax.*

Michigan—No advertising allowed on highway right of way. Land owners may allow signs on their land.
Pennsylvania—Permission for signs on highways rarely granted. Regulate where placed.
Iowa—Highway Commission regulates size and distance from road.
Nevada—Regulates signs. May take down.

CHAPTER XXII

TAX LEVIES AND INDEBTEDNESS, 1928
STATE AND LOCAL

INTRODUCTORY STATEMENT

Other studies in this report have analyzed in considerable detail the structure of our present tax system, the methods of taxing our principal industries, the burdensomeness of the taxes levied by the state and local governments, the degree of thoroughness or laxity of their administration, the comparative tax burden of this state with respect to other states, and the feasibility of transferring a part of our present tax load from one type of tax to another.

The purpose of this study is to set forth succintly the extent and nature of our present tax levies; the size and character of our outstanding public debt; the general method of support of our public schools, and of our public roads and highways. It will make no effort, for example, to decide whether the tax burden on property is heavier than the tax burden on industry or whether our present method of taxing banks discriminates in favor of, or against, these institutions, or whether the amount spent for public education or for roads is too large or is secured from the most practicable sources. The purpose of this study is merely to analyze the size and nature of the tax levy and indebtedness of the various governmental units and to present the method of support of the two services, schools and roads, for which more than 65 per cent of our total revenue, state and local, goes.

I. TAX LEVIES, 1928

It is well known, of course, that the inherent power to tax rests with the state and that the state has delegated this power to a limited extent to the several counties, districts, and municipalities; and that the principal source of revenue of these local governments is the general property tax. The section of this study dealing with taxes levied by local governments will, therefore, deal mainly with the general property tax.

It is well known, also, that since the adoption of the constitutional amendment in 1920, which gave the state the authority to levy an income tax, the state has given over the property tax as a source of revenue to the various units of local government and has derived all its revenue from other sources. For the *general fund* these sources are in the main the inheritance tax (Schedule A), license tax (Schedule B), franchise tax and insurance tax (Schedule C), and income tax (Schedule D); for the *state highway fund* the sources are the automobile license tax and the gasoline tax.[1]

The local governments derive a small amount of revenue from other taxes than the general property tax. Counties get something over \$800,000 from the levy of a \$2 poll tax. They also raise another \$800,000 from license

[1]For a statement of the revenue which the state derives from each of these taxes see Table 191.

taxes, and about $750,000 from fines, forfeitures, and penalties. Cities and towns are allowed to levy a $1 poll tax. They get a relatively small amount from license taxes and something from court penalties. Cities also finance a substantial part of their permanent improvements by assessments against private property.

The bulk of the revenue of all local governments, however, comes from the general property tax. In 1928 property taxes amounted to some $63,000,000, out of total local revenue of perhaps less than $66,000,000.

For a graphical presentation of the relative size and importance of the general property tax in comparison with other local taxes and with state taxes, see Figure 40, page 540.

THE GENERAL PROPERTY TAX

The two variables which control the amount of property tax raised by any unit of government are, of course, the base on which the tax is levied and the rate levied. For this reason the study of the property tax will begin with an analysis of the assessed valuation of the state.

Assessed Valuations. The total assessed valuation of all taxable property in North Carolina in 1928 was $2,963,302,911. This represented all taxable property, real and personal, owned by individuals and by corporations. Of this total of almost three billion dollars, $2,089,812,273 was real property, $583,135,338 personal, and $290,355,300 the valuation of public service corporations (railroads, etc.) and corporate excess as assessed by the State Board of Assessment. Some 70.5 per cent was real, 19.7 per cent personal, and 9.8 per cent public service, corporate excess, etc. A summary of the amount of each class is shown by counties in Table 183.

Of the nearly 2,090,000,000 of real property, $934,800,000 represented the value of land, $119,000,000 manufacturing property outside of towns, $16,000,000 mineral, timber and water power property, $1,020,000,000 town lots. The total valuation of all real property outside of incorporated towns was $1,070,000,000 as compared with $1,020,000,000 of town lots. If the manufacturing property outside of towns is added to the town lots, and if the mineral and water power property is added to the value of land, however, we have nearly $1,140,000,000 of urban property as against some $950,000,000 of rural property. In 1928 town lots went ahead of land in total value and urban property, as defined above, went ahead of rural property for the second consecutive year.

The amount of personal property listed and assessed in 1928 for the various classes was approximately as follows: Livestock, $43,250,000; stock of merchandise, $107,600,000; material in process of manufacture, $121,500,000; net valuation of personal property above $300 exemption, $26,300,000; net solvent credits $131,200,000; personal property covered by items 48 to 80, $104,100,000; all other $49,100,000.

The valuations assessed by State Board of Assessment are as follows: public service corporations (railroad, telephone, telegraph, etc.) $246,150,000, corporation excess of bank stock $21,900,000, domestic corporation excess $22,300,000. Corporate excess is the difference between the assessed value of the capital stock of a corporation and the amount of real and personal property listed locally by the corporation and included in some class of real or personal property. The total amount of all property assessed by the State Board of Assessment was approximately $290,350,000.

Beginning with 1921, in which year the counties cut approximately $580,000,000 off of the assessment made by the state in 1919-20 and reduced the total assessed valuation of property in North Carolina to $2,580,000,000, the assessed valuation of property in this state has slowly but rather steadily mounted until in 1928 it is approaching the three billion dollar mark and is less than $200,000,000 below the highest assessed valuation it has ever known, that of $3,161,000 in 1920[1].

It is informing to note the changes which have taken place in the various classes of property since 1921. Public service corporations and corporate excess have remained substantially without change. In 1921 the assessed valuation of this class of property was $284,000,000; in 1928 it was $290,000,000. Personal property has gradually but definitely decreased. In 1921 the assessed valuation of personal property was 670 millions; in 1928 it was 583 millions.

On the other hand, real property shows a definite and substantial increase between 1921 and 1928. The assessed valuation of real estate in 1921 was $1,629,000,000; in 1928 it was $2,090,000,000—an increase of $460,000,000, or 28 per cent. The percentage which real, personal, and excess, etc., is of the total assessed valuation and the change in the percentage of each class from 1921 to 1928 is shown in Figure 49.

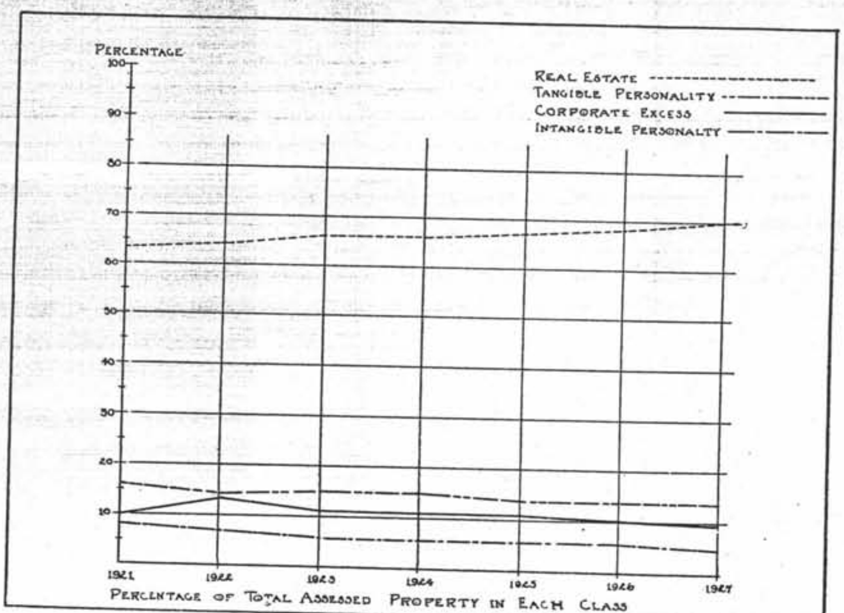

FIGURE 49
SHOWING CHANGES IN THE VARIOUS CLASSES OF REAL PROPERTY SINCE 1921

[1]Figure 26 on page 344 shows the change in real, personal, and excess valuations since 1921, and Figures 28 and 29 on pages 348 and 349 show the annual changes in the amounts of different classes of personal property and of corporate excess listed and assessed for taxation since 1921.

It is illuminating to note the classes of real estate in which this nearly half billion dollar increase has occurred. Table 184 shows the total assessed valuation of real estate by classes for the years 1921-1928 and the percentages of annual increase. An examination of this table reveals the significant fact that almost the entire increase has taken place in town lots. It has all occurred in urban property, that is, in town lots and manufacturing property outsde of towns. In 1928 the assessed valuation of land, that is, rural real estate, was only 99.6 per cent of its assessed valuation in 1921. In no year between 1921 and 1928 did the assessed valuation vary as much as 3 per cent from the 1921 valuation. On the other hand, the assessed valuation of town lots in 1928 was 179 per cent of their assessed valuation in 1921—an increase of 79 per cent over 1921. The increase has been definite and pronounced each year. The 1922 valuation represented a 3 per cent increase over 1921; 1923, 17½ per cent; 1924, 27½ per cent; 1925, 37½ per cent; 1926, 49 per cent; 1927, 70½ per cent; 1928, 79 per cent. Most of this increase represents new construction. Some of it, of course, represents the raising of the assessed valuation of particular properties because of a rise in their market values.

This increase in the assessed valuation of city property has not been evenly distributed among all cities and towns. It has been much more rapid in the large cities than in the smaller cities and the towns. A rough division between the large cities of the state and the small cities and towns is made by dividing the state into the 90 counties which participate in the equalizing fund for schools and the 10 non-participating counties. This is not an altogether perfect division and perhaps not the best that can be made, but roughly it shows the large cities of the industrial counties as separated from the small cities from the semi-industrial and agricultural counties.

Classification according to this basis, Table 184 and Figure 50, shows that there has been an increase in both rural and urban property in the 10 non-participating counties, that is, in the counties with large cities; and a decrease in rural but an increase in urban property in the 90 participating counties. In the 10 non-participating counties the assessed valuation of all property outside of towns increased 11 per cent from 1921 to 1928, whereas town lots increased 96 per cent. During the same period, in the 90 participating counties the assessed valuation of all rural property decreased 1½ per cent, while the valuation of town lots increased 57 per cent. The increase in rural property in the counties having large cities is, in part, of course, a reflection of the much larger increase in the assessed valuation of town lots in these counties. The increase in all real property (urban and rural) in the 10 counties was 62 per cent; in the 90 counties it was 12 per cent.

The most striking contrast between the two groups of counties, however, lies in the 96 per cent increase from 1921 to 1928 in the assessed valuation of town lots in the 10 non-participating counties and the 57 per cent increase in the 90 participating counties. The total assessed valuation of town lots in the 90 participating counties grew from 247⅔ millions to 389 millions, and in the 10 non-participating counties from 322 millions to nearly 631 millions. We are in the actual making of a few real cities in North Carolina.

Total Property Taxes Levied. Property taxes levied by all local governments in 1928 reached the sum of $63,306,383. The summary is shown in Table 185. This total of approximately 63⅓ million dollars is comprised of the property taxes levied by counties, districts, and municipalities for all purposes—current expense, debt service, capital outlay, including levies for

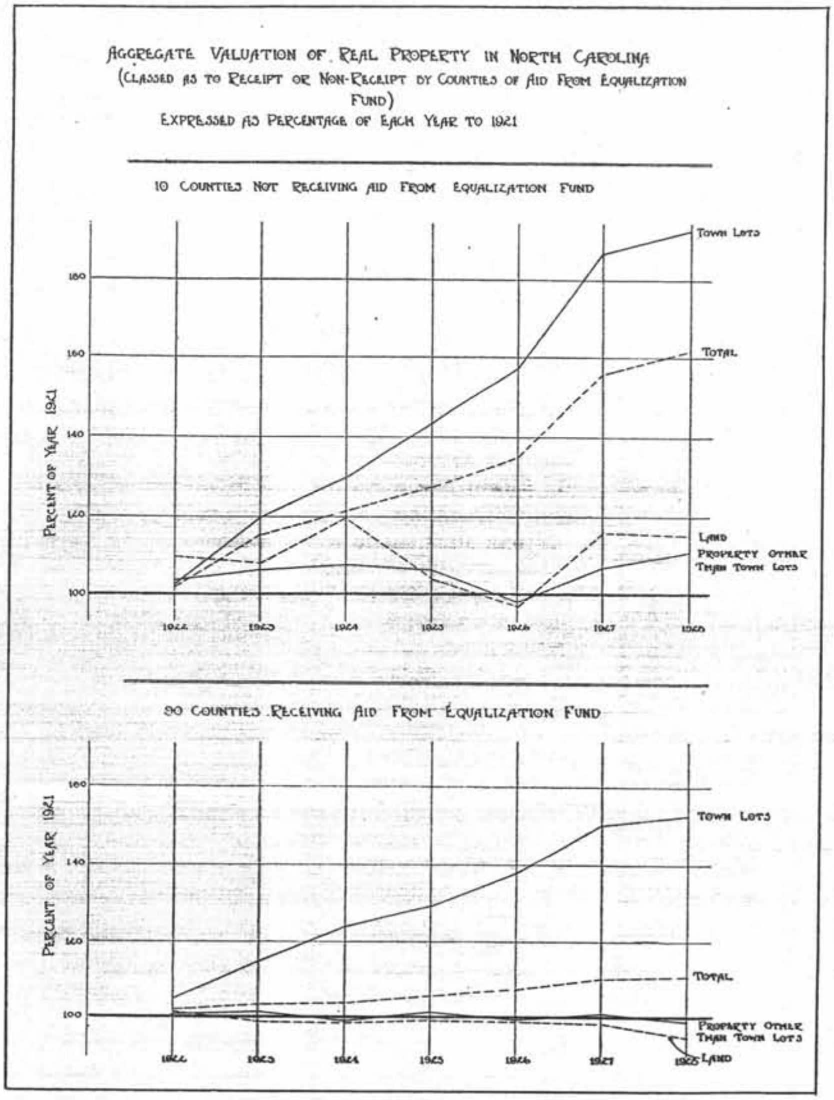

FIGURE 50
SHOWING PERCENTAGE OF PROPERTY IN EACH CLASS, 1921-1927

schools, roads, streets, etc. The counties levied $37,127,659; districts and townships $11,910,256; cities and towns $14,268,468. The total levy for schools was $29,472,684; for other purposes $33,833,699. The amount levied for current expenses or general operation of the schools, the counties, the cities, etc., amounted in round numbers to $35,800,000. The levy for debt service, as closely as can be approximated, was $19,000,000. The levy for the maintenance of county and township roads was $6,123,000. The total levy for roads, including $6,219,000 for debt service apportioned to roads, was $12,342,000.

The total levies included the following smaller items: Capital outlay for school buildings $1,123,000; county levy for the poor $401,000; district levies for water and sanitation $207,500; miscellaneous $298,000.

Forty-seven per cent of total levy was for schools; 53 per cent for purposes other than schools. Fifty-six and one-half per cent was levied for current expenses and administration, that is for the general operation, maintainance and administration of the schools, the counties, the cities, etc.; 30 per cent was for debt service; 19.5 per cent for roads.

The total 1928 property taxes are 2.14 per cent of the assessed valuation of the state. In other words, the average rate for the combined levies of all local governments was $2.14 on the $100 of valuation. By counties, the lowest total rate was $1.10 in Alleghany; the highest combined rate was $3.36 in Clay The following table shows the distribution:[1]

Number of Counties	Total Combined Rate Levied
5	Under $1.50
7	$1.50 to $1.74
16	1.75 to 1.99
28	2.00 to 2.24
21	2.25 to 2.49
11	2.50 to 2.74
7	2.75 to 2.99
5	Over $3.00

The 63½ million dollars represented an increase of $6,600,000 over the 1926 levy, or an increase of 11.7 per cent in a period of two years.

County Taxes. The general property taxes levied by counties in 1928 totaled $37,127,659. This more than 37 million dollars was levied on an assessed valuation of $2,963,302,911 and represents an average rate of $1.25 per $100 of assessed valuation. This means that a rate of approximately $1.25 applied to the total assessed valuation of the state of $2,963,302,911 would produce $37,127,659. The assessed valuation, county wide rates, and taxes levied for the various purposes are shown in Table 186.

The lowest county-wide rate was 60 cents levied in Forsyth County and the highest was $3.10, levied in Clay. The exceedingly high rate levied by Clay County was made necessary by its requirement for debt service. The rate levied for debt service was $1.60. Seven counties levied less than $1.00 each and twelve levied more than $2.00 on the $100 of assessed valuation. The accompaning table shows a distribution of the rates levied:

Number of Counties	Total County-wide Rate
7	$ .60 to $ .99
35	1.00 to 1.39
33	1.40 to 1.79
18	1.80 to 2.19
6	2.20 to 2.59
0	2.60 to 2.99
1	3.00 to 3.39

[1]For the average combined rate for each county, see Table 185.

Table 186 shows that the counties levied $19,113,235 for the six months school term and $18,014,424 for purposes other than schools. In addition to their levy for the six months term, a few counties levied a county-wide rate for supplementing and extending the six months school term. In order to keep the county rates for schools comparable, the county-wide levies for extending the six months term have been included with the district levy for schools and will be discussed under that head. The levy for the six months school term is made for current expense, capital outlay and debt service. Unfortunately, not all of the counties separated their levy into the three services. The estimated amount levied for each of the three services based on the actual amount levied by the 70 counties which separated their levy is as follows: current expense $14,742,900; capital outlay $1,123,300; debt service $3,247,000; the estimated average rate for current expense 50 cents, for capital outlay 3.5 cents, and for debt service 11 cents.

The average rate for the six months term was 64.5 cents. The range was from 32 cents in Forsyth county to $1.22 in Camden county. Eleven counties levied $1.00 or more; six counties levied less than 50 cents. The accompanying table shows a grouping of the counties as to rate levied:

Number of Counties	Rate for Six Months Term
6	30 to 49
42	50 to 69
26	70 to 89
23	90 to 109
3	110 to 129

The biggest item in the total of $18,014,424 levied for purposes other than schools is $7,913,855 levied for debt service; next biggest is $5,205,430 for roads and bridges; the next is $4,131,267 for county general purposes. Other small levies are $400,981 for the poor, and $362,891 for miscellaneous purposes. The average county-wide rate for purposes other than schools in 1928 was 60.8 cents. The lowest rate was 26 cents levied in Edgecombe County; the highest was $2.25 levied in Clay.

District and Township Taxes. The total district and township taxes levied in 1928 for all purposes amounted to $11,910,256—almost 12 million dollars. By far the largest part of this was levied by school districts for supplementing and extending the state six months school term. On an assessed valuation of $2,593,543,000, school districts levied $10,359,449—an average rate of 40 cents. On an assessed valuation of $705,724,000, districts and townships also levied for purposes other than schools $1,550,807—an average rate of 22 cents.

Special charter school districts levied $5,582,841; local tax and special school taxing districts levied $4,776,710. In general, special charter districts are city schools and local tax districts are rural and small town schools. Special charter districts levied $4,426,551 for current expense and $1,156,290 for debt service. The local tax districts levied $4,187,939 for current expense and $588,771 for debt service. Their substantially smaller amount for debt service is due to the fact that country schools in the main have somewhat cheaper buildings than city schools and also that the counties are assuming every year a large part of the debt service obligations of local districts. Table 187 shows in detail by counties the assessed valuation, the rate, and the amount levied by each school district. It shows the levies for current expense and for debt service separately. It also shows the total assessed valuations and the total levies of local tax districts, of special charter districts, and of the entire county.

In 1928 districts and townships levied $1,550,807 for purposes other than schools. This was mainly for maintenance and debt service requirements for township roads. The complete distribution is as follows: roads $917,495, debt service $374,569, sanitation $207,659, miscellaneous $51,084. It is quite probable that most of the miscellaneous items were for debt service. More than three-fourths of the total levy for debt service was for interest and repayments on bond issues for township roads. A summary of the district taxes for purposes other than schools is shown in Table 188, and the valuation, rate, purpose and amount of levy of each district is shown in detail in Table 189.

City and Town Taxes. The cities and towns of North Carolina, in 1928, levied property taxes amounting to $14,268,468 for municipal purposes. This includes no levy for schools. Taxes for city schools are classified as district taxes. Table 190 shows in detail the assessed valuation, and the rates, and amounts levied. On total assessed valuations of $1,377,456,000, the levy of $14,268,468 represents an average rate of $1.04 per $100 of assessed valuation. The size, resources and requirements of the different cities and towns vary so widely that the range in rate from lowest to highest is not shown. The total city and town levy of 14¼ million dollars was made for the following purposes: General purposes $8,314,174; debt service $5,656,502; miscellaneous $297,792. Fifty-eight per cent of the levy was for general purposes and 40 per cent for debt service. The actual requirements of cities and towns for debt service are of course more than 5¾ million dollars; but a substantial part of the interest and repayments on municipal bonds especially for streets and sidewalks is paid out of assessments levied on abutting property.

The average levy of city taxes per county is $142,685. A few counties do not contain a single city levying property taxes for municipal purposes. On the other hand, a few cities levy more than a million dollars each. Charlotte levies $1,258,342; Greensboro $1,149,207; Asheville $1,127,844; Winston-Salem $1,009,107; and Durham $937,070.

STATE TAXES

In Table 191 is presented summary of total taxes levied and collected by the State of North Carolina for the fiscal year ending June 30, 1928. The collections for the general fund were $13,912,302, and for the highway fund $15,782,254. The total was $29,694,556.

Collections for the General Fund. The general fund collections, amounting to $13,912,302, came from the following sources: schedule A: inheritance tax $698,740; schedule B: license tax $1,401,473; schedule C: franchise tax $3,636,900; schedule D: income tax $8,175,188.

By all means the most important source of revenue for the general fund is the income tax. In the fiscal year ending June 30, 1928, it provided almost 60 per cent of the total revenue for the general fund. Of the total of $8,175,188 collected from the income tax, $2,345,734 was paid by individuals, $2,840,793 by domestic corporations, and $2,988,403 by foreign corporations. The detailed sources of the $3,636,900 derived from schedule C or the franchise tax are shown in Table 191 referred to above. Some $1,014,708 of schedule C tax was paid by public service corporations, that is railroads, public utilities, express, telephone and telegraph companies; some $833,590 by domestic and foreign corporations as a franchise tax; $1,280,865 as insurance premium taxes; and $285,207 as bus franchises.

Collections for Highway Fund. Collections for the highway fund for the fiscal year ending June 30, 1928, amounted to $15,782,254. Of this 15¾ millions, the automobile license tax produced $6,235,744; the gasoline tax $9,376,-988; and title registrations $169,522. The total 15¾ million dollar highway fund revenue is segregated from other state revenues and is used only for construction, overhead, maintenance, and debt service requirements for the state highway system.

The total collections of state taxes, both for the general fund and for the highway fund, for the fiscal year ending June 30, 1928, amounted to $29,694,-556. For an idea of the size and importance of the various state taxes in comparison with the various local taxes, see Figure 40, page 540.

STATE AND LOCAL TAX BURDEN PER CAPITA

The total general property tax levied by local governments in 1928 amounting to $63,306,383 and the total state taxes collected for fiscal year 1927-28 amounting to $29,694,556, give a total tax burden of $93,000,939 for the State, exclusive of a small amount of non-tax revenue collected by the state and exclusive of certain other small miscellaneous local taxes which are levied in addition to the general property tax. These miscellaneous local taxes include county and city poll tax, county and city license taxes, and county dog tax. The correct figures for these for 1928 are not available.

If it is assumed that the population of North Carolina in 1928 was 2,938,-000, the estimate of the U. S. Census Bureau for June 30, 1928, the total property tax levies of local governments and the total state collections for the general and the highway funds, amounting to $93,000,939, represent a per capita tax burden of $31.66.

The property tax levy of $63,306,383 itself represents a per capita burden of $21.55; state taxes $10.11 per capita.

Two points should be borne in mind in comparing state taxes with property taxes of local governments: First, figures given for the general property tax represent *levy*, not collections; whereas, figures for state represent *actual collections* for the fiscal year. Second, figures for property tax levies are one year later than for state tax collections. The 1928 levy is made to provide revenue for the fiscal year 1928-29, ending June 30, 1929; whereas, state tax collections for fiscal year 1927-28 are for actual needs of that fiscal year. It would be impossible, of course, to make a comparison of 1928 local tax levies with 1928-29 state tax collections before the end of the present fiscal year June 30, 1929.

GROWTH OF TAX LEVIES SINCE 1920

Table 192 presents a summary of the growth of the total local and state taxes from 1920 to 1928 inclusive. An examination of this table shows that the total local tax levy in 1920 was 28⅓ millions and in 1928, 64 millions. Local taxes increased from 1920 to 1928 by 126 per cent. That is to say, the total 1928 tax levy was 226 per cent of the 1920 levy. During the same period state taxes increased from $4,800,000 to $29,700,000, an increase of 518 per cent.

A more detailed examination of Table 192 shows the total levy for the six months school term increasing from $9,800,000 in 1920 to $19,900,000 in 1928, an increase of 102 per cent.[1] The total levy for schools increased from $14,340,000 to $30,260,000—an increase of 111 per cent. The total county levy for purposes other than schools increased from $8,312,000 to $18,014,000—an increase of 117 per cent. City and town levies increased from $4,481,000 to $14,268,-000—an increase of 218 per cent. The total property tax for purposes other than schools increased from $13,991,000 to $33,834,000, an increase of 142 per cent. Total local taxes of all units of government combined increased from $28,331,000 to $64,094,000—an increase of 126 per cent.

During period 1920-21 to 1927-28 total state taxes for the general fund increased from $3,027,000 to $13,912,000—an increase of 260 per cent. The total automobile license and gasoline taxes increased from $1,177,000 to $15,782,000—an increase of 788 per cent. Total state taxes for the general fund and the highway fund increased from $4,805,000 to $29,695,000, an increase of 518 per cent.

The combined state and local taxes for these periods (eight years for local taxes and seven years for state taxes) increased from $33,136,000 to $93,788,-000—an increase of 183 per cent. The details are shown in Table 192.

II. OUTSTANDING INDEBTEDNESS, 1928

SUMMARY OF INDEBTEDNESS OF LOCAL GOVERNMENTS

In order to present as accurate a summary as possible of the outstanding indebtedness of the various local governments as of June 30, 1928, the Tax Commission made a careful comparison of the reports of indebtedness made by the counties and cities to the State Board of Assessment with the records in the State Auditor's office. The Commission also compared with these records the reports which it received from county and city school superintendents of the outstanding indebtedness of the counties and districts for schools. In addition the Commission had the benefit of the detailed analysis of the indebtedness of local governments as of 1926, as published by the State Educational Commission.

The result of a careful study and comparison of all these reports is shown in the summary of outstanding indebtedness presented in Tables 193 to 197. Although the figures in these tables may not be precisely accurate, they represent a careful compilation of the reports from the financial officers of the local governments themselves, and they have been carefully checked for the elimination of errors.

Total Indebtedness of Local Governments. As of June 30, 1928, the indebtedness of the sub-divisions of North Carolina had reached the total of $384,900,792. This debt of 385 million dollars represents the gross total debt, both bonded and non-bonded, of all local governments, including counties, districts and townships, cities and towns. It represents their total indebtedness without deduction of sinking fund assets. Outstanding bonds of these sub-divisions amount to $338,761,872; their non-bonded debt amounts to $46,-138,920. Of this total, $161,646,767 is owed by counties; $45,189,360 by districts and townships; $178,064,665 by cities and towns. The counties are responsible for 42 per cent of the total; districts and townships for 11¾ per cent; cities and towns for 46¼ per cent.

Measured in terms of the assessed valuation of property, the combined indebtedness of all local governments is 13 per cent of the total assessed valuation of the state. This means that the taxable property of the average county has a lien upon it for the indebtedness of its county, district, and city governments, amounting to 13 per cent of its assessed valuation.

The average figure of 13 per cent, however, does not tell the whole story. The range is perhaps of more significance even than the average. A few of the counties are not heavily in debt. The total combined indebtness of all units of Currituck County is only 2.9 per cent of its assessed valuation; Gates County owes 4.4 per cent of its assessed valuation; Alleghany 4.6 per cent; Davie 4.8 per cent; Warren 4.8 per cent.

At the other end of the scale, however, the combined indebtedness of all units of government in Carteret County amounts to 38 per cent of the assessed valuation of the county. The combined indebtedness of Henderson County is 27.5 per cent of its assessed valuation; of Transylvania County 26.5 per cent; of Buncombe County 26 per cent. Five counties have combined debt of less than 5 per cent; 25 counties between 5 and 10 per cent; 43 counties between 10 and 15 per cent; 17 counties between 15 and 20 per cent; 6 counties between 20 and 25 per cent; and 4 counties above 25 per cent.

The figures for *total indebtedness*, bonded and non-bounded, have been used rather than figures for bonded debt, because the local governments have as strong moral obligation to meet their non-bonded indebtedness as their bonded, and practically as strong legal obligation, and because out of a total debt of $385,000,000 the bonded debt is $339,000,000. In other words, 88 per cent of the total debt is bonded, and all of it, whether bonded or non-bonded, must be paid.[1]

Analyzed according to purposes for which incurred, $72,550,465 of the total indebtedness is for public schools and $312,350,327 is for other purposes than schools. A little less than 19 per cent of the present total indebtedness is for public schools and a little more than 81 per cent is for purposes other than schools. The major portion of the county and district indebtedness for purposes other than schools was incurred for county and township roads. Out of the total outstanding county and district indebtedness of $134,285,662 for purposes other than schools, $100,759,293 is for roads and bridges. In other words 75 per cent is for roads and bridges. Roads and bridges means, of course, mainly roads. This debt of more than $100,000,000 for roads represents the biggest item of indebtedness for any one specific purpose contracted by any local governmental unit of the state. It represents 26 per cent of the total indebtedness of all local governments.

Other major items in the total indebtedness of local governments are as follows: $58,493,004 for streets and sidewalks; $58,015,649 for water and sewer; $35,358,391 for public buildings; $27,785,034 for funding; $13,779,614 for public improvements. Table 193 summarizes the total local indebtedness in detail.

Sinking Funds. All bonds now issued by local government are serial bonds. They are repaid in series or installments, and the government levies annually a tax sufficient to pay the total interest and the installment on the principal coming due within the current fiscal year. For this reason the sink-

[1] The combined bonded indebtedness of local governments is 11.4 per cent of the assessed valuation of the state.

ing funds accumulated for the retirement of the bonded indebtedness are not very large. Before 1917, however, most bonds issued by local governments were straight or sinking fund bonds and sinking funds were provided annually to insure their retirement. The total sinking funds already accumulated to apply against the $338,761,872 of outstanding bonds are $13,092,775. County sinking funds amount to $6,138,185; district and township $960,116; city and town $5,994,474. The total sinking funds accumulated represent 3.86 per cent of the total outstanding bonded indebtedness.

Indebtedness of Counties. The total outstanding indebtedness of all county governments as of June 30, 1928, amounted to $161,646,767. (Tables 194 and 195). Of this total, $127,678,010 was bonded and $33,968,757 was non-bonded. Classified according to purpose of issue, $38,316,539 was for schools; $123,330,-228 was for purposes other than schools. Since almost all of the non-bonded indebtedness for schools is owed to the state for loans from the state special building fund and since most of the non-bonded debt for purposes other than schools is in the form of bond anticipation notes, bonded and non-bonded indebtedness will be combined in the following analysis.

Of the total indebtedness of $38,316,539 for schools, $30,726,682 is for buildings and $7,589,857 for funding. Of the building debt, $13,572,100 is county bonds, $16,567,331 is loans from the state special building fund, and $587,251 is miscellaneous county notes. The outstanding bonded debt for buildings, amounting to $13,572,100, represents an increase of $11,000,000 over the county bonded debt for school buildings in 1926. Most of this increase does not represent additional building at all. It represents the extent to which counties in their county-wide school building and consolidation programs have assumed indebtedness originally contracted by school districts. During the same two-year period school district bonded indebtedness has decreased.

The indebtedness of counties for purposes other than schools amounted to $123,330,228. By far the biggest item of this 123⅓ millions was the $94,057,-109 for roads and bridges. Nearly 89 millions of the indebtedness for roads is bonded. The second biggest item is $14,100,183 for funding; the third biggest is $13,229,361 for public buildings. Tables 194 and 195 show an analysis of the bonded and non-bonded debt of counties classified as to purpose of issue.

Indebtedness of Districts. The total indebtedness as of June 30, 1928, of districts and townships for all purposes was $45,189,360. This represents 11¾ per cent of the total indebtedness of all local governments. All of this more than 45 millions is bonded indebtedness except the small sum of $756,520 of current liabilities or non-bonded debt. The bonded debt for schools is $33,-548,990; for other purposes, $10,883,850.

The bonded debt for schools was divided as follows: special charter disricts, $26,713,639; other districts, $7,520,186. In other words, 78 per cent of the district indebtedness for school buildings is indebtedness of special charter or city districts. The indebtedness of local tax districts has decreased 4 million dollars since 1926. This is in part accounted for by retirements; but by far the greatest part of it has been due to the assuming of district indebtedness by counties in the working out of county-wide plans of school organization. The bonded indebtedness for purposes other than schools, amounting to $10,-883,850, was incurred for the following purposes: Roads and bridges $6,630,-600; drainage and sewer $3,829,750; railroads $423,500.

The floating indebtedness of districts was $756,250. Of this, $684,936 was for schools. It was mainly notes in anticipation of bonds for buildings, and overdrafts and other indebtedness for current expenses.

Indebtedness of Cities and Towns. The indebtedness of cities and towns as of June 30, 1928, had reached the total of $178,064, 665. It is 13 per cent of the assessed valuation of cities and towns. The entire $178,000,000 represents indebtedness for purposes other than schools. Indebtedness for schools located in cities and towns has been included under the head of *district indebtedness.*

Of this total of 178 millions, $166,651,022 was bonded and $11,413,643 nonbonded indebtedness. An analysis of the bonded debt shows the following amounts for the following purposes: streets and sidewalks $58,493,004; water and sewer $58,015,649; public buildings $22,129,030; public improvements (not further specified) $13,779,614; funding $5,863,500; electric light and power $4,741,171; railroads and miscellaneous $2,835,292; fire department $793,762. An examination of Table 197 shows that cities as well as counties go most heavily into debt in order to provide dependable ways for transportation.

The cities and towns of North Carolina have heavier debt obligations than any other units of local governments. It should be borne in mind that *county indebtedness* is a lien upon all of the property in the county, including all the sub-divisions of the county. County indebtedness, in other words, is an obligation of cities within the county in the proportion of their assessed valuation to the valuation of the entire county. In a number of counties much more than half of the entire county indebtedness will be paid from tax levies upon city property. In Durham county, for example, which has a total county-wide debt of $2,550,002, the assessed valuation of the city of Durham represents 85 percent of the assessed valuation of the entire county. The city of Durham will, therefore, pay 85 per cent of the annual interest and installments on the Durham county indebtedness. It will also pay about 97 per cent of the district indebtedness for schools of Durham county, and in addition it will pay 100 per cent of the indebtedness of the city of Durham.

A fairly dependable estimate places upon urban property about $75,000,000 of the county-wide indebtedness, about $27,000,000 of district indebtedness, and $178,000,000 of city and town indebtedness—a total of 280 millions. The assessed valuation of all city property is $1,377,456,225. The total local indebtedness constituting a lien upon city property represents at least 20 per cent of the assessed valuation of city property.

It is not strictly accurate to state that all of the foregoing indebtedness will be paid by taxes levied upon city property. As a matter of fact, the greatest part of city indebtedness for streets and sidewalks and a substantial part of indebtedness for city public utilities will be repaid out of assessments against abutting property and out of earnings of the utilities. An effort was made by the Tax Commission to segregate city indebtedness which was to be repaid by the levy of property taxes from indebtedness to be paid otherwise; and this information was secured from several of the larger cities. As the smaller cities, however, usually made no differentiation in their reports between bond issues to be repaid out of property taxes and bond issues to be repaid out of assessments, the attempt had to be given up.

THE STATE DEBT

As of June 30, 1928, the total funded debt of the state of North Carolina was $170,042,600, divided as follows: Bonded indebtedness $168,192,600; notes $1,850,000. General fund bonds amounted to $41,508,000; highway construction bonds $110,999,600; special school building bonds $15,685,000. The proceeds of the special building fund bond issues have been loaned to the counties and the state holds county notes for them to the amount of $15,223,000. The deduction of $15,223,000 (which is included in the county indebtedness figures) places the correct total gross debt of the state at $154,819,600, exclusive of sinking fund deductions. The sinking funds applicable to this $154,819,600 amount to $5,958,268, or 3.9 per cent of the indebtedness to which they are to be applied.

The $41,508,000 general fund bonds were issued for the following purposes: Educational and charitable institutions $22,987,500; general fund notes $7,588,000; funding $4,500,000; refunding $3,980,000; public improvements $1,642,500; state hospital $500,000; administration building $250,000; school for the feeble-minded $60,000.

Combined State and Local Debt. The total combined state and local debt as of June 30, 1928, amounted to $539,720,392—$384,900,792 local and $154,-819,600 state. Of this total of approximately $540,000,000 owed by the state and its sub-divisions, $73,012,465 is indebtedness for schools and $466,707,927 for purposes other than schools—13½ per cent for schools, and 86½ per cent for other purposes. Of the 466⅔ millions for purposes other than schools, by far the largest single item is for means of transportation—highways, roads, and streets. This amounts to $272,101,897, or 50 per cent of the total combined debt. Other purposes for which this indebtedness was incurred, listed according to size, are the following: School buildings $65,191,114; water, sewer, and sanitation $61,845,399; funding and refunding $36,954,034; public buildings $36,168,391; educational and charitable institutions $22,987,-500; permanent improvements $15,422,114; general fund notes $7,558,000; electric power and light $4,741,171; railroads and other $3,637,710; fire department $793,762.

The combined net state and local debt of $539,702,392, exclusive of sinking fund assets, is 18.2 per cent of the assessed valuation of all property in the state. Although not all of this indebtedness is by any means to be paid out of *taxes* upon property, (a substantial part of the city debt is to be repaid from assessments against individual pieces of property, and $110,000,000 of the state debt is to be paid from revenue derived from the automobile license and gasoline tax), the property of the state is pledged for the payment of the entire amount; and the figure of 18.2 per cent represents the extent to which the total taxable property is already discounted by outstanding state and local debts.

The Debt Burden. The population of North Carolina as of June 30, 1928, as estimated by the United States Bureau of the Census, was 2,938,000. On this estimate the per capita debt, state and local, is $183.70—$131.00 local, and $52.70 state. Of the $131 per capita local debt, $55.02 is county debt, $15.38 is district debt, and $60.60 is city and town debt.

Issuing of Bonds on Large Scale a Recent Development. It is, of course well known that both the state and its sub-divisions have within the past 10 years greatly increased their public expenditures, both from receipts from current tax revenue and from the proceeds of borrowed money. The real extent to which the outstanding debt of more than one-half billion dollars is of recent origin, however, is probably not fully comprehended by the majority of people. In 1926 the State Educational Commission reported that of the outstanding local indebtedness amounting to $326,782,000, only $25,984,646 was incurred before 1919. Part of this amount was, of course, retired between 1926 and the present time. It is safe to assume that, of the present outstanding indebtedness of $384,900,792, not more than $25,000,000 at most was incurred before 1919. According to this estimate, $360,000,000 of the outstanding local debt has been incurred during the past ten years. As to the state debt, all of the highway debt, the special school building bonds and bridge notes, and all of the general fund bonds except $6,330,500, have been issued within the past ten years. Of the total debt of $539,720,392 of the state and its subdivisions, $508,390,000, or 94.2 per cent, has been incurred within a ten-year period. Stated conversely, only 5.8 per cent is more than ten years old. Of the indebtedness of local governments amounting to $385,000,000, at least $360,000,000—or 93½ per cent—has been incurred within ten years. Only 6½ per cent is more than ten years old. Of the net state debt of approximately 155 millions, $148,489,100—or 95.8 per cent—has been incurred since 1918. Only 4.2 per cent is more than ten years old.

III. THE SUPPORT OF PUBLIC EDUCATION

Introductory Statement. This study will not analyze or discuss the support of the whole list of public services performed either by the state or by the local governments further than has already been done in the general statements as to the amount of taxes levied or collected for the several services. There are, of course, many services performed which have not even been mentioned in the study because of the fact that the levy for their support has been combined with the levy for some other services and given an inclusive general designation. This study has discussed merely the taxes levied as reported by the local and the state tax-gathering authorities.

The support of the public school system and the support of the highway and the road systems, however, are of such importance and active interest to the citizens and the taxpayers that this study will discuss somewhat fully their support. Receiving as they do 65 per cent of the total state and local taxes levied and responsible for 50 per cent of the total state and local debt, schools and roads are our two most important public services.

Responsibility for Schools. The Constitution of North Carolina in Article IX, sections 1 and 2, provided: . . . "schools and the means of education shall forever be encouraged. The General Assembly . . . shall provide by taxation and otherwise for a general and uniform system of public schools, wherein the tuition shall be free. . . . Each county of the state shall be divided into a convenient number of districts in which one or more public schools shall be maintained at least four months in each year." In 1918 the length of the minimum term was changed by constitutional amendment from four months to six months. The present constitutional minimum school term is the six months term.

Method of Support. The principle that public education is a function of the state, written into our constitution, has finally been generally accepted in practice as well as in theory in North Carolina. The method by which the state performs this responsibility is by delegating to the local governments—the counties and districts—the major responsibility for the administration and control of the public schools and retaining for itself mainly supervisory and advisory powers. The method adopted by the state for supporting the public school system is what is generally known as joint county and state support. Recognizing public education as a state responsibility, but also recognizing the need and desirability of keeping as close home as possible both the control and the support of this public service, the state plan contemplates that a minimum effort be made by each county for the support of its own schools. Since the counties differ widely in total and per capita wealth, and therefore in their ability to support their own schools, the state has itself provided a substantial part of the revenue for public schools. For the biennium 1927-29 the state has appropriated $3,250,000 for each year as an equalizing fund. For 1928-29 out of an authorized budget for current expense of $14,542,763, the counties are required to provide $11,392,763 and the state appropriates $3,250,000 as a state fund for equalizing the support of the six months term.

It is important that the principle underlying the distribution or apportionment of the equalizing fund for the six months school term be clearly understood. As already pointed out, the state, recognizing its own responsibility for the support of its school system but also the desirability of keeping the method of support as close to the people themselves as possible in order to stimulate their interest and to encourage economy in expenditure, requires that each county itself make a minimum effort in the support of its own schools before receiving state aid.

Briefly, the method of joint county and state support is as follows: The need of each county is measured by the budget necessary to operate the schools according to minimum standards set up by the state for six months. The ability of each county is measured by the assessed valuation of its property. Whether a county receives any state aid from the equalizing fund or not, depends therefore upon the relation between its budget and its assessed valuation.

In order to insure that both budgets and assessed valuations are measured by a uniform standard, the state requires that the budget of each county be examined and certified by the State Superintendent of Public Instruction and that the assessed valuation of each county be examined and certified by the State Board of Equalization. In other words, some counties vary from the state schedule in determining the amount of their six months school budget and some counties vary from uniform standards in assessing their property. The state itself provides agencies for insuring fair practice both in making out the budget and in fixing the amount of taxable property, which determine the need and the ability of the several counties in the support of the state school term.

To illustrate the working of the foregoing principles, let us consider a hypothetical case: County A in the preparation of its annual school budget for the operation of the six months term works out a budget which amounts to $210,000. This budget is submitted to the State Superintendent of Public Instruction, whose office inspects it carefully in detail and finds certain items amounting to $10,000 included in the budget which are over and above the standards according to which state aid is apportioned. It therefore, reduces the amount of the certified budget of County A from $210,000 to $200,000.

At the same time the county authorities of County A assess the total property of the county for taxation at the sum of $42,500,000. In order to insure that in the distribution of the equalization fund the property valuation of each county shall be determined according to reasonable standards of uniformity, the state requires that the assessed valuation fixed by the county authorities be reviewed and finally determined by the State Board of Equalization for the apportionment of the equalizing fund for schools. After studying in detail the amount of the different classes of property in County A and the conditions of agriculture, industry, and business, the Board of Equalization decides that, measured by the standards according to which the values of other counties have been determined, the correct valuation for County A is not $42,500,000 but is $45,000,000.

After these two processes have been gone through with for all counties, the Board of Equalization then calculates what tax rate on the determined valuation of each county will be required for the counties themselves to raise a sufficient amount to leave a balance unprovided which will just amount to the equalizing fund. After this rate is fixed, each county levies it on its determined valuation (or a rate on its actual assessed valuation which will produce an equivalent amount), and then receives the rest of its budget, if necessary, from the equalizing fund.

For the year 1928-29, the equalizing fund provided by the state was $3,250,000. The determined valuation of all counties for 1928 was fixed at $3,196,860,524. The rate which the Board of Equalization required to be applied to these determined values before a county was eligible to share in the equalizing fund was 40 cents.

In the case of County A again, its certified budget we found to be $200,000 and its determined valuation $45,000,000. Forty cents applied to this valuation produces $180,000. The remainder of its budget still to be provided after it has levied on its assessed valuation for $180,000 is $20,000. County A, therefore, would receive from the equalizing fund the amount of $20,000.

It is not the purpose of this study to attempt to determine what the total cost of supporting the state minimum school term ought to be or the proportionate parts of this cost which ought to be provided by the counties and by the state. It is merely attempting to set forth the principles on which the state school term is supported and to describe the method of its support.

Table 200 shows by counties the 1927 assessed valuation and the determined valuation as fixed by the State Board of Equalization. It also shows the percentage of increase or decrease which the determined valuation is of the 1927 valuation. Since the apportionment of the equalizing fund for the school year 1928-29 had to be made in the spring of 1928 before the figures for the 1928 assessed valuations were available, the State Board of Equalization found it necessary to study and compare the figures for the 1927 assessed valuation in arriving at the 1928 determined valuation.

Apportionment of Equalizing Fund for 1928-29. Table 201 shows the apportionment of the equalizing fund for 1928-29. It shows for each county the certified budget for current expense, the amount to be raised by each county by the levy of a 40-cent rate upon its determined valuation, and the extent if any by which the budget exceeds the amount thus raised by the county, which represents the county's share of the equalizing fund.[1] It shows also for each county the percentage of its budget received from the equalizing fund, that is, the percentage of each county's budget provided by the state.[2] The table also shows for each county its current expense cost per teacher and the amount of the equalizing fund received per teacher.

Tables 200 and 201 present rather complete and detailed information as to the status of the present method of joint county and state support of our public schools and are worth careful examination by all interested in this question.

Table 201 shows that ten counties do not participate in the distribution of the equalizing fund. This means, of course, that they are able to provide their entire current expense budget by the levy of 40 cents or less on their determined valuation. The 90 counties participating in the equalizing fund, participate because the levy of a 40 cent rate on their determined valuation does not provide sufficient revenue for meeting the requirements of their certified budgets. Graham county, with only $839, receives the smallest amount from the equalizing fund. The counties receiving the largest amount are Union $88,942, Wilkes $88,705, Sampson $82,332, and Columbus $79,968. The average amount received by participating counties is $35,000. Thirteen counties receive less than $15,000 each and nine receive more than $65,000 each.

Probably a more important comparison than the absolute amount received by each county is the percentage of the certified budget for current expense received by each county. Table 201 shows that the county receiving the smallest percentage of its budget from the equalizing fund is Rowan which receives 0.6 per cent. Graham receives the second smallest percentage, 3.3. Pasquotank receives 4.3 per cent, Pitt 5.2 per cent, and Wayne 5.7 per cent. The counties receiving the highest percentage of their budget from the equalizing fund are Clay 67.2, Dare 67.2, Pamlico 61.2, Hyde 58.0, Avery 57.1, Cherokee 54.8. Altogether eight counties receive less than 10 per cent of their certified budget and 10 counties receive more than 50 per cent each. The average received by the 90 participating counties is 28.5 per cent.

The following table shows a grouping of the participating counties according to percentage received:

Number of Counties	Percentage of Certified Budget Received From Equalizing Fund
8	under 10
12	10 to 19.9
22	20 to 29.9
14	30 to 39.9
24	40 to 49.9
6	50 to 59.9
4	Over 60

Tax Burden For Extended Term in School Districts. An equalizing fund large enough to give aid to 90 counties is sufficiently large to equalize fairly well the burden of the six months school term. If it were increased sufficiently

[1]In the following discussion the terms budget, amount to be raised by county, etc., mean the budget for current expense as defined by the act providing for the distribution of the equalizing fund.

[2]This percentage subtracted from 100 per cent gives the percentage of its budget provided by the county itself.

to bring in more counties, it would, of course, more completely equalize the burden of support. However, the increase of this fund to a point where all of the counties would share in it, would mean the transferring of a large part of the total burden from the county to the state without as rapid a decrease in the county property tax rates for the participating counties as was the case when fewer counties participated.

The more profitable place for the lowering of the total property tax rates for schools, is in the local district taxes levied for supplementing and extending the six months term. As previously pointed out, the state has recognized only the six months term in the apportionment of the equalizing fund. Some of the counties have on a county-wide basis extended the six months term as much as two months; and some districts in all counties have themselves extended the six months term—some one month, others two months, and still others three months. These local units of government do not receive any state aid in the support of this extended term. The degree of the burden upon each of them, therefore, is measured by the cost of extending their term and their ability to meet this cost, that is, their taxable wealth.

Table 202 presents data by counties on the amount of property in school districts already bearing a local tax rate in addition to the rate for the six months term, and on the enrollment in such districts. It shows also the percentage ratio of such property and of such enrollment to the total assessed valuation and the total enrollment. According to this table most of the property in the state is already under local district taxes. Out of a total assessed valuation of $2,963,302,911 in the entire state, $2,593,543,470 is under special district tax. In other words, on 87 per cent of the entire assessed valuation, special district taxes are now being levied. Only 13 per cent of assessed valuation is not paying an additional district rate above the six months term rate. In 16 counties 100 per cent of the assessed valuation is already under special tax, and in 16 more the percentage is above 95.

This table also shows the total enrollment of the state for 1927-28, the enrollment in districts levying special taxes, and the enrollment in districts levying no special tax. The total enrollment in the state for 1927-28 was 848,135; the enrollment under special tax was 580,731; under no special tax 267,444. The per cent of enrollment under special tax was 68½.

The reason for the larger percentage of valuation than of enrollment under special tax is that the wealthiest districts generally are the first to levy special taxes for extending the six months term. Table 187 lists the school districts levying special rates for extending and supplementing the state school term. This table shows by counties the name and type of each district, its assessed valuation, rate, and amount of tax levied. An examination of this table shows that the range in rate levied is from small to quite large. Many districts levy 50 cents and more. In several counties the entire valuation is under special tax on a county-wide basis for extending the six months term. These counties are putting into practice among their several districts the principle of equalization which the state has put into practice as between counties.

IV. THE SUPPORT OF HIGHWAYS AND ROADS

In the support of highways and roads, North Carolina follows the same principle which it follows in the support of the public schools, that is, it places part of the burden on the state and part on the counties and districts. The practical method of applying this principle for the support of roads, however, differs from that followed in the support of schools. Each school in participating counties is partially supported by the county and partially by the state. In the case of roads, the state has made a division as between state highways and county and township roads. State highways are supported in their entirety by taxes levied and collected by the state. County roads[1] are supported entirely by property taxes levied by the county. The state has, however, so adjusted the mileage between state and counties as, within limits, to provide for the same sort of equalization of the total burden of support that it has provided in the case of schools.

The State Highway System. The state highway system consists of approximately 7,500 miles of improved highways. In 1921 the state revised the highway law and took over some 6,500 miles of roads as the state highway system. In 1927 the General Assembly provided for a 20 per cent increase in the state mileage. This 7,500 miles is under the administration and control of the State Highway Commission. The administration, construction, maintenance, and debt service—in fact, the total support—is provided by the state automobile license tax and four cents per gallon tax on gasoline. The total revenue collected for the state highway fund for 1927-1928, as shown in Table 191, was $15,782,254.

County Roads. Table 203 shows the total county and township road mileage in North Carolina[2]: Tables 186, 188, and 189 show the total taxes levied by counties and townships in their support.

The total mileage of local rural roads as of December 31, 1926, was 65,311 miles. Of this total, 43,890 miles were non-surfaced and 21,421 miles were surfaced roads—67 per cent non-surfaced and 33 per cent surfaced. The average total mileage per county is 6,531. The counties vary widely, however, in their mileage. Dare County stands at the bottom of the list with only 21 miles. Wake heads the list with 2,700 miles. Wake is followed by Pitt with 2,200, and Johnston, Robeson and Union with 2,000 miles each. All told, twenty counties have more than 900 miles each. The total mileage of the twenty counties at the head of the list is 28,846, or 44 per cent of the total. Thus one-fifth of the counties have more than two-fifths of the mileage.

Of the non-surfaced roads comprising 43,890 miles, 20,359 miles—or 46.5 per cent—are either unimproved or only partly graded, and 23,531 are improved to establish grade and drainage. As previously pointed out, 67 per cent of the entire county and township road mileage is non-surfaced—31 per cent is either entirely unimproved or only partly graded, and 36 per cent is improved to establish grade and drainage.

[1]In the following paragraphs county and township roads are considered as county roads or local rural roads.

[2]Information as to county and township roads contained in this table was compiled by the Bureau of Public Roads, United States Department of Agriculture, from records and reports by county authorities and was furnished to the Tax Commission by the Bureau of Public Roads.

Of the 21,421 miles of surfaced roads, 17,846 are sand clay and top soil, 2,680 gravel, 251 bituminous penetrating macadam, 237 water bound macadam, 237 Portland cement concrete, 104 sheet asphalt, 32 vitrified brick, and 24 bituminous concrete. Nineteen counties report having no surfaced roads at all; and five counties have less than 25 miles each. On the other hand, Wake with 1,200 miles has the most surfaced mileage of any county. Altogether 20 counties have more than 400 miles each. These 20 counties have a total of 11,805 miles, or 53 per cent of the total surfaced mileage. Thus one-fifth of the counties have slightly more than one-half of the total surfaced mileage.

It should be noted that the counties having the largest total mileage are not necessarily the counties having the largest total mileage of surfaced roads. For example: Pitt, with 2,200 total miles, ranking second, reports only 100 miles of surfaced roads; Robeson, with a total of 2,000 miles, ranking third from the top in total mileage, reports no surfaced mileage at all; Johnston, with 2,000 miles reports 500 surfaced miles and 1,500 of unimproved or only partly graded roads.

County and District Tax Levys for Roads. The total taxes levied by counties and townships for roads and bridges (which means, in the main, local roads) was $6,122,925, (see Tables 186 and 188). Presumably this was for maintenance, administration, and new construction. If we apportion to roads the percentage of the levy for debt service which the county and township indebtedness for roads is of their total indebtedness, we should increase this amount by $6,219,100. This gives a total levy of $12,342,000 for roads, including maintenance, etc., and debt service. Of course, the amount levied in a given year for any particular public service, does not precisely match the expenditure for that service in that year; but with counties operating under the budget system the levy and expenditures should approximate each other.

The following table compiled by the Bureau of Public roads, United States Department of Agriculture, shows the income and expenditures for county and township roads and bridges in North Carolina for fiscal year ending December 31, 1926:

INCOME AND DISBURSEMENTS FOR ROADS AND BRIDGES BY ALL COUNTIES AND TOWNSHIPS[1], 1926

	Income	*Amount Available*
1.	Road and bridge bond sale receipts	$10,764,179
2.	Road and bridge tax levy receipts	11,556,264
3.	Appropriations from county general fund	2,270,979
4.	Motor vehicle license fees	3,358
5.	Funds received from State	118,395
6.	Miscellaneous income, not given above (largely notes issued)	11,478,441
7.	Balance on hand from previous year	735,736
8.	Total income available (items 1 to 7 inclusive)	$36,927,352
	Disbursements or Expenditures	*Total Expended*
9.	Construction	$ 6,623,216
10.	Maintenance	4,833,746
11.	Overhead (administration and engineering)	436,157
12.	Interest payments on road and bridge bonds and notes	4,857,053
13.	Payments for redemption or sinking fund on bonds and notes	4,644,904
14.	Miscellaneous disbursements, not given above	1,006,427
15.	Total disbursements for year (items 9 to 14)	$22,401,503
16.	County funds transferred to state for state roads and bridges	$10,876,807
17.	Unexpended balance at end of year	3,649,042

This table, which shows a total income for 1926 of $36,927,352, shows receipts of $10,764,179 from bond sales, $11,478,441 from notes issued and miscellaneous income, $11,556,264 from property tax levy for roads and bridges,

[1]Compiled by Bureau of Public Roads, United States Department of Agriculture through visitation and correspondence with county officials.

and $2,270,979 from county general fund appropriations. This table shows disbursements as follows: $6,623,216 for construction; $4,833,746 for maintenance; $436,157 for administration and engineering; $4,857,053 for interest payments; $4,644,904 for bond and note redemptions or sinking fund requirements—a total $9,501,957 for debt service; $1,006,427 for miscellaneous disbursement. The total disbursements for the year amounted to $22,401,503. In addition, $10,876,807 was loaned to the State Highway Commission for construction, and the counties carried over $3,649,042 to the next year.

Although it is not possible to make actual comparison of the amount expended for roads with the amounts expended for other services, the figures just presented indicate that the levy for roads and bridges in 1928 compared with the levies for other services, gives a fairly accurate idea of the relative expenditures for this and for other services.

APPENDIX
TO
TAX LEVIES AND INDEBTEDNESS

STATISTICAL TABLES

TABLE 183—SUMMARY OF

County	Real Property				
	Land	Manufacturing Properties Outside Incorporated Towns	Mineral, Timber and Water-Power Properties	Town Lots	Total Valuation Real Property
1 Alamance	$ 10,848,737	$ 3,048,083	------------	$ 9,212,283	$ 23,109,103
2 Alexander	3,350,168	2,099,133	$ 5,000	888,830	6,343,131
3 Alleghany	3,545,457	------------	800	380,544	3,926,801
4 Anson	8,259,241	------------	5,000	3,013,818	11,278,059
5 Ashe	8,051,452	13,335	34,606	519,529	8,618,922
6 Avery	3,463,388	61,300	408,771	591,154	4,524,613
7 Beaufort	13,319,813	------------	------------	7,780,721	21,100,534
8 Bertie	7,934,709	9,500	517,268	2,286,469	10,747,946
9 Bladen	8,060,743	840,983	55,315	1,084,657	10,041,698
10 Brunswick	5,956,658	380,713	77,645	899,415	7,314,031
11 Buncombe	20,612,031	------------	------------	117,863,931	138,475,962
12 Burke	8,903,531	------------	4,326,800	3,953,168	17,183,589
13 Cabarrus	8,541,044	16,145,695	1,475	9,990,833	34,679,047
14 Caldwell	6,317,037	3,796,397	384,066	6,796,731	17,294,231
15 Camden	2,618,963	100	14,595	130,021	2,763,679
16 Carteret	6,939,893	------------	------------	5,400,171	12,340,064
17 Caswell	5,836,936	------------	------------	302,166	6,139,052
18 Catawba	12,597,432	2,800,000	------------	15,798,780	31,196,212
19 Chatham	7,619,742	------------	472,056	1,834,544	9,926,342
20 Cherokee	3,509,084	------------	94,357	1,573,817	5,177,258
21 Chowan	4,377,606	------------	2,000	2,643,840	7,023,446
22 Clay	1,825,230	------------	21,535	87,073	1,933,838
23 Cleveland	16,370,193	4,570,144	------------	7,344,738	28,285,075
24 Columbus	10,805,085	57,004	249,187	2,765,376	13,876,652
25 Craven	8,593,555	142,700	76,715	11,895,404	20,708,374
26 Cumberland	8,839,434	1,919,294	------------	10,245,165	21,003,893
27 Currituck	3,869,660	------------	------------	------------	3,869,660
28 Dare	1,919,028	------------	------------	299,136	2,218,214
29 Davidson	10,859,169	6,088,979	3,468	8,868,007	25,819,623
30 Davie	6,464,189	1,328,700	------------	1,343,807	9,136,696
31 Duplin	14,320,561	------------	347,270	2,861,938	17,529,769
32 Durham	8,925,791	------------	------------	53,205,937	62,131,728
33 Edgecombe	13,016,208	842,740	14,550	11,966,992	25,840,490
34 Forsyth	19,767,420	7,042,915	------------	83,552,515	110,362,850
35 Franklin	8,668,714	57,285	2,041,509	------------	10,767,508
36 Gaston	44,968,184	------------	------------	28,502,792	73,471,976
37 Gates	4,346,717	24,100	129,274	338,674	4,838,765
38 Graham	1,725,043	3,966,104	293,117	149,827	6,134,091
39 Granville	7,949,100	115,130	49,000	3,915,235	12,028,465
40 Greene	9,375,022	1,300	------------	1,047,904	10,424,226
41 Guilford	26,938,370	16,635,659	------------	110,101,041	153,675,070
42 Halifax	12,385,470	6,202,291	44,400	6,722,706	25,354,867
43 Harnett	11,232,385	1,974,198	1,550	3,910,625	17,118,758
44 Haywood	9,025,058	2,504,206	63,000	5,049,262	16,641,526
45 Henderson	13,392,675	------------	------------	9,312,824	22,705,499
46 Hertford	5,893,682	34,380	104,180	1,873,271	7,905,513
47 Hoke	6,681,269	100,980	------------	1,140,020	7,922,269
48 Hyde	3,969,117	1,175	61,939	258,209	4,290,440
49 Iredell	15,968,557	1,503,871	------------	13,749,058	31,221,486
50 Jackson	5,291,635	24,000	43,235	1,165,096	6,523,966

[1] Compiled from abstracts on file with the State Department of Revenue, Raleigh.

LISTED TAXABLES, 1928 [1]—BY COUNTIES

Personal Property									
Live Stock	Stocks of Merchandise and Fixtures	Material in Process of Manufacture and Machinery	Net Value of Personal Property Above $300 Exemption	Net Solvent Credits	All Other Tangible and Intangible Property	Personal Property Covered by Items 48 to 80	Total Valuation of Personal Property	
$ 485,242	$ 2,507,410	$ 2,006,630	$ 225,195	$ 1,436,279	$ 5,080	$ 1,263,314	$ 7,929,150	1
267,512	181,398	44,592	47,148	760,384	19,657	283,350	1,604,041	2
412,616	64,501	4,800	7,310	352,316	7,385	123,711	972,639	3
584,712	672,588	417,172	145,001	557,757	3,148,080	660,404	6,185,714	4
847,506	228,659	51,587	20,046	660,591	101,838	238,007	2,148,234	5
219,564	158,069	46,270	29,019	233,690	11,462	147,952	846,026	6
578,592	1,289,566	169,152	277,375	505,642	29,372	1,158,919	4,008,618	7
456,941	442,310	90,956	121,377	1,040,269	34,703	468,804	2,655,360	8
391,219	250,699	84,325	81,949	368,572	257,286	411,183	1,845,233	9
151,517	194,442	160,519	37,937	143,732	33,301	209,024	930,472	10
659,679	5,177,571	1,861,293	1,490,213	6,046,347	2,882,731	2,937,000	21,054,834	11
244,448	729,851	850,040	89,669	999,867	----------	665,804	3,579,679	12
478,101	1,447,908	2,634,117	287,462	1,422,606	241,051	1,093,897	7,605,142	13
327,828	777,331	606,107	104,887	1,167,509	1,050	751,292	3,736,004	14
164,207	29,348	6,425	20,024	102,125	87,925	34,221	444,275	15
120,775	387,029	106,655	95,586	176,180	55,950	808,029	1,750,204	16
378,067	119,321	3,975	77,923	376,920	6,036	341,684	1,303,926	17
514,016	1,423,770	1,665,947	216,108	2,232,909	1,095,950	971,067	8,119,767	18
594,164	381,176	339,537	93,733	795,141	3,719,262	550,266	6,473,279	19
269,282	319,889	126,129	44,327	327,152	38,366	338,881	1,464,026	20
192,596	635,270	239,085	91,470	608,205	6,380	317,470	2,090,476	21
133,332	57,065	19,150	5 ,210	67,325	6,896	73,464	362,442	22
753,968	1,327,318	1,074,566	195,842	1,831,428	131,672	1,196,250	6,511,044	23
513,048	600,912	111,117	123,816	512,289	86,712	919,147	2,867,041	24
313,582	1,233,242	416,684	339,668	676,521	41,476	1,105,063	4,126,236	25
377,188	957,443	377,585	257,042	634,101	667,317	806,419	4,077,095	26
174,623	71,134	17,529	27,745	136,858	32,548	196,827	657,264	27
22,048	90,884	608	3,547	60,450	830	173,479	351,846	28
508,014	1,386,096	2,125,411	180,692	2,640,205	328,941	1,454,941	8,624,300	29
351,203	233,561	734,961	97,508	729,762	147,730	332,787	2,627,512	30
583,989	591,584	138,431	153,510	757,298	138,146	727,163	3,090,121	31
309,332	4,822,334	16,568,757	676,328	2,748,332	3,474,427	1,711,185	29,310,695	32
711,848	1,210,687	577,895	404,300	1,114,254	39,373	1,185,710	5,244,067	33
629,280	5,604,060	40,177,330	2,514,165	21,767,230	11,907,800	4,215,095	86,814,960	34
582,709	483,290	320,456	117,501	451,986	10,649	806,568	2,773,159	35
539,069	2,453,049	4,152,340	429,615	3,921,678	294,106	7,459,840	19,249,697	36
217,968	93,909	36,840	49,019	304,185	10,070	180,202	892,193	37
110,645	88,351	105,923	16,434	221,966	57,545	251,137	852,001	38
579,020	497,805	264,320	276,628	922,647	21,391	969,034	3,530,845	39
457,419	224,084	6,175	124,721	651,113	10,409	531,931	2,005,852	40
882,615	10,859,331	4,569,207	2,465,035	6,540,126	----------	5,905,404	31,221,718	41
911,196	1,650,944	3,403,116	419,814	1,121,259	1,058	1,478,708	8,986,095	42
565,969	679,073	1,499,134	192,834	640,029	192,183	746,810	4,516,062	43
503,361	592,017	382,917	119,373	917,740	286,089	666,024	3,467,521	44
303,089	927,537	456,506	231,116	1,065,679	6,910	756,686	3,747,523	45
346,163	248,068	66,345	148,422	831,983	11,027	437,260	2,089,268	46
251,674	220,672	199,230	79,478	338,239	134,465	251,409	1,475,167	47
190,166	111,572	5,664	44,735	192,398	94,975	193,823	833,333	48
698,606	2,842,683	539,843	357,227	1,981,952	29,566	1,871,705	8,321,582	49
313,359	502,763	69,953	28,576	630,209	24,000	447,552	2,016,416	50

TABLE 183—

	County	Excess Valuations as Assessed by State Board of: Railroads, Telegraph, Telephone, Express, etc.	Bank Stock	Domestic Corporations
1	Alamance	$ 2,082,534	$ 370,554	$ 301,602
2	Alexander	878,613	76,600	----------
3	Alleghany	----------	18,836	----------
4	Anson	3,277,616	305,009	31,610
5	Ashe	1,016,484	65,456	----------
6	Avery	220,591	51,163	2,200
7	Beaufort	3,959,301	71,961	120,162
8	Bertie	1,225,965	226,057	----------
9	Bladen	1,787,932	93,051	3,500
10	Brunswick	1,454,480	----------	----------
11	Buncombe	5,624,662	1,040,829	1,608,044
12	Burke	2,878,014	57,706	29,973
13	Cabarrus	2,784,080	70,198	43,527
14	Caldwell	638,588	195,799	170,852
15	Camden	169,154	----------	----------
16	Carteret	523,865	17,857	----------
17	Caswell	1,285,614	9,000	9,386
18	Catawba	2,348,740	577,635	336,904
19	Chatham	1,696,566	90,592	42,538
20	Cherokee	2,480,324	83,147	7,033
21	Chowan	824,243	67,569	67,322
22	Clay	7,646	7,471	26,441
23	Cleveland	2,919,858	606,828	80,260
24	Columbus	4,648,416	29,200	9,700
25	Craven	2,512,031	232,013	172,806
26	Cumberland	4,063,175	151,986	149,237
27	Currituck	423,775	17,200	----------
28	Dare	6,000	----------	----------
29	Davidson	5,289,147	219,287	464,751
30	Davie	839,709	54,019	14,293
31	Duplin	2,181,543	69,559	43,445
32	Durham	4,592,148	463,133	921,190
33	Edgecombe	2,990,859	424,536	84,272
34	Forsyth	5,575,888	1,039,165	1,044,607
35	Franklin	1,165,648	112,605	----------
36	Gaston	5,030,936	1,017,896	406,512
37	Gates	1,493,411	140,284	23,471
38	Graham	61,073	28,370	----------
39	Granville	5,493,273	238,800	129,139
40	Greene	335,978	54,100	493
41	Guilford	8,286,387	2,025,400	1,990,454
42	Halifax	4,558,117	321,365	31,051
43	Harnett	2,549,036	83,198	31,196
44	Haywood	2,000,614	130,633	124,414
45	Henderson	1,435,150	72,651	15,059
46	Hertford	931,231	103,880	186,093
47	Hoke	262,215	22,755	23,860
48	Hyde	37,148	9,800	10,163
49	Iredell	7,522,489	291,461	189,526
50	Jackson	2,067,633	36,300	43,224

Continued

Assessment: Total of Excess Valuations	Total Valuation of All Property—Real, Personal, Excess	Per Cent Real	Per Cent Personal	Per Cent Excess	
$ 2,754,690	$ 33,792,943	68.3	23.5	8.2	1
955,213	8,902,385	71.3	18.0	10.7	2
18,836	4,918,276	79.8	19.8	.4	3
3,614,235	21,078,008	53.5	29.3	17.2	4
1,081,940	11,849,096	72.7	18.1	9.2	5
273,954	5,644,593	80.2	15.0	4.8	6
4,151,424	29,260,576	72.1	13.7	14.2	7
1,452,022	14,855,328	72.4	17.9	9.8	8
1,884,483	13,771,414	72.9	13.4	13.7	9
1,454,480	9,698,983	75.4	9.6	15.0	10
8,273,535	167,804,331	82.5	12.5	4.9	11
2,965,693	23,728,961	72.4	15.1	12.5	12
2,897,805	45,181,994	76.8	16.8	6.4	13
1,005,239	22,035,474	78.5	17.0	4.6	14
169,154	3,377,108	81.8	13.2	5.0	15
541,722	14,631,990	84.3	12.0	3.7	16
1,304,000	8,746,978	70.2	14.9	14.9	17
3,263,279	42,579,258	73.3	19.1	7.6	18
1,820,696	18,229,317	54.5	35.5	10.0	19
2,570,504	9,211,788	56.2	15.9	27.9	20
959,134	10,073,056	69.7	20.8	9.5	21
41,558	2,337,838	82.7	15.5	1.8	22
3,606,946	38,403,065	73.6	17.0	9.4	23
4,687,316	21,431,009	64.8	13.4	21.9	24
2,916,850	27,751,460	74.6	14.9	10.5	25
4,364,398	29,445,386	71.3	13.8	14.9	26
440,975	4,967,899	77.9	13.2	8.9	27
6,000	2,576,060	86.1	13.7	.2	28
5,973,185	40,417,108	63.9	21.3	14.8	29
908,121	12,672,329	72.1	20.7	7.2	30
2,294,547	22,914,437	76.5	13.5	10.0	31
5,976,471	97,418,894	63.8	30.1	6.1	32
3,499,667	34,584,224	74.7	15.2	10.1	33
7,659,660	204,837,470	53.9	42.4	3.7	34
1,278,253	14,818,920	72.7	18.7	8.6	35
6,455,344	99,176,017	74.1	19.4	6.5	36
1,657,166	7,388,124	65.5	12.1	22.4	37
89,443	7,075,353	86.7	12.0	1.3	38
5,861,212	21,420,522	56.2	16.5	27.3	39
390,571	12,820,649	81.3	15.6	3.1	40
12,302,241	197,199,029	77.9	15.8	6.3	41
4,910,533	39,251,495	64.6	22.9	12.5	42
2,663,430	24,228,220	70.5	18.6	10.9	43
2,255,661	22,364,708	74.4	15.5	10.1	44
1,522,860	27,975,882	81.2	13.4	5.4	45
1,221,204	11,215,985	70.5	18.6	10.9	46
308,830	9,706,266	81.6	15.2	3.2	47
57,111	5,180,884	82.8	16.1	1.1	48
8,003,476	47,546,544	65.7	17.5	16.8	49
2,147,157	10,687,535	61.0	18.9	20.1	50

TABLE 183—

County	Real Property				
	Land	Manufacturing Properties Outside Incorporated Towns	Mineral, Timber and Water-Power Properties	Town Lots	Total Valuation Real Property
51 Johnston	$ 22,687,367	$ 410,665	$ 21,743	$ 6,538,680	$ 29,658,455
52 Jones	4,273,601	32,140	-----	541,175	4,846,916
53 Lee	4,520,071	1,111,502	5,500	4,920,977	10,558,050
54 Lenoir	11,876,045	-----	74,125	10,336,575	22,286,745
55 Lincoln	6,390,103	2,582,924	-----	3,363,483	12,336,510
56 Macon	4,664,893	12,300	311,092	1,032,670	6,020,955
57 Madison	4,863,246	-----	-----	850,611	5,713,857
58 Martin	7,938,823	-----	58,667	2,395,378	10,392,868
59 McDowell	5,114,924	350,000	320,408	2,888,810	8,674,142
60 Mecklenburg	21,474,715	-----	-----	123,947,308	145,422,023
61 Mitchell	3,422,764	107,116	96,067	504,800	4,130,747
62 Montgomery	5,302,039	-----	10,425	2,490,274	7,802,738
63 Moore	12,043,701	102,820	2,000	7,604,555	19,753,076
64 Nash	12,907,658	323,725	6,900	10,777,013	24,015,296
65 New Hanover	7,742,504	-----	-----	38,943,771	46,686,275
66 Northampton	7,565,691	61,562	1,086,054	-----	8,713,307
67 Onslow	5,640,290	21,963	7,650	775,066	6,444,969
68 Orange	5,727,348	2,584,820	112,110	3,918,359	12,342,637
69 Pamlico	3,508,370	6,563	13,000	484,605	4,012,538
70 Pasquotank	5,821,670	90,015	-----	8,047,680	13,959,365
71 Pender	5,271,220	-----	32,880	696,760	6,000,860
72 Perquimans	4,537,021	103,300	5,350	1,256,705	5,902,376
73 Person	6,235,696	-----	-----	2,098,277	8,333,973
74 Pitt	24,840,999	-----	-----	12,465,532	37,306,531
75 Polk	4,473,654	3,325	-----	2,013,691	6,490,670
76 Randolph	9,449,387	-----	-----	3,710,532	13,159,919
77 Richmond	8,343,141	7,736,063	-----	7,456,286	23,535,490
78 Robeson	16,444,131	1,760,064	-----	7,192,981	25,397,176
79 Rockingham	10,636,966	6,668,648	385,174	10,488,589	28,179,377
80 Rowan	22,573,728	239,331	41	30,709,622	53,522,722
81 Rutherford	18,748,028	-----	-----	6,453,871	25,201,899
82 Sampson	14,146,335	23,875	13,550	1,943,635	16,127,395
83 Scotland	6,724,008	1,108,275	-----	2,712,157	10,544,440
84 Stanly	3,472,227	4,465,571	4,391,411	10,571,685	22,900,894
85 Stokes	8,435,799	-----	-----	838,095	9,273,894
86 Surry	10,984,289	-----	-----	8,526,350	19,510,639
87 Swain	4,680,024	1,337,344	3,450	910,956	6,931,774
88 Transylvania	4,512,914	-----	-----	2,808,321	7,321,235
89 Tyrrell	1,547,087	-----	1,303,055	322,626	3,172,768
90 Union	10,297,125	614,641	-----	4,588,912	15,500,678
91 Vance	6,589,738	-----	5,000	5,605,592	12,200,330
92 Wake	22,974,248	-----	-----	46,475,090	69,449,338
93 Warren	7,064,807	2,025	32,201	2,043,359	9,142,392
94 Washington	4,038,526	177,125	98,949	992,847	5,307,447
95 Watauga	5,849,682	-----	13,175	1,734,389	7,597,246
96 Wayne	19,080,604	2,127,507	121,742	15,319,775	36,649,628
97 Wilkes	7,962,704	567,730	5,000	2,461,310	10,996,744
98 Wilson	16,682,091	-----	571,736	18,200,507	35,454,334
99 Yadkin	6,344,776	-----	-----	739,529	7,084,305
100 Yancey	4,323,003	-----	88,006	489,314	4,900,323
North Carolina	$ 934,800,017	$ 119,065,333	$ 16,012,671	$1,019,934,252	$2,089,812,273

Continued

Personal Property

Live Stock	Stocks of Merchandise and Fixtures	Material in Process of Manufacture and Machinery	Net Value of Personal Property Above $300 Exemption	Net Solvent Credits	All Other Tangible and Intangible Property	Personal Property Covered by Items 48 to 80	Total Valuation of Personal Property	
$ 1,152,482	$ 977,760	$ 426,205	$ 327,115	$ 1,750,539	$ 344,265	$ 1,248,293	$ 6,226,659	51
227,889	91,346	7,700	37,441	151,827	45,961	129,346	691,510	52
252,681	821,032	253,757	120,347	361,239	474,674	231,471	2,497,201	53
441,045	1,020,590	----------	224,870	1,004,830	850	875,640	3,567,825	54
419,840	105,776	239,605	101,826	911,316	75,810	366,867	2,221,040	55
297,432	207,636	113,932	44,805	361,948	12,732	256,408	1,394,893	56
435,911	248,023	17,312	19,667	405,473	24,772	222,510	1,373,668	57
483,547	474,079	49,395	291,824	678,888	69,166	610,839	2,657,738	58
163,902	447,481	1,948,226	43,888	576,678	3,993	557,144	3,741,312	59
767,705	11,118,815	3,610,642	2,105,650	8,292,720	4,304,165	6,773,511	36,973,208	60
206,357	252,203	50,916	10,550	251,937	31,573	207,504	1,011,040	61
265,560	470,813	222,900	82,934	877,805	5,816,496	667,134	8,403,642	62
348,280	817,814	304,486	539,786	686,988	628,580	692,351	4,018,285	63
789,782	1,313,088	396,644	274,203	1,541,399	237,893	1,579,472	6,132,481	64
98,248	2,723,636	484,875	557,357	1,394,548	586,541	2,667,808	8,513,013	65
597,415	380,807	113,015	127,338	1,142,839	19,715	518,144	2,899,273	66
312,350	181,971	120,699	2,078,981	389,509	183,287	138,660	3,405,457	67
352,146	1,140,495	348,333	204,926	1,115,751	77,919	274,102	3,513,672	68
152,549	115,439	9,182	34,537	25,201	1,571	224,015	562,494	69
255,013	1,196,393	367,852	186,588	807,913	14,246	803,657	3,631,662	70
211,473	147,531	109,915	34,199	167,534	4,851	249,760	925,263	71
243,931	302,941	1,175	90,367	395,806	89,546	209,962	1,333,728	72
350,811	360,506	1,085,045	107,312	567,017	228,842	453,415	3,152,948	73
815,590	1,519,838	277,226	530,708	2,198,507	12,943	2,157,358	7,512,170	74
126,504	143,573	145,757	75,241	78,508	44,890	216,453	830,926	75
639,262	312,891	191,347	120,448	1,785,578	60,487	4,826,504	7,936,517	76
285,027	773,566	1,461,121	183,591	875,192	322,956	780,049	4,681,502	77
906,892	1,219,192	864,661	286,567	884,259	538,153	1,577,149	6,276,873	78
575,456	1,378,777	5,871,296	293,441	1,634,221	12,567	1,290,078	11,055,836	79
624,874	2,150,041	2,479,327	367,028	2,211,292	137,362	2,100,918	9,980,842	80
495,592	781,785	1,834,104	95,211	1,044,916	----------	1,301,299	5,552,907	81
692,804	423,757	95,105	136,668	673,761	244,085	658,654	2,924,834	82
266,958	536,520	115,548	92,639	1,576,779	36,823	700,503	3,325,770	83
479,846	1,226,947	1,102,782	209,396	1,648,701	14,560	2,795,733	7,477,965	84
447,777	344,291	----------	69,617	----------	124,889	1,600,116	2,586,690	85
711,458	1,477,111	1,259,671	346,302	2,246,385	773,931	548,976	7,363,834	86
168,607	264,152	179,858	47,796	576,548	121,256	666,752	2,024,968	87
152,448	258,474	485,577	63,912	214,616	----------	482,580	1,657,607	88
125,004	73,564	4,300	39,340	120,973	39,850	122,431	525,462	89
886,791	1,002,502	54,336	183,020	1,314,863	126,737	1,046,409	4,614,658	90
336,635	916,873	1,150,249	196,386	1,388,338	420,226	1,298,902	5,707,609	91
856,680	4,035,972	478,633	486,985	2,773,273	1,796,626	2,598,232	13,026,401	92
491,036	450,030	172,697	136,315	719,715	20,576	636,556	2,626,925	93
191,738	336,635	31,708	45,136	110,241	1,798,304	245,091	2,658,873	94
368,260	267,916	12,077	28,804	369,833	67,192	224,924	1,339,006	95
676,444	1,785,577	505,925	357,175	1,894,833	2,100	2,004,283	7,226,337	96
590,181	805,916	619,196	88,620	1,058,163	21,542	708,277	3,891,895	97
670,222	1,886,452	1,780,662	459,886	3,905,672	11,842	1,992,208	10,706,944	98
387,799	237,934	22,395	59,132	883,603	15,048	671,502	2,277,413	99
275,891	132,525	97,260	12,133	437,576	72,293	178,763	1,206,441	100
$43,245,192	$107,638,580	$121,507,935	$26,323,668	$131,209,486	$49,085,862	$104,124,615	$583,135,338	---

TABLE 183—

	County	Excess Valuations as Assessed by State Board of		
		Railroads, Telegraph, Telephone, Express, etc.	Bank Stock	Domestic Corporations
51	Johnston	$ 5,619,373	$ 235,273	$ 186,124
52	Jones	872,495	15,455	------------
53	Lee	2,051,692	61,794	35,331
54	Lenoir	1,381,167	272,308	253,713
55	Lincoln	894,354	153,175	145,122
56	Macon	373,391	------------	30,000
57	Madison	2,647,231	------------	674,769
58	Martin	2,927,479	49,180	11,435
59	McDowell	7,413,307	135,717	206,750
60	Mecklenburg	8,594,760	2,863,661	1,749,425
61	Mitchell	3,777,869	58,689	11,550
62	Montgomery	1,690,211	172,818	56,468
63	Moore	2,768,803	175,094	111,561
64	Nash	2,136,365	310,437	313,359
65	New Hanover	2,544,367	500,013	1,101,019
66	Northampton	2,626,655	171,370	26,603
67	Onslow	2,211,456	------------	------------
68	Orange	2,059,624	43,568	------------
69	Pamlico	838,262	5,417	5,038
70	Pasquotank	705,111	328,452	202,183
71	Pender	3,512,828	24,350	------------
72	Perquimans	681,608	26,619	96,289
73	Person	1,232,671	196,547	------------
74	Pitt	4,041,292	398,208	98,074
75	Polk	569,468	50,264	------------
76	Randolph	1,115,110	93,763	5,058,722
77	Richmond	2,776,836	111,651	97,000
78	Robeson	6,517,677	232,300	150,074
79	Rockingham	4,215,504	232,726	107,733
80	Rowan	5,471,118	147,588	221,343
81	Rutherford	4,057,758	415,598	634,714
82	Sampson	2,714,546	109,542	85,405
83	Scotland	1,880,445	140,173	58,524
84	Stanly	2,302,594	105,789	112,221
85	Stokes	738,095	57,951	4,650
86	Surry	3,097,269	157,870	68,211
87	Swain	3,583,805	29,572	49,525
88	Transylvania	413,015	58,825	83,393
89	Tyrrell	200,750	30,631	460
90	Union	2,016,038	301,430	91,886
91	Vance	2,159,308	309,404	301,349
92	Wake	11,573,192	------------	157,889
93	Warren	1,635,213	33,861	9,860
94	Washington	------------	22,229	4,965
98	Watauga	177,104	82,966	------------
96	Wayne	3,853,959	162,151	240,601
97	Wilkes	1,604,619	105,862	42,365
98	Wilson	2,754,160	304,860	428,743
99	Yadkin	8,474	53,063	2,447
100	Yancey	665,868	850,574	4,099
	North Carolina	$ 246,142,196	$ 21,891,802	$ 22,321,302

Continued

Assessment	Total Valuation of All Property—Real, Personal Excess	Per Cent Real	Per Cent Personal	Per Cent Excess	
Total of Excess Valuations					
$ 6,040,770	$ 41,925,884	70.7	14.9	14.4	51
887,950	6,426,376	75.4	10.8	13.8	52
2,148,817	15,204,068	69.4	16.5	14.1	53
1,907,188	27,761,758	80.3	12.9	6.9	54
1,192,651	15,750,201	78.3	14.1	7.6	55
403,391	7,719,239	78.0	16.8	5.2	56
3,322,000	10,409,525	54.9	13.2	31.9	57
2,988,094	16,038,700	64.8	16.6	18.6	58
7,755,774	20,171,228	43.0	18.5	38.4	59
13,207,846	195,603,077	74.3	18.9	6.8	60
3,848,108	8,989,895	46.0	11.2	42.8	61
1,919,497	18,125,877	43.0	46.4	10.6	62
3,055,458	26,826,819	73.6	15.0	11.4	63
2,760,161	32,907,938	73.0	18.6	8.4	64
4,145,399	59,344,687	78.7	14.3	7.0	65
2,824,628	14,437,208	60.4	20.1	19.5	66
2,211,456	12,061,882	53.4	28.2	18.3	67
2,103,192	17,959,501	68.7	19.6	11.7	68
848,717	5,423,749	74.0	10.4	15.6	69
1,235,746	18,826,773	74.1	19.3	6.6	70
3,537,178	10,463,301	57.4	8.8	33.8	71
804,516	8,040,620	73.4	16.6	10.0	72
1,429,218	12,916,139	64.5	24.4	11.1	73
4,537,574	49,356,275	75.6	15.2	9.2	74
619,732	7,941,328	81.7	10.5	7.8	75
6,267,595	27,364,031	48.1	29.0	22.9	76
2,985,487	31,202,479	75.4	15.0	9.6	77
6,900,051	38,574,100	65.8	16.3	17.9	78
4,555,963	43,791,176	64.3	25.2	10.4	79
5,840,049	69,343,613	77.2	14.4	8.4	80
5,108,070	35,862,876	70.3	15.5	14.2	81
2,909,493	21,961,722	73.4	13.3	13.2	82
2,079,142	15,949,352	66.1	20.9	13.0	83
2,520,604	32,899,463	69.6	22.7	7.7	84
800,696	12,661,280	73.2	20.4	6.6	85
3,323,350	30,197,823	64.6	24.4	11.0	86
3,662,902	12,619,645	54.9	16.0	29.1	87
555,233	9,534,075	76.8	17.4	5.8	88
231,841	3,930,071	80.7	13.4	5.9	89
2,409,354	22,524,690	68.8	20.5	10.7	90
2,770,061	20,678,000	59.0	27.6	13.4	91
11,731,081	94,206,820	73.7	13.8	12.5	92
1,678,934	13,448,251	68.0	19.5	12.5	93
27,194	7,993,514	66.4	33.3	.3	94
260,070	9,196,322	82.6	14.6	2.8	95
4,256,711	48,132,676	76.1	15.0	8.9	96
1,752,846	16,641,485	66.1	23.4	10.5	97
3,487,763	49,649,041	71.4	21.6	7.0	98
63,984	9,425,702	75.2	24.2	.6	99
1,520,541	7,627,305	64.2	15.8	19.9	100
$ 290,355,300	$ 2,963,302,911	70.5	19.7	9.8	

TABLE 184—ASSESSED VALUATION OF REAL PRO-

	1921	1922	Per Cent of 1921	1923	Per Cent of 1921	1924	Per Cent of 1921
Land	$ 938,328,970	$ 957,450,790	102.0	$ 943,099,075	100.5	$ 964,515,849	102.8
Mfg. Prop. outside towns	109,481,935	93,786,074	------	119,997,100	------	90,734,419	------
Mineral and timber property	11,815,225	19,953,080	------	16,860,852	------	13,224,909	------
Total other than town lots	1,059,626,130	1,071,189,944	101.1	1,079,957,027	101.9	1,068,475,177	100.8
Town lots	569,677,725	587,774,752	103.2	669,352,974	117.5	726,852,361	127.6
Total assesed valuation real property	**$1,629,303,855**	**$1,658,964,696**	**101.8**	**$1,749,310,001**	**107.4**	**$1,795,326,538**	**110.2**
TOTALS OF TEN COUNTIES NOT RECEIVING							
Land	$ 170,011,785	$ 186,403,422	109.64	$ 182,965,179	107.61	$ 203,379,677	119.62
Mfg. Prop. outside towns	45,173,444	36,675,510	------	46,565,248	------	27,844,451	------
Mineral and timber property	1,350	8,050	------	900	------	100,100	------
Total other than town lots	215,186,579	223,086,982	103.67	229,531,327	106.30	231,324,228	107.50
Town lots	322,001,122	329,985,178	102.48	386,335,842	119.98	420,231,506	130.51
Total assessed valuation (10 counties)	**$ 537,187,701**	**$ 553,072,160**	**102.96**	**$ 615,867,169**	**114.65**	**$ 651,555,734**	**121.29**
TOTALS OF NINETY COUNTIES RECEIVING							
Land	$ 768,317,185	$ 771,047,368	100.36	$ 760,133,896	98.93	$ 761,136,172	99.07
Mfg. Prop. outside towns	64,308,491	57,110,564	------	73,431,852	------	62,889,968	------
Mineral and timber property	11,813,875	19,945,030	------	16,859,952	------	13,124,809	------
Total other than town lots	844,439,551	848,102,962	100.43	850,425,700	100.71	837,150,949	99.14
Town lots	247,676,603	257,789,574	104.08	283,017,132	114.27	306,620,855	123.80
Total assessed valuation (90 Counties)	**$1,092,116,154**	**$1,105,892,536**	**101.26**	**$1,133,442,832**	**103.78**	**$1,143,770,804**	**104.72**

PERTY IN NORTH CAROLINA BY CLASSES, 1921-1928

1925	Per Cent of 1921	1926	Per Cent of 1921	1927	Per Cent of 1921	1928	Per Cent of 1921	Per Cent Each Class is of the Total, 1928
$ 930,294,557	99.1	$ 929,964,372	99.1	$ 954,027,304	99.1	$ 934,800,017	99.6	44.73
119,770,215	--------	115,065,265	--------	104,525,044	--------	119,065,333	------	-----------
19,204,404	--------	5,758,791	--------	17,784,347	--------	16,012,671	------	-----------
1,069,269,176	100.9	1,050,790,428	99.2	1,076,336,695	101.6	1,069,878,021	101.0	51.20
781,348,406	137.2	850,764,802	149.3	971,228,982	170.5	1,019,934,252	179.0	48.80
$1,850,617,582	**113.6**	**$1,901,555,230**	**116.7**	**$2,047,565,677**	**125.7**	**$2,089,812,273**	**128.3**	**100.00**
AID FROM EQUALIZING FUND FOR SCHOOLS								
$ 176,307,823	103.70	$ 165,100,627	97.11	$ 195,402,032	114.93	$ 198,626,398	116.83	22.84
45,358,011	--------	47,155,370	--------	35,477,189	--------	39,824,269	------	-----------
13,665	--------	14,950	--------	32,125	--------	573,211	------	-----------
221,679,499	103.02	212,270,947	98.64	230,911,346	107.30	239,023,878	111.08	27.48
462,956,178	143.77	507,553,924	157.62	601,534,855	186.81	630,783,725	195.89	72.52
$ 684,635,677	**127.45**	**$ 719,824,871**	**134.00**	**$ 832,446,201**	**154.96**	**$ 869,807,603**	**161.93**	**100.**
AID FROM EQUALIZING FUND FOR SCHOOLS								
$ 753,986,734	98.13	$ 764,863,745	99.42	$ 758,625,272	98.74	$736,173,619	95.82	60.34
74,412,204	--------	67,909,895	--------	69,047,855	--------	79,241,064	------	-----------
19,190,739	--------	5,743,841	--------	17,752,222	--------	15,439,460	------	-----------
847,589,677	100.37	838,519,481	99.30	845,425,349	100.12	830,854,143	98.40	68.10
318,392,228	128.55	343,210,878	138.57	369,694,127	149.26	389,150,527	157.12	31.90..
$1,165,981,905	**106.76**	**$1,181,730,359**	**108.21**	**$1,215,119,476**	**111,26**	**$1,220,004,670**	**111.71**	**100.**

TABLE 185—SUMMARY OF TOTAL PROPERTY TAXES LEVIED, 1928—BY COUNTIES

County	Assessed Valuation	Taxes Assessed For:								Per Cent Total Taxes (Countywide, District and City) are of Assessed Valuation
		Six Months School Term	District Special School[1]	Total for School	County Wide Other Than School	Township or District Other Than School	City and Town (School Excluded)	Total for Other Than School	Total for All Purposes	
Alamance	$ 33,792,943	$ 233,171	$ 125,229	$ 358,400	$ 290,619	----------	$ 206,498	$ 497,117	$ 855,517	2.53
Alexander	8,902,385	57,420	21,722	79,142	53,860	----------	16,823	70,683	149,825	1.68
Alleghany	4,918,276	23,608	2,540	26,148	28,034	----------	----------	28,034	54,182	1.10
Anson	21,078,008	151,762	77,787	229,549	180,295	----------	62,276	232,571	462,120	2.19
Ashe	11,849,096	56,876	7,664	64,540	159,963	4,740	2,982	167,685	232,225	1.96
Avery	5,644,593	56,446	15,708	72,154	53,624	----------	2,387	56,011	128,165	2.27
Beaufort	29,260,576	204,824	80,224	285,048	263,351	4,490	85,229	353,070	638,118	2.18
Bertie	14,855,328	102,502	67,250	169,752	127,756	4,528	41,438	173,722	343,474	2.31
Bladen	13,771,414	125,320	42,154	167,374	84,005	25,290	7,425	116,720	284,094	2.06
Brunswick	9,698,983	92,140	16,268	108,408	150,334	----------	14,931	165,265	273,673	2.82
Buncombe	167,804,331	973,265	783,753	1,757,018	855,802	212,694	1,191,385	2,259,881	4,016,899	2.39
Burke	23,728,961	138,787	68,294	207,081	93,730	29,141	76,022	198,893	405,974	1.71
Cabarrus	45,181,994	225,910	63,118	289,028	203,319	----------	168,089	371,408	660,436	1.46
Caldwell	22,035,474	152,045	73,656	225,701	112,381	----------	79,581	191,962	417,663	1.90
Camden	3,377,108	41,201	14,703	55,904	16,210	10,855	----------	27,065	82,969	2.46
Carteret	14,631,990	146,320	55,219	201,539	153,636	----------	92,121	245,757	447,296	3.06
Caswell	8,746,978	73,475	7,705	81,180	92,718	----------	390	93,108	174,288	1.99
Catawba	42,579,258	281,013	117,804	398,817	251,218	----------	219,440	470,658	869,475	2.04
Chatham	18,229,317	91,147	38,136	129,283	158,595	----------	25,766	184,361	313,644	1.72
Cherokee	9,211,788	59,878	34,163	94,041	87,604	48,619	61,980	198,203	292,244	3.17
Chowan	10,073,056	60,438	22,430	82,868	83,606	----------	39,056	122,662	205,530	2.04
Clay	2,337,838	19,873	5,045	24,918	52,605	----------	1,075	53,680	78,598	3.36
Cleveland	38,403,065	230,418	120,538	350,956	107,529	132,073	170,947	410,549	761,505	1.98
Columbus	21,431,009	192,879	54,797	247,676	135,025	39,341	61,740	236,106	483,782	2.26

Craven	27,751,460	301,381	99,045	400,426	212,021	----------	159,070	371,091	771,517	2.78
Cumberland	29,445,386	250,286	141,256	391,542	247,341	2,686	131,622	381,649	773,191	2.63
Currituck	4,967,899	53,653	17,913	71,566	23,349	----------	----------	23,349	94,915	1.91
Dare	2,576,060	23,130	13,855	36,985	26,472	1,895	1,227	29,594	66,579	2.58
Davidson	40,417,108	262,711	121,701	384,412	210,169	----------	228,595	438,764	823,176	2.04
Davie	12,672,329	84,905	34,445	119,350	88,706	----------	16,907	105,613	224,963	1.78
Duplin	22,914,437	194,774	56,216	250,990	206,230	7,134	37,013	250,377	501,367	2.19
Durham	97,418,894	638,094	315,273	953,367	482,223	----------	937,070	1,419,293	2,372,660	2.44
Edgecombe	34,584,224	255,923	143,496	399,419	89,919	189,786	106,953	386,658	786,077	2.27
Forsyth	204,837,470	655,480	730,233	1,385,713	573,545	----------	1,028,566	1,602,111	2,987,824	1.46
Franklin	14,818,920	118,551	74,706	193,257	59,276	84,356	62,931	206,563	399,820	2.70
Gaston	99,176,017	545,474	283,419	828,893	446,296	74,812	371,352	892,460	1,721,353	1.74
Gates	7,388,124	58,366	22,903	81,269	20,633	12,320	931	33,884	115,153	1.56
Graham	7,075,535	63,680	11,477	75,157	56,604	1,050	3,088	60,742	135,899	1.92
Granville	21,420,522	231,341	42,935	274,276	124,241	----------	61,196	185,437	459,743	2.15
Greene	12,820,649	102,565	33,147	135,712	121,796	----------	27,348	149,144	284,856	2.22
Guilford	197,199,029	867,676	910,057	1,777,733	670,477	----------	1,610,597	2,281,074	4,058,807	1.86
Halifax	39,251,495	251,210	213,394	464,604	337,576	----------	114,317	451,893	916,497	2.06
Harnett	24,298,220	257,561	71,347	328,908	131,211	14,106	91,018	236,335	565,243	2.33
Haywood	22,364,708	134,592	74,159	208,751	145,807	3,070	133,803	282,680	491,431	2.20
Henderson	27,975,882	193,034	90,369	283,403	310,532	9,402	201,208	521,142	804,545	2.88
Hertford	11,215,985	76,269	26,725	102,994	114,403	----------	38,622	153,025	256,019	2.28
Hoke	9,706,266	50,472	29,820	80,292	66,003	----------	11,578	77,581	157,873	1.63
Hyde	5,180,884	48,182	12,249	60,431	70,978	9,461	----------	80,439	140,870	2.72
Iredell	47,546,544	285,279	152,826	438,105	356,599	8,663	213,867	579,129	1,017,234	2.14
Jackson	10,687,535	100,463	28,605	129,068	107,944	7,244	19,019	134,207	263,275	2.46
Johnston	41,925,884	452,799	167,995	620,794	327,023	----------	151,427	478,450	1,099,244	2.62
Jones	6,426,376	57,838	29,216	87,054	54,624	----------	5,819	60,443	147,497	2.30
Lee	15,204,068	85,143	66,465	151,608	85,021	----------	68,455	153,476	305,084	2.01
Lenoir	27,761,758	258,186	115,183	372,369	305,379	----------	128,872	434,251	807,620	2.91
Lincoln	15,750,201	107,101	61,059	168,160	113,401	----------	49,299	162,700	330,860	2.10
Macon	7,719,239	54,035	15,952	69,987	67,929	33,962	24,971	126,862	196,849	2.55
Madison	10,409,525	100,972	31,059	132,031	131,160	12,040	10,068	153,268	285,299	2.74
Martin	16,038,700	144,348	35,549	179,897	76,986	36,430	57,547	170,963	350,860	2.19
McDowell	20,171,228	135,147	76,731	211,878	157,336	41,586	34,103	233,025	444,903	2.21
Mecklenburg	195,603,077	782,412	605,000	1,387,412	997,576	----------	1,297,877	2,295,453	3,682,865	1.88
Mitchell	8,989,895	71,020	13,757	84,777	62,030	34,978	12,833	109,841	194,618	2.16

TABLE 185—SUMMARY OF TOTAL PROPERTY TAXES LEVIED, 1928—BY COUNTIES—*Continued*

County	Assessed Valuation	Taxes Assessed For:								Per Cent Total Taxes (County wide, District and City) are of Assessed Valuation
		Six Months School Term	District Special School	Total for School	County Wide Other Than School	Township or District Other Than School	City and Town (School Excluded)	Total for Other Than School	Total for All Purposes	
Montgomery	$ 18,125,877	$ 135,944	$ 51,226	$187,170	$ 163,133	----------	$ 55,984	$ 219,117	$ 406,287	2.24
Moore	26,826,819	150,230	121,418	271,648	158,278	----------	104,584	262,862	534,510	1.99
Nash	32,907,938	223,774	190,919	414,693	220,483	137,741	231,192	589,416	1,004,109	3.05
New Hanover	59,344,687	384,742	144,405	529,147	244,302	----------	563,951	808,253	1,337,400	2.25
Northampton	14,437,208	158,809	35,736	194,545	36,093	54,119	11,532	101,744	296,289	2.05
Onslow	12,061,882	90,650	14,523	105,173	194,196	----------	4,689	198,885	304,058	2.52
Orange	17,959,501	140,084	54,887	194,971	120,329	661	45,999	166,989	361,960	2.02
Pamlico	5,423,749	46,102	16,271	62,373	86,780	284	5,121	92,185	154,558	2.85
Pasquotank	18,826,773	143,084	98,230	241,314	148,731	----------	99,337	248,068	489,382	2.60
Pender	10,463,301	101,494	46,742	148,236	84,753	7,474	7,405	99,632	247,868	2.37
Perquimans	8,040,620	71,562	7,823	79,385	76,386	----------	16,625	93,011	172,396	2.14
Person	12,916,139	95,579	29,704	125,283	98,163	----------	50,536	148,699	273,982	2.13
Pitt	49,356,275	308,477	190,197	498,674	347,962	17,653	176,018	541,633	1,040,307	2.11
Polk	7,941,328	51,619	43,713	95,332	111,179	----------	47,556	158,735	254,067	3.20
Randolph	27,364,031	134,084	60,780	194,864	139,556	577	70,260	210,393	405,257	1.48
Richmond	31,202,479	202,816	119,392	322,208	234,019	----------	139,673	373,692	695,900	2.23
Robeson	38,574,100	258,446	210,272	468,718	239,159	75,345	120,283	434,787	903,505	2.34
Rockingham	43,791,176	314,421	135,521	449,942	416.892	----------	172,012	588,904	1,038,846	2,37
Rowan	69,343,613	416,062	263,716	679,778	221,900	24,124	295,872	541,896	1,221,674	1.76
Rutherford	35,862,876	268,971	165,716	434,687	247,454	5,755	154,002	407,211	841,898	2.35
Sampson	21,961,722	219,617	55,645	275.262	197,651	----------	52,348	249,999	525,261	2.39
Scotland	15,949,352	87,721	81,408	169.129	140,354	13,505	49,024	202,883	372,012	2.33
Stanly	32,899,463	227,006	42,665	269,671	200,687	----------	79,225	279,912	549,583	1.67
Stokes	12,661,280	103,553	15,230	118,783	131,080	----------	14,914	145,994	264,777	2.09

Surry	30,197,823	172,128	78,193	250,321	175,147	5,622	107,015	287,784	538,105	1.78
Swain	12,619,645	82,028	25,653	107,681	70,669	18,929	25,505	115,103	222,784	2.12
Transylvania	9,534,075	105,828	25,742	131,570	130,617	----------	49,304	179,921	311,491	1.77
Tyrrell	3,930,071	29,475	6,527	36,002	45,196	----------	----------	45,196	81,198	2.07
Union	22,524,690	209,480	96,098	305,578	241,014	----------	125,229	366,243	671,821	2.98
Vance	20,678,000	192,305	62,034	254,339	128,204	6,443	95,323	229,970	484,309	2.34
Wake	94,206,820	621,765	493,765	1,115,530	417,221	13,469	667,138	1,097,828	2,213,358	2.35
Warren	13,448,251	94,138	40,884	135,022	53,793	59,637	17,428	130,858	265,880	1.98
Washington	7,993,514	75,942	26,379	102,321	95,922	----------	26,178	122,100	224,421	2.81
Watauga	9,196,322	45,982	9,154	55,135	73,571	1,051	33,699	108,321	163,457	1.78
Wayne	48,132,676	332,115	242,292	574,407	245,476	----------	226,599	472,075	1,046,482	2.17
Wilkes	16,641,485	128,139	36,571	164,710	188,049	534	65,238	253,821	418,531	2.51
Wilson	49,649,041	439,643	112,703	552,346	242,045	11,132	175,291	428,468	980,814	1.98
Yadkin	9,425,702	52,784	12,938	65,722	65,037	----------	4,064	69,101	134,823	1.43
Yancey	7,627,305	51,865	9,033	60,898	108,308	----------	15,565	123,873	184,771	2.42
North Carolina	$ 2,963,302,911	$19,113,235	$10,359,440	$29,472,684	$18,014,424	$ 1,550,807	$14,268,468	$33,833,699	$63,306,383	2.14

[1]Includes County-wide levy for supplementing and extending the six months term in those counties which have abolished district tax levies.

TABLE 186—COUNTY-WIDE ASSESSED VALUATIONS,

County	Assessed Valuation 1928	For Six Months School Term[1]		For Purposes	
		Rate [2]	Amount	General County	Poor
Alamance	$ 33,792,943	69	$ 233,171	$ 50,689	$ 13,517
Alexander	8,902,395	64.5	57,420	13,354	4,451
Alleghany	4,918,276	48	23,608	4,918	2,459
Anson	21,078,008	72	151,762	31,617	10,539
Ashe	11,849,096	48	56,876	17,774	5,925
Avery	5,644,593	100	56,446	8,467	2,822
Beaufort	29,260,576	70	204,824	43,897	----------
Bertie	14,855,328	69	102,502	22,283	----------
Bladen	13,771,414	91	125,320	20,657	----------
Brunswick	9,698,983	95	92,140	24,247	4,850
Buncombe	167,804,331	58	973,265	184,585	16,[illegible]
Burke	23,728,961	58	138,787	26,102	----------
Cabarrus	45,181,994	50	225,910	58,737	----------
Caldwell	22,035,474	69	152,045	33,053	2,204
Camden	3,377,108	122	41,201	5,066	----------
Carteret	14,631,990	100	146,320	21,948	7,316
Caswell	8,746,978	84	73,475	13,120	875
Catawba	42,579,258	66	281,013	51,095	----------
Chatham	18,229,317	50	91,147	27,344	9,115
Cherokee	9,211,788	65	59,878	13,818	9,212
Chowan	10,073,056	60	60,438	15,100	2,015
Clay	2,337,838	85	19,873	10,053	----------
Cleveland	38,403,065	60	230,418	57,605	----------
Columbus	21,431,009	90	192,879	32,147	10,715
Craven	27,751,460	108.6	301,381	8,325	----------
Cumberland	29,445,386	85	250,286	44,168	14,723
Currituck	4,967,899	108	53,653	7,452	2,484
Dare	2,576,060	90	23,130	7,196	1,285
Davidson	40,417,108	65	262,711	50,521	----------
Davie	12,672,329	67	84,905	19,008	6,336
Duplin	22,914,437	85	194,774	34,372	11,457
Durham	97,418,894	65.5	638,094	146,128	----------
Edgecombe	34,584,224	74	255,923	44,960	----------
Forsyth	204,837,470	32	655,480	225,321	----------
Franklin	14,818,920	80	118,551	22,228	7,409
Gaston	99,176,017	55	545,474	114,053	----------
Gates	7,388,124	79	58,366	11,028	3,694
Graham	7,075,535	90	63,680	10,613	3,538
Granville	21,420,522	108	231,341	32,133	6,426
Greene	12,820,649	80	102,565	19,231	6,410
Guilford	197,199,029	44	867,676	98,599	----------
Halifax	39,251,495	64	251,210	58,882	11,780
Harnett	24,298,220	106	257,561	36,447	9,719
Haywood	22,364,708	60	134,592	33,648	11,216
Henderson	27,975,882	69	193,034	41,964	13,988
Hertford	11,215,985	68	76,269	114,403	----------
Hoke	9,706,266	52	50,472	14,560	----------
Hyde	5,180,884	93	48,182	7,771	2,590
Iredell	47,546,544	60	285,279	52,301	----------
Jackson	10,687,535	94	100,463	13,894	2,137

[1] A few counties levy a county-wide rate to extend the six months school term. Inasmuch as in most counties such levies are made by districts, all taxes levied to extend the six months term are shown in Table 187 as district taxes for schools.

[2] Rate expressed as cents as the one hundred dollars of assessed valuation.

PROPERTY TAX RATES AND TAXES LEVIED FOR ALL PURPOSES, 1928

Other Than School					Total Taxes All Purposes	
Roads and Bridges	Debt Service	Miscellaneous	Total Other Than Schools			
			Rate [2]	Amount	Rate [2]	Amount
$ 98,000	$ 128,413	------------	86	$ 290,619	155	$ 523,790
13,799	17,805	4,451	60.5	53,860	125	111,280
2,951	17,706	------------	57	28,034	105	51,642
52,695	59,018	26,426	86.7	180,295	158.7	332,057
11,849	124,415	------------	135	159,963	183	216,839
5,645	36,690	------------	95	53,624	195	110,070
81,932	137,522	------------	90	263,351	160	468,175
50,508	54,965	------------	86	127,756	155	230,258
28,920	34,428	------------	61	84,005	152	209,325
9,699	101,839	9,699	155	150,334	250	242,474
167,804	453,072	33,561	51	855,802	109	1,829,067
43,899	23,729	------------	40	93,730	98	232,517
85,846	58,736	------------	45	203,319	95	429,229
17,628	59,496	------------	------	112,381	120	264,426
10,131	675	338	48	16,210	170	57,411
21,948	95,108	7,316	105	153,636	205	299,956
28,865	43,735	6,123	106	92,718	200	166,193
68,127	131,996	------------	69	251,218	135	532,231
45,573	72,917	3,646	87	158,595	137	249,742
36,849	27,725	------------	65	87,604	130	147,482
28,204	38,278	------------	83	83,606	143	144,044
4,676	37,876	------------	225	52,605	310	72,478
19,202	30,722	------------	28	107,529	88	337,947
------------	92,163	------------	63	135,025	153	327,904
73,541	129,461	694	76.4	212,021	185	513,402
73,613	100,114	14,723	84	247,341	169	497,627
5,961	6,458	994	47	23,349	155	77,002
16,706	1,285	------------	103	26,472	193	49,602
129,335	30,313	------------	52	210,169	117	472,880
31,681	31,681	------------	70	88,706	137	173,611
22,914	137,487	------------	90	206,230	175	410,004
136,386	150,999	48,710	49.5	482,223	115	1,120,317
------------	44,959	------------	26	89,919	100	345,842
184,354	163,870	------------	28	573,545	60	1,229,025
5,928	19,265	4,446	40	59,276	120	177,827
133,889	198,354	------------	45	446,296	100	991,770
5,911	------------	------------	28	20,633	107	78,999
17,689	24,764	------------	80	56,604	170	120,284
64,262	21,420	------------	58	124,241	166	355,582
43,590	52,565	------------	95	121,796	175	224,361
78,880	414,118	78,880	34	670,477	78	1,538,153
149,153	117,761	------------	86	337,576	150	588,786
48,597	36,448	------------	54	131,211	160	388,772
------------	89,727	11,216	65	145,807	125	280,399
33,571	218,212	2,797	111	310,532	180	503,566
------------	------------	------------	102	114,403	170	190,672
21,354	22,324	7,765	68	66,003	120	116,475
10,362	47,664	2,591	137	70,978	230	119,160
47,547	257,751	------------	75	356,599	135	641,878
25,650	60,919	5,344	101	107,944	195	208,407

TABLE 186 COUNTY-WIDE ASSESSED VALUATIONS

County	Assessed Valuations 1928	For Six Months		For Purposes	
		Rate	Amount	General County	Poor
Johnston	$ 41,925,884	108	$ 452,799	$ 62,889	----------
Jones	6,426,376	90	57,838	6,426	----------
Lee	15,204,068	56	85,143	22,808	----------
Lenior	27,761,758	93	258,186	63,852	----------
Lincoln	15,750,201	68	107,101	31,500	----------
Macon (1927)	7,719,239	70	54,035	11,579	3,860
Madison	10,409,525	97	100,972	15,614	----------
Martin	16,038,700	90	144,348	24,058	----------
McDowell	20,171,228	67	135,147	30,257	8,068
Mecklenburg	195,603,077	40	782,412	277,756	----------
Mitchell	8,989,895	79	71,020	17,979	----------
Montgomery	18,125,877	75	135,944	27,189	3,625
Moore	26,826,819	56	150,230	40,240	----------
Nash	32,907,938	68	223,774	49,362	----------
New Hanover	59,344,687	64.5	384,742	67,752	14,836
Northampton	14,437,208	110	158,809	21,656	7,218
Onslow	12,061,882	75	90,650	18,093	6,031
Orange	17,595,501	78	140,084	26,939	----------
Pamlico	5,423,749	85	46,102	8,136	4,881
Pasquotank	18,826,773	76	143,084	28,240	----------
Pender	10,463,031	97	101,494	15,695	5,232
Perquimans	8,040,620	89	71,562	10,453	4,020
Person	12,916,139	74	95,579	12,916	7,750
Pitt	49,356,275	62.5	308,477	61,695	4,936
Polk	7,941,328	65	51,619	19,854	----------
Randolph	27,364,031	49	134,084	35,573	----------
Richmond	31,202,479	65	202,816	46,804	6,241
Robeson	38,574,100	67	258,446	57,861	19,287
Rockingham	43,791,176	71.8	314,421	65,687	----------
Rowan	69,343,613	60	416,062	60,676	----------
Rutherford	35,862,876	75	268,971	50,208	14,345
Sampson	21,961,722	100	219,617	32,943	----------
Scotland	15,949,352	55	87,721	23,924	3,190
Stanley	32,899,463	69	227,006	46,059	13,160
Stokes	12,661,208	79	103,553	19,662	2,622
Surry	30,197,823	57	172,128	33,218	----------
Swain (1927)	12,619,645	65	82,028	18,929	6,310
Transylvania	9,534,075	111	105,828	14,301	3,814
Tyrrell	3,930,071	75	29,475	1,572	1,179
Union	22,524,690	93	209,480	33,787	11,262
Vance	20,678,000	93	192,305	31,017	8,271
Wake	94,206,820	66	621,765	113,048	----------
Warren	13,448,251	70	94,138	20,172	6,742
Washington	7,993,514	95	75,942	11,990	3,997
Watauga	9,196,322	50	45,982	13,795	----------
Wayne	48,132,676	69	332,115	62,572	----------
Wilkes	16,641,485	77	128,139	24,962	8,321
Wilson	49,649,041	88.55	439,643	57,098	----------
Yadkin	9,425,702	56	52,784	14,139	----------
Yancey	7,627,305	68	51,865	11,441	3,814
North Carolina	$ 2,963,302,911	64.5	$19,113,235	$ 4,131,267	$ 400,981

PROPERTY TAX RATES AND TAXES LEVIED FOR ALL PURPOSES, 1928—*Continued*

Other Than Schools					Total Taxes All Purposes	
Roads and Bridges	Debt Service	Miscellaneous	Total Other Than Schools			
			Rate [2]	Amount	Rate [2]	Amount
$ 125,778	$ 138,356	----------	78	$ 327,023	186	$ 779,822
11,568	36,630	----------	85	54,624	175	112,462
28,888	30,408	2,917	54	85,021	110	170,164
63,852	177,675	----------	110	305,379	203	563,565
18,900	63,001	----------	72	113,401	140	220,502
6,175	43,228	3,087	88	67,929	158	121,964
20,819	88,481	6,246	126	131,160	223	232,132
8,019	44,909	----------	48	76,986	138	221,334
90,771	8,069	20,171	78	157,336	145	292,483
361,866	258,196	99,758	51	997,576	91	1,779,988
23,374	20,677	----------	69	62,030	148	133,050
41,690	90,629	----------	90	163,133	165	299,077
67,067	50,971	----------	59	158,278	115	308,508
134,922	36,199	----------	67	220,483	135	444,257
83,083	41,047	37,584	41.16	244,302	106	629,044
----------	7,219	----------	25	36,093	135	194,902
24,124	135,092	10,856	161	194,196	236	284,846
48,491	44,899	----------	67	120,329	145	260,413
14,644	48,271	10,848	160	86,780	245	132,882
24,475	96,016	----------	79	148,731	155	291,815
21,973	36,622	5,231	81	84,753	178	186,247
17,689	44,224	----------	95	76,386	184	147,948
30,999	40,040	6,458	76	98,163	150	193,742
143,133	130,795	7,403	70.5	347,962	133	656,439
35,736	55,589	----------	140	111,179	205	162,798
41,046	62,937	----------	51	139,556	100	273,640
93,607	78,006	9,361	75	234,019	140	436,835
96,435	46,289	19,287	62	239,159	129	497,605
117,360	229,466	4,379	95.2	416,892	167	731,313
90,147	71,077	----------	32	221,900	92	637,962
46,622	136,279	----------	69	247,454	144	516,425
94,431	65,885	4,392	90	197,651	190	417,268
74,962	35,886	2,392	88	140,354	143	228,075
62,509	78,959	----------	61	200,687	130	427,693
43,256	65,540	----------	100	131,080	179	234,633
66,435	75,494	----------	58	175,147	115	347,275
29,025	10,096	6,309	56	70,669	121	152,697
16,208	95,341	953	137	130,617	245	236,445
5,109	29,475	7,861	115	45,196	190	74,671
105,866	83,341	6,758	107	241,014	200	450,494
51,695	31,017	6,204	62	128,204	155	320,509
136,735	167,438	----------	51	417,221	117	1,038,986
----------	26,897	----------	40	53,793	110	147,931
15,987	57,553	6,395	120	95,922	215	171,864
18,393	41,383	----------	80	73,571	130	119,553
96,265	86,639	----------	51	245,476	120	577,591
51,589	94,856	8,321	113	188,049	190	316,188
78,199	106,748	----------	48.75	242,045	137	681,688
20,736	30,162	----------	69	65,037	125	117,821
9,153	83,900	----------	142	108,308	210	160,173
$ 5,205,430	$ 7,913,355	$ 362,891	60.8	$ 18,014,424	125.3	$ 37,127,659

TABLE 186½—COUNTY-WIDE RATES* FOR SIX MONTHS SCHOOL TERM, 1928 —BY COUNTIES

Counties	Total Rate	Current Expense	Capital Outlay	Debt Service
Alamance	69	51	03	15
Alexander	65	51	09	05
Alleghany	48	43	-------	05
Anson	72	59	09	03
Ashe	48	40	04	04
Avery	100	65	-------	35
Beaufort	70	58.2	10.4	01.4
Bertie	69	55	03	11
Bladen	91	60	03	28
Brunswick	95	Not divided		
Buncombe	58	47	02	09
Burke	58	46.3	01.2	11
Cabarrus	50	37	07	05
Caldwell	69	48	10	11
Camden	122	90	10	22
Carteret	100	Not divided		
Caswell	84	Not divided		
Catawba	66	55.2	05.9	04.9
Chatham	50	Not divided		
Cherokee	65	47	05	12
Chowan	60	49	03	08
Clay	85	40	-----	45
Cleveland	60	51	03.5	05.5
Columbus	90	65	08	17
Craven	109	74	-------	35
Cumberland	85	69	05	11
Currituck	108	88	-------	20
Dare	90	Not divided		
Davidson	65	53	06	06
Davie	67	52	06	09
Duplin	85	61	03	21
Durham	66	Not divided		
Edgecombe	74	59	02	13
Forsyth	32	Not divided		
Franklin	80	57	07	16
Gaston	55	49	02	04
Gates	79	53	06	20
Graham	90	60	10	20
Granville	108	Not divided		
Greene	80	Not divided		
Guilford	44	33	03	08
Halifax	64	54	04	06
Harnett	106	61	13	32
Haywood	60	Not divided		
Henderson	69	50	10	09
Hertford	68	62	04	02
Hoke	52	Not divided		
Hyde	93	66	11	16
Iredell	60	Not divided		
Jackson	94	70	03	21
Johnston	108	73	------	35
Jones	90	Not divided		
Lee	56	49	01	06
Lenoir	93	Not divided		
Lincoln	68	49	05	14
Macon (1927)	70	Not divided		
Madison	97	Not divided		
Martin	90	52	12	26
McDowell	67	50	04.5	12.5
Mecklenburg	40	Not divided		
Mitchell	79	62.4	05.2	11.4
Montgomery	75	Not divided		
Moore	56	49	04.5	02.5
Nash	68	Not divided		
New Hanover	65	46	01	18
Northampton	110	83	-------	27
Onslow	75	Not divided		
Orange	78	Not divided		
Pamlico	85	60	05	20
Pasquotank	76	59	06	11
Pender	97	Not divided		
Perquimans	89	72	05	12
Person	74	54	03	17
Pitt	62.5	57.5	05	-------
Polk	65	Not divided		
Randolph	49	Not divided		
Richmond	65	57	02	06
Robeson	67	58.7	05.7	02.6
Rockingham	71.8	56.2	-------	15.6
Rowan	60	Not divided		
Rutherford	75	Not divided		
Sampson	100	70	05	25
Scotland	55	54.4	00.6	-------
Stanly	69	Not divided		
Stokes	79	63	06	10
Surry	57	Not divided		
Swain (1927)	65	45	11	09
Transylvania	111	90	None	21
Tyrrell	75	48	12	15
Union	93	64.5	18.3	10.2
Vance	93	68	03	22
Wake	66	Not divided		
Warren	70	67	02.5	00.5
Washington	95	Not divided		
Watauga	50	Not divided		
Wayne	61	Not divided		
Wilkes	77	65	02	10
Wilson	89	57	03	29
Yadkin	56	45	02	09
Yancey	68	50	01	17
Weighted Average	64.5	-------	-------	-------

*Expressed in cents on the one hundred dollars of asseessed valution.

TABLE 187—DISTRICT VALUATIONS, PROPERTY TAX RATES AND TAXES LEVIED FOR SCHOOLS, 1928—BY COUNTIES

County and Districts	Assessed Valuation	Rate			Amount*		
		Current	Debt	Total	Current	Debt	Total
Alamance County	$ 30,135,616				$ 117,440.00	$ 7,789.00	$ 125,229.00
Alexander-Wilson	2,240,523	30		30	6,721.56		6,721.56
Altamahaw-Ossipee	919,374	50		50	4,596.87		4,596.87
Aycock	1,390,201	43		43	5,977.86		5,977.86
Eldermont	226,905	05		05	113.45		113.45
Elmirs	471,562	50		50	2,357.81		2,357.81
Elon College	903,509	30		30	2,710.52		2,710.52
Fair Grounds	651,075	50		50	3,255.37		3,255.37
Gibsonville	162,456	25		25	406.14		406.14
Glen Hope	935,666	30		30	2,806.99		2,806.99
Midway	503,450	15		15	755.18		755.18
Oakdale	99,730	20		20	199.46		199.46
Pleasant Grove	1,326,821	20		20	2,653.64		2,653.64
Richmond Hill	185,978	50		50	929.89		929.89
Saxapahaw	304,640	30		30	913.92		913.92
Shallow Ford	270,275	15		15	405.41		405.41
Stoney Creek	269,449	30		30	808.34		808.34
Sylvan	308,177	50		50	1,540.88		1,540.88
Whitney	506,083	30		30	1,518.24		1,518.24
E. M. Holt	845,309	40		40	3,381.23		3,381.23
Total Local Tax	**12,521,183**				**42,053.00**		**42,053.00**
Special Charter	**17,614,433**				**75,387.00**	7,789.00	**83,176.00**
Burlington	10,333,000	45	06	51	46,499.00	6,398.76	52,897.76
Graham	2,963,250	40		40	11,849.00		11,849.00
Haw River	1,390,201	33	10	43	4,449.00	1,390.20	5,839.20
Mebane	2,927,982	43		43	12,590.32		12,590.32
Alexander County	$ 3,945,479				$ 21,722.00		$ 21,722.00
Bethlehem	429,360	30		30	1,288.08		1,288.08
Hiddinite	663,126	50		50	3,315.63		3,315.63
Stoney Point	1,192,012	60		60	7,152.07		7,152.07
Taylorsville	1,660,981	60		60	9,965.88		9,965.88
Alleghany County	$ 840,759				2,540.00		$ 2,540.00
Piney Creek	260,439	30		30	781.51		781.51
Sparta	580,320	30		30	1,758.92		1,758.92
Anson County	$ 20,686,797				$ 77,787.00		$ 77,787.00
Ansonville	1,518,403	40		40	6,073.61		6,073.61
Bethel	312,296	30		30	936.89		936.89
Burnsville Twp.	297,014	30		30	891.04		891.04
Burnsville H. S.	608,341	10		10	608.34		608.34
Birmingham H. S.	296,208	30		30	888.62		888.62
Camden	219,244	30		30	657.73		657.73
Coson Old Field	170,213	30		30	510.64		510.64
Deep Creek	404,404	50		50	2,022.02		2,022.02
Deep Springs	94,081	20		20	188.16		188.16
Diamond Hill	134,185	40		40	536.74		536.74
Flint Ridge	79,128	20		20	158.26		158.26
Gate Wood Sta. C.	53,687	25		25	134.22		134.22
Gum Springs	695,241	30		30	2,085.72		2,085.72
Gullidge—C.	238,959	30		30	716.88		716.88
Lilesville	4,881,744	30		30	14,645.23		14,645.23
McFarlan	453,062	45		45	2,038.78		2,038.78
Oak Grove	43,416	20		20	86.83		86.83
Peachland	796,123	30		30	2,388.37		2,388.37
Polkton	1,371,792	50		50	6,858.96		6,858.96
White Stone	575,856	30		30	1,727.57		1,727.57
Total Local Tax	**13,243,397**				**44,155.00**		**44,155.00**
Special Charter	**7,443,400**				**33,632.00**		**33,632.00**
Morven	1,468,464	50		50	7,342.32		7,342.32
Wadesboro	5,974,936	44		44	26,289.72		26,289.72

*The *Amount* of tax levied does not always exactly equal the *valuation* multiplied by the *rate*, because in general the amount is obtained by adding up the taxes levied against individual valuations, and because in the case of the levy for debt service the valuation of the district is occasionally smaller than the valuation on which the rate for current is levied, and because in rare instances a poll tax was levied, improperly, and included. The discrepancies are insiginificant.

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Current	Debt	Total	Current	Debt	Total
Ashe County	$ 2,811,395				$ 7,664.00		$ 7,664.00
Bowie	361,517	30		30	1,084.55		1,084.55
Elkland	204,350	20		20	408.70		408.70
Grassy Creek	349,823	30		30	1,049.47		1,049.47
Green Valley	122,400	20		20	244.80		244.80
Helton	331,500	20		20	663.00		663.00
Jefferson	350,207	30		30	1,050.62		1,050.62
Lansing	273,120	30		30	819.36		819.36
Oval	112,095	20		20	224.19		224.19
West Jefferson	706,383	30		30	2,119.15		2,119.15
Avery County	$ 5,236,106				$ 15,708.00		$ 15,708.00
Altamont	471,469	30		30	1,414.41		1,414.41
Banner Elk	590,210	30		30	1,770.63		1,770.63
Cranberry	1,366,460	30		30	4,099.38		4,099.38
Linville	1,832,547	30		30	5,497.64		5,497.64
Roaring Creek	299,384	30		30	898.15		898.15
Toe River	676,030	30		30	2,028.09		2,028.09
Beaufort County	$ 18,086,229				$ 52,901.00	$ 27,323.00	$ 80,224.00
Aurora	1,469,567	20	10	30	2,939.13	1,469.57	4,408.70
Bath	610,757	30		30	1,832.27		1,832.27
Bear Creek	228,517		30	30		685.55	685.55
Belhaven	1,379,675	50	10	60	6,898.37	1,379.68	8,278.05
Campbells Creek	143,320	05		05	71.66		71.66
Core Point	112,380	05		05	56.19		56.19
Ecklin	123.380		10	10		123.38	123.38
Edward	468.780	10		10	468.78		468.78
Gilead	84,430		10	10		84.43	84.43
Highland	624,547	15	01	16	878.83	62.45	941.28
Leggetts	120,740	15	09	24	181,11	112.00	293.11
Old Ford	475,547	30		30	1,426.64		1,426.64
Pantego	1,018,791	25	20	45	2,546.98	2,037.58	4,584.56
Pinetown	335,425	20		20	670.85		670.85
Ransomville	160,307	15	15	30	240.46	240.46	480.92
Royal	550,000	05		05	275.00		275.00
Sidney	105,600		15	15		158.40	158.40
Small	266,913		30	30		800.74	800.74
Terra Ceia	700,650	10	10	20	700.65	700.65	1,401.30
Wades Point	52,988		40	40		211.95	211.95
Winsteadville	226,355	20		20	452.71		452.71
Total Local Tax	9,333,336				19,640.00	8,067.00	27,707.00
Wash. Sp. Char.	8,752,893	38	22	60	33,261.00	19,256.00	52,517.00
Bertie County	$ 14,060,577				$ 58,527.00	$ 8,723.00	$ 67,250.00
Aulander	2,238,442	50		50	11,192.21		11,192.21
Askerville	318,854	40		40	1,275.42		1,275.42
Center Grove	110,479	10		10	110.48		110.48
Coleraine	838,796	30	30	60	2,516.39	2,516.39	5,032.78
Coleraine	83,414	30		30	250.24		250.24
Mars Hill, Exeter	573,601	50	25	75	2,868.01	1,093.51	3,961.52
Merry Hill	845,125	45		45	3,803.96		3,803.96
Perry Town	109,954	30		30	329.86		329.86
Powellsville	720,299	50		50	3,601.50		3,601.50
Republican	585,582	45		45	2,635.12		2,635.12
Riverside	318,360	45		45	1,432.62		1,432.62
Roxebel, Kilford	2,250,621	45		45	10,127.79		10,127.79
Windsor	3,181,677	40		40	12,726.71		12,726.71
Woodville, Lewiston	1,704,458	30	30	60	5,113.37	5,113.37	10,226.74
Woodville, Lewiston	180,915	30		30	542.75		542.75
Bladen County	$ 11,144,563				$ 34,990.00	$ 7,164.00	$ 42,054.00
Abbots	579,539	50		50	2,897.69		2,897.69
Bethel	321,490	30		30	964.47		964.47
Bladenboro, 31	2,636,464	30	07	37	7,909.39	1,380.98	9,290.37
Bladenboro, 112	49,691	30		30	149.07		149.07
Brown Marsh, 41	1,721,502	30	20	50	5,164.50	2,076.91	7,241.41
Brown Marsh, 116	77,501	30		30	232.50		232.50
Carners Creek, 46	1,167,719	25		25	2,919.29		2,919.29
Carners Creek, 124	68,945	30		30	206.83		206.83
Cypress Creek	385,886	30		30	1,157.65		1,157.65

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Current	Debt	Total	Current	Debt	Total
Elizabeth Town, 66	61,716	30	------	30	185.15	------------	185.15
Elizabeth Town, 66	1,237,391	40	10	40	5,134.71	1,237.39	6,372.10
Elizabeth Town, 141	96,057	30	------	30	288.17	------------	288.17
Frenches Creek, 71	808,253	30	10	40	2,424.75	724.36	3,149.11
Hollow	865,504	30	15	45	2,597.71	1,290.86	3,888.57
White Oak	270,680	10	------	10	270.68	------------	270.68
White Oak, 96	795,825	30	10	40	2,387.48	453.24	2,841.72
Brunswick County	**$ 5,326,347**	------	------	------	**$ 16,268.00**	------------	**$ 16,268.00**
North West (Cons)	2,716,200	15	------	15	4,074.30	------------	4,074.30
North West (Col.)	191,716	15	------	15	287.50	------------	287.50
Smithville (H.S.)	2,190,766	50	------	50	10,953.83	------------	10,953.83
Smithville (Col.)	174,432	50	------	50	872.16	------------	872.16
Town Creek, 7	53,233	15	------	15	79.85	------------	79.85
Buncombe County	**$167,986,976**	------	------	------	**$ 543,980.00**	**$ 239,773.00**	**$ 783,753.00**
Alexander	566,789	10	------	10	566.79	------------	566.79
Barnardsville	498,445	30	50	80	1,495.33	2,492.23	3,987.56
Beech Creek	172,925	30	30	60	518.78	518.78	1,037.56
Biltmore	9,961,395	30	20	50	29,884.19	19,922.79	48,806.98
Black Mountain	3,649,802	30	35	65	10,949.40	12,774.31	23,723.71
Candler	932,526	30	21	51	2,797.58	1,958.30	4,755.88
Dillingham	86,980	30	------	30	260.94	------------	260.94
Emma	1,492,344	26	28	54	3,880.09	4,178.56	8,008.65
Fairview	1,392,970	30	18	48	4,178.91	2,507.35	6,686.26
Flat Creek	692,929	30	45	75	2,078.79	3,118.18	5,196.97
French Broad	883,842	30	25	65	2,651.53	2,209.60	4,861.13
Glady	196,153	30	------	30	588.46	------------	588.46
Grace	12,561,648	25	05	30	31,404.12	6,280.82	37,684.94
Haw Creek	5,991,164	30	07	37	17,973.49	4,193.81	22,167.30
Hemphill	119,115	30	20	50	357.54	238.23	595.57
Hill Crest	455,890	30	------	30	1,367.67	------------	1,367.67
Johnston	574,284	30	38	68	1,722.85	2,182.28	3,905.13
Leicester, Round Hill	1,127,973	30	------	30	3,383.92	------------	3,383.92
Liberty	178,720	30	------	30	536.16	------------	536.16
Montreat	538,990	30	------	30	1,616.97	------------	1,616.97
Oakley	2,848,143	30	35	65	8,544.43	9,968.50	18,512.93
Piney Grove	198,355	05	19	24	99.17	376.87	476.04
Reems Creek	2,643,036	------	18	18	------------	4,757.46	4,757.46
Red Oak	622,167	30	50	80	1,866.50	3,110.84	4,977.34
Rose Hill	364,606	12	------	12	437.53	------------	437.53
Sand Hill	1,792,569	30	24	54	5,377.71	4,302.17	9,679.88
Sandy Mush	470,293	30	50	70	1,410.88	2,351.46	3,762.34
Shilo, (Col.)	280,320	30	33	63	840.96	925.05	1,766.01
South Fork	67,715	30	------	30	203.14	------------	203.14
Swan	4,102,477	27	22	49	11,076.69	9,025.45	2,0102.14
Turk	252,665	------	21	21	------------	530.60	530.60
Unic	137,103	30	------	30	411.31	------------	411.31
Ver	592,230	30	34	64	1,776.69	2,013.58	3,790.27
Va	5,234,145	30	22	52	15,702,43	11,515.12	27,217.55
W	1,530,216	30	18	48	4,590.65	2,754.39	7,345.04
W be	1,327,084	30	29	59	3,981.29	3,848.54	7,829.79
V	4,948,968	30	09	39	14,846.90	4,454.07	19,300.97
To x	**$ 69,486,976**	------	------	------	**$ 189,380.00**	**$ 122,459.00**	**$ 311,839.00**
As Char.	**$ 98,500,000**	36	11.9	47.9	**$ 354,600.00**	**$ 117,314.00**	**$ 471,914.00**
B	**$ 17,465,331**	------	------	------	**$ 53,217.00**	**$ 15,077.00**	**$ 68,294.00**
	238,817	06	------	06	143.29	------------	143.29
	69,313	30	------	30	207.94	------------	207.94
	248,883	12	------	12	298.66	------------	298.66
	752,982	26	25	51	1.981.27	1,858.94	3,840.21
	958,887	30	------	30	2,876.66	------------	2,876.66
	290,054	24	------	24	696.13	------------	696.13
College	384,090	10	------	10	384.09	------------	- 384.09
	2,132,680	05	------	05	1,066.34	------------	1,066.34
	1,520,528	30	10	40	4,560.95	1,521.16	6,082.11
Tax	**6,596,234**	------	------	------	**12,215.00**	**3,380.00**	**15,595.00**
ter	**10,869,097**	------	------	------	**41,002.00**	**11,697.00**	**52,699.00**
	4,237,798	24	01	25	9,171.71	423.78	9,595.49
n	6,631,299	48	17	65	31,830.24	11,273.21	43,103.45

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Current	Debt	Total	Current	Debt	Total
Cabarrus County	$ 21,487,521				$ 63,118.00		$ 63,118.00
Bethel	375,802	30		30	1,127.41		1,127.41
Harrisburg	1,878,478	20		20	3,765.96		3,756.96
Hortsell	1,528,202	20		20	3,056.40		3,056.40
Midland	415,170	30		30	1,245.51		1,245.51
Poplar Tent	345,450	20		20	690.90		690.90
Roberta	387,429	25		25	968.56		968.56
White Hall	588,109	20		20	1,176.22		1,176.22
Winecoff	1,231,881	20		20	2,463.76		2,463.76
Total	**6,750,521**				**14,486.00**		**14,486.00**
Concord, Sp. Char.	**14,737,000**	**33**		**33**	**48,632.00**		**48,632.00**
Caldwell County	$ 14,109,737				$ 66,894.00	$ 6,762.00	$ 73,656.00
Colletsville	466,856	35		35	1,634.00		1,634.00
Dindley	482,530	30		30	1,447.59		1,447.59
Hudson	812,534	40		40	3,250.14		3,250.14
Kings Creek	401,406	30		30	1,204.22		1,204.22
Oak Hill	356,570	30		30	1,069.71		1,069.71
Patterson	404,977	30		30	1,214.93		1,214.93
Saw Mills	206,705	40		40	826.82		826.82
Valmead	733,766	10		10	733.76		733.76
Whitnel	906,159	25		25	2,265.40		2,265.40
Total Local Tax	**4,771,503**				**13,647.00**		**13,647.00**
Special Charter	**9,338,234**				**53,247.00**	**6,762.00**	**60,009.00**
Granite Falls	2,704,679	35	25	60	9,466.00	6,762.00	16,228.00
Lenoir	6,633,555	66		66	43,781.00		43,781.00
Camden County	$ 3,376,814				$ 8,786.00	$ 5,917.00	$ 14,703.00
Court House	1,344,077	20	13	33	2,688.15	1,747.30	4,435.45
Old Trap	338,750	30	36	66	1,016.25	1,219.50	2,235.75
Shiloh	713,700	30	07	37	2,141.10	429.59	2,640.69
South Mills	980,287	30	25	55	2,940.86	2,450.71	5,391.57
Carteret County	$ 14,631,990				$ 55,219.00		$ 55,219.00
County Wide	**14,631,990**	**30**		**30**	**43,896.00**		**43,896.00**
Special Charter	**6,467,603**				**11,323.00**		**11,323.00**
Beaufort	3,242,270	20		20	6,485.00		6,485.00
Morehead City	3,225,333	15		15	4,838.00		4,838.00
Caswell County	$3,287,900				$ 7,705.00		$ 7,705.00
Cobb Memorial	632,046	15		15	948.07		948.07
Leasburg	276,985	25		25	677.46		677.46
Milton	299,076	30		30	897.23		897.23
Pelham	479,340	20		20	958.68		958.68
Providence	193,845	20		20	387.69		387.69
Semora	383,605	20		20	767.21		767.21
Yanceyville	1,023,003	30		30	3,069.01		3,069.01
Catawba County	$ 34,676,964				$ 117,804.00		$ 117,804.00
Allen Fry	600,379	30		30	1,801.14		1,801.14
Ball's Creek	1,760,071	30		30	5,280.21		5,280.21
Bancock	306,013	30		30	918.04		918.04
Barger	308,646	25		25	771.62		771.62
Blackburn	818,972	30		30	2,456.92		2,456.92
Brookford	1,275,900	30		30	3,827.70		3,827.70
Catawba	886,596	30		30	2,659.79		2,659.79
Claremont	934,304	30		30	2,802.91		2,802.91
Denver (Lincoln C)	23,987	30		30	71.96		71.96
Huffman	149,206	15		15	223.81		223.81
Lails	117,560	30		30	352.68		352.68
Longview	1,298,856	40		40	5,195.42		5,195.42
Maiden	2,158,474	30		30	6,475.42		6,475.42
Monogram	519,298	30		30	1,557.89		1,557.89
Mt. Pleasant	238,788	20		20	477.58		477.58
Mt. View	613,911	30		30	1,841.73		1,841.73
Peace Academy	197,941	20		20	395.88		395.88
Sandy Ridge	306,516	15		15	459.77		459.77
Sherrells Ford	737,335	40		40	2,949.34		2,949.34
Startown	1,173,048	30		30	3,519.14		3,519.14
Sweetwater	868,294	30		30	2,604.88		2,604.88
Viewpoint	589,017	30		30	1,767.05		1,767.05
West Hickory	1,536,637	40		40	6,146.55		6,146.55

TABLE 187—*Coutinued*

County and Districts	Assessed Valuation	Rate			Amount		
		Cur-rent	Debt	Total	Current	Debt	Total
Catawba County, *Continued*							
White Church	1,792,964	15	------	15	2,689.45	------------	2,689.45
Total Local Tax	**19,212,713**	------	------	------	**57,248.00**	------------	**57,248.00**
Special Charter	**15,464,251**	------	------	------	**60,556.00**	------------	**60,556.00**
Hickory	10,838,377	42	------	42	45,521.00	------------	45,521.00
Newton	4,625,874	32½	------	32½	15,035.00	------------	15,035.00
Chatham County	**$ 13,384,308**	------		------	**$ 38,136.00**	------------	**$ 38,136.00**
Bells	605,047	25	------	25	1,512.62	------------	1,512.62
Bennett	184,165	40	------	40	736.66	------------	736.66
Bonsal	132.771	30	------	30	398.31	------------	398.31
Brick Haven	3,681,193	20	------	20	7,362.39	------------	7,362.39
Bynum	757,814	30	------	30	2,273.44	------------	2,273.44
Bonlee	330,914	30	------	30	992.74	------------	992.74
Carbonton	158,956	30	------	30	476.87	------------	476.87
Corinth	309,964	20	------	20	619.93	------------	619.93
Chestnut Hill	119,404	25	------	25	298.51	------------	298.51
Goldston	451,812	50	------	50	2,259.06	------------	2,259.06
Gulf	601,784	25	------	25	1,504.46	------------	1,504.46
Gum Springs	123,799	30	------	30	371.40	------------	371.40
Hanks Chapel	60,357	15	------	15	90.54	------------	90.54
Merry Oaks	517,470	20	------	20	1,034.94	------------	1,034.94
Moncure	989,573	20	------	20	1,979.15	------------	1,979.15
Olive's Chapel	79,137	30	------	30	237.41	------------	237.41
Ore Hill	187,638	20	------	20	375.28	------------	375.28
Pittsboro	1,117,107	30	------	30	3,351.32	------------	3,351.32
Siler City	1,995,136	50	------	50	9,975.68	------------	9,975.68
Silk Hope	140,560	25	------	25	351.40	------------	351.40
Staley	70,367	20	------	20	140.73	------------	140.73
Truth	358,185	20	------	20	716.37	------------	716.37
Yates	263,392	25	------	25	658.48	------------	658.48
Colorod Schools:							
Haywood	25,457	20	------	20	50.91	------------	50.91
Pittsboro	79,541	30	------	30	238.62	------------	238.62
Siler City	42,765	30	------	30	128.30	------------	128.30
Cherokee County	**$ 6,407,768**	------		------	**$ 25,356.00**	**$ 8,807.0**	**0$ 34,163.00**
Culbertson	181,128	25	------	25	452.82	------------	452.82
Kinsey	121,125	20	------	20	242.25	------------	242.25
Maltby	163,260	20	------	20	326.52	------------	326.52
Marble	591,530	20	------	20	1,183.06	------------	1,183.06
Peachtree	329,214	40	------	40	1,316.85	------------	1,316.85
Rhodo	341,460	20	------	20	682.92	------------	682.92
Tomotla	454,805	20	------	20	909.61	------------	909.61
Topton	301,716	25	------	25	754.21	------------	754.29
Unaka	51,885	25	------	25	129.71	------------	129.71
Total Local Tax	**2,536,123**	------	------	------	**5,998.00**	------------	**5,998.00**
Special Charter	**3,871,645**	------	------	------	**19,358.00**	**8,807.00**	**28,165.00**
Andrews	2,000,000	50	30	80	10,000.00	6,000.00	16,000.00
Murphy	1,871,645	50	15	65	9,358.00	2,807.00	12,165.00
Chowan County	**$ 8,028,221**	------	------	------	**$ 20,070.00**	**$ 2,360.00**	**$ 22,430.00**
Advance	293,900	20	------	20	587.80	------------	587.80
Bush Fork	125,978	15	------	15	188.97	------------	188.97
Center Hill	344,463	15	------	15	516.69	------------	516.69
Chowan	612,990	30	10	40	1,838.97	613.00	2,451.97
Elmo	170,685	15	------	15	256.03	------------	256.03
Enterprise	661,162	05	------	05	330.58	------------	330.58
Gum Pond	80,653	15	------	15	120.97	------------	120.97
Hudson Grove, C.	11,000	15	------	15	16.50	------------	16.50
Hurdles	111,383	25	------	25	278.46	------------	278.46
Oak Grove	116,933	12	------	12	140.32	------------	140.32
River View	252,507	15	------	15	378.76	------------	378.76
Ryland	175,142	15	------	15	262.71	------------	262.71
Sandy Run, C.	18,113	10	------	10	18.11	------------	18.11
Snow Hill	71,356	30	------	30	214.07	------------	214.07
Wards	306,154	10	------	10	306.15	------------	306.15
White House	127,211	15	------	15	190.82	------------	190,82
Yeopin	181,066	15	------	15	271.60	------------	271.60
Total Local Tax	**3,660,696**	------	------	------	6,531.00	613.00	7,144.00
Edenton, Sp. Char.	**4,367,525**	**31**	**4**	**35**	**13,539.00**	**1,747.00**	**15,286.00**

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Current	Debt	Total	Current	Debt	Total
Clay County	$ 2,027,894				$ 5,045.00		$ 5,045.00
Hayesville	764,541	30		30	2,293.00		2,293.00
Heawassee	282,737	40		40	1,130.86		1,130.86
Ogden	184,546	30		30	553.64		553.64
Shooting Creek	413,485	10		10	413.49		413.49
Sweetwater	160,672	20		20	321.38		321.38
Tusquittee	221,913	15		15	332.97		332.97
Cleveland County	$ 29,442,404				$ 120,538.00		$ 120,538.00
Belwood	975,335	50		50	4,876.68		4,876.68
Bethware	381,686	35		35	1,335.90		1,335.90
Boiling Springs	582,759	15		15	874.14		874.14
Casar	519,671	50		50	2,598.36		2,598.36
Dixon	529,254	10		10	529.25		529.25
Earl	429,510	30		30	1,288.53		1,288.53
East Kings Mt.	1,406,725	15		15	2,110.09		2,110.09
Fallston	841,372	50		50	4,206.86		4,206.86
Grover	966,340	35		35	3,382.19		3,382.19
Lattimore	1,868,004	50		50	9,340.02		9,340.02
Mooresboro	729,182	50		50	3,645.91		3,645.91
Moriah	171,513	30		30	514.54		514.54
Patterson Springs	550,646	30		30	1,651.94		1,651.94
Park Grace	1,174,245	20		20	2,348.49		2,348.49
Piedmont	1,923,736	40		40	7,694.94		7,694.94
Polkville	1,465,174	50		50	7,325.87		7,325.87
Stubbs	181,033	15		15	271.35		271.35
Waco	1,041,916	40		40	4,167.66		4,167.66
Total Local Tax	$ 15,738,101				58,163.00		58,163.00
Special Charter	13,704,303				62,375.00		62,375.00
Kings Mountain	3,480,568	25		25	8,701.00		8,701.00
Shelby	10,223,735	52½		52½	53,674.00		53,674.00
Columbus County	$ 20,170,227				$ 54,797.00		$ 54,797.00
Bogue, 1	1,355,846	30		30	4,067.54		4,067.54
Bolton, 1	1,141,797	30		30	3,425.39		3,425.39
Bug Hill, 1	42,612	13		13	55.40		55.40
Bug Hill, 4	38,749	10		10	38.75		38.75
Bug Hill, 5	57,819	30		30	173.46		173.46
Bug Hill, 6	39,920	30		30	119.76		119.76
Chadbourn, 3	2,161,890	30		30	6,485.67		6,485.67
Chadbourne, 4	43,017	30		30	129.05		129.05
Chadbourne, 5	221,854	20		20	443.71		443.71
Cerro Gordo	905,551	30		30	2,716.65		2,716.65
Cerre Gordo, 4	80,544	20		20	161.09		161.09
Cerre Gordo, 8	50,585	15		15	75.88		75.88
Fair Bluff, 1	730,188	30		30	2,190.56		2,190.56
Fair Bluff, 7	273,279	25		25	683.20		683.20
Lees, 1	148,464	11		11	163.31		163.31
Lees, 9	366,059	30		30	1,098.18		1,098.18
Lees, 10	237,281	30		30	711.84		711.84
Lansom, 1	1,804,568	30		30	5,413.70		5,413.70
Tatum, 3	1,124,056	30		30	3,372.17		3,372 17
Tatum, 6	44,461	30		30	133.38		133.38
Tatum, 7	258,066	20		20	516.13		516.13
Waccamaw, 4	902,374	10		10	902.37		902.37
Welches Creek, 1	88,080	15		15	132.12		132.12
Welches Creek, 2	178,224	10		10	178.22		178.22
Western Prong, 1	202,649	20		20	405.30		405.30
Western Prong, 2	232,856	20		20	465.71		465.71
Whiteville, 1	2,442,761	30		30	7,328.28		7,328.28
Whiteville, 4	114,312	25		25	285.78		285.78
Whiteville, 6	266,688	20		20	537.38		537.38
Whiteville, 7	300,616	20		20	601.24		601.24
Whiteville, 8	180,881	20		20	361.76		361.76
Whiteville, 9	66,015	10		10	66.02		66.02
Williams, 1	79,811	15		15	119.72		119.72
Williams, 2	122,350	10		10	122.35		122.35
Williams, 3	88,079	20		20	176.16		176.16
Williams, 4	140,928	15		15	115.39		115.39
Williams, 6	421,446	25		25	1,053.62		1,053.62
Williams, 7	318,814	20		20	637.63		637.63
Williams, 9	151,016	12		12	181.22		181.22
Williams, 10	217,737	10		10	217.74		217.74
Williams, 11	981,750	45		45	4,417.88		4,417.88
Williams, 14	76,087	30		30	228.29		228.29
Williams, 15	99,183	13		13	115.94		115.94

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Current	Debt	Total	Current	Debt	Total
Columbus County, *Continued*							
Colored:							
Bogue, 1	$ 54,854	30	------	30	$ 164.56	$ ------	$ 164.56
Bogue 5,	39,360	30	------	30	118.08	------	118.08
Bogue, 4	7,849	30	------	30	23.55	------	23.55
Bolton, 1	126,708	30	------	30	380.12	------	380.12
Bug Hill, 1	20,172	30	------	30	60.52	------	60.52
Bug Hill, 2	2,416	30	------	30	7.25	------	7.25
Chadbourn, 3	134,331	30	------	30	402.99	------	402.99
Cerre Gordo, 2	24,320	30	------	30	72.96	------	72.96
Cerre Gordo, 2	3,228	30	------	30	9.68	------	9.68
Fair Bluff, 1	30,140	30	------	30	90.42	------	90.42
Lees, 1	10,033	11	------	11	11.03	------	11.03
Lees, 2	10,691	30	------	30	32.07	------	32.07
Ransom, 1	37,542	30	------	30	112.63	------	112.63
Ransom, 2	42,622	30	------	30	127.87	------	127.87
Ransom, 4	23,891	30	------	30	71.67	------	71.67
Ransom, 6	70,098	30	------	30	210.29	------	210.29
Tatum, 2	22,990	30	------	30	68.97	------	68.97
Tatum, 3	52,490	30	------	30	157.47	------	157.47
Tatum, 4	20,345	30	------	30	61.04	------	61.04
Tatum, 6	56,155	30	------	30	168.47	------	168.47
Tatum 10	23,100	30	------	30	69.30	------	69.30
Waccamaw, 4	64,566	10	------	10	64.57	------	64.57
Welches Creek, 1	47,987	30	------	30	143.99	------	143.99
Welches Creek, 2	32,757	10	------	10	32.76	------	32.76
Welches Creek, 3	133,262	30	------	30	399.79	------	399.79
South Williams, 11	13,524	45	------	45	60.86	------	60.86
South Williams, 2	4,345	30	------	30	13.04	------	13.04
Williams, 1	12,327	25	------	25	30.82	------	30.82
Western Prong, 1	21,535	30	------	30	64.06	------	64.06
Whiteville, 1	97,481	30	------	30	292.44	------	292.44
Whiteville, 2	36,679	20	------	20	73.36	------	73.36
Whiteville, 3	47,018	30	------	30	141.05	------	141.05
Whiteville, 6	33,735	30	------	30	101.21	------	101.21
Whiteville, 7	18,595	20	------	20	37.21	------	37.21
Craven County	$ 26,719,170	------	------	------	$ 86,743.00	$ 12,302.00	$ 99,045.00
Bridgeton	624,640	30	20	50	1,873.92	1,249.28	3,123.20
Buck	257,999	20	------	20	516.60	------	516.60
Butler	136.299	20	------	20	272.60	------	272.60
Caton	104,992	25	------	25	262.48	------	262.48
Cone City	458,112	20	------	20	916.22	------	916.22
Croatan	487,094	25	------	25	1,217.74	------	1,217.74
Dover	750,710	40	------	40	3,002.84	------	3,002.84
Epworth	497,566	30	------	30	1,492.70	------	1,492.70
Ernul	528,519	15	------	15	792.78	------	792.78
Ernul	133,795	15	------	15	200.69	------	200.69
Forrest	220,234	25	------	25	550.59	------	550.59
Fort Barnwell	766,339	30	------	30	2,632.02	------	2,632.02
Hancock Creek	144,485	25	------	25	361.21	------	361.21
Havelock	377,250	50	------	50	1,886.25	------	1,886.25
Jasper	1,425,754	30	------	30	4,277.26	------	4,277.26
Junger	156,504	20	------	20	313.01	------	313.01
No. 1	2,989,074	01	------	01	298.91	------	298.91
No. 5	620,319	35	------	35	2,171.12	------	2,171.12
No. 7	1,476,508	30	------	30	4,429.52	------	4,429.52
No. 8	1,780,596	20	------	20	3,561.19	------	3,561.19
Mile Oak	207,463	20	------	20	414.93	------	414.93
Truitts	93,033	30	------	30	279.10	------	279.10
Vanceboro	784,203	30	30	60	2,352.61	2,352.61	4,705.22
Wintergreen	186,756	25	------	25	466.89	------	466.89
Total Local Tax	12,219,170	------	------	------	$ 34,543.00	3,602.00	38,145.00
New Bern, Sp. Ch.	14,500,000	36	6	42	52,200.00	8,700.00	60,900.00
Cumberland Co.	$ 26,790,144	------	------	------	$ 114,140.00	$ 27,117.00	$ 141,256.00
Beaver Dam	289,477	30	------	30	868.43	------	868.43
Cedar Creek	415,340	30	------	30	1,246.02	------	1,246.02
Cumberland	419,407	15	------	15	629.11	------	629.11
Eastover	1,087,587	30	32	52	3,262.76	3,480.28	6,743.04
Falcon	108,390	50	------	50	541.95	------	541.95
Godwin	852,360	50	------	50	4,261.80	------	4,261.80
Gray's Creek	713,330	30	28	58	2,139.99	1,997.32	4,137.31
Hope Mills	1,541,400	30	------	30	4,624.20	------	4,624.20

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Current	Debt	Total	Current	Debt	Total
Cumberland Co., *Continued*							
Linder	$ 912,163	30	30	60	$ 2,763.49	$ 2,736.49	$ 5,472.98
Long Hill	1,073,147	30	------	30	3,219.44	----------	3,219.44
Manchester	153,827	15	------	15	230.74	----------	230.74
Massey Hill	1,874,927	30	37	67	5,624.78	6,937.23	12,562.01
Seventy First	1,308,363	30	34	64	3,925.09	4,669.91	8,595.00
South River	531,790	50	------	50	2,658.95	----------	2,658.95
Stedman	939,493	30	42	72	2,818.49	3,930.16	6,748.65
Sunny Side	1,069,773	30	------	30	3,209.32	----------	3,209.32
Wade	673,053	30	50	80	2,019.16	3,365.27	5,384.43
Total Local Tax	**13,963,827**	------	------	------	**44,017.00**	**27,117.00**	**71,133.00**
Fayetteville Sp. Ch.	**12,826,317**	**52**	------	**52**	**70,123.00**	----------	**70,123.00**
Currituck County	**$ 4,967,899**	------	------	------	**$ 14,904.00**	**$ 3,009.00**	**$ 17,913.00**
County-Wide	4,967,899	30	------	30	14,903.55	----------	14,903.55
Aycock, 1	----------	------	27	27	----------	2,686.21	2,686.21
Crawford, 6	----------	------	10	10	----------	323.66	323.66
Dare County	**$ 2,528,128**	------	------	------	**$ 6,605.00**	**$ 7,250.00**	**$ 13,855.00**
Avon, 11	74,292	10	------	10	74.29	----------	74.29
Buxton, 12	69,701	30	45	75	209.10	313.65	522.75
Colington, 5	34,230	10	35	45	34.23	119.81	154.04
East Lake, 18	358,783	10	------	10	358.78	----------	358.78
Frisco, 13	35,785	10	------	10	35.79	----------	35.79
Hatteras, 14	104,631	10	15	35	104.63	261.58	366.21
Mann's Harbor	144,689	30	------	30	434.07	----------	434.07
Manteo, 20	476,796	30	40	70	1,430.39	1,907.18	3,337.57
Morhoes, 17	55,168	10		10	55.17	----------	55.17
Nags Head, 6	131,470	10	25	35	131.47	328.68	460.15
Redanthe, 7	63,280	30	------	30	189.84	----------	189.84
S. Radanthe, 8	16,303	10	------	10	16.30	----------	16.30
Salvo	9,137	10	------	10	9.14	----------	9.14
Stumpy Point	526.185	30	50	80	1,578.56	2,630.93	4,209.49
Wanchese, 21	224,662	30	30	60	673.99	673.99	1,347.98
Kitty Hawk	203,016	30	50	80	609.05	1,015.18	1,624.13
Colored:	----------	------	------	------	----------	----------	----------
Colored	----------	30	------	30	136.58	----------	136.58
E. S. T. Hattera	----------	50	------	50	523.16	----------	523.16
Davidson County	**$ 37,114,308**	------	------	------	**$ 110,092.00**	**$ 11,609.00**	**$ 121,701.00**
Abbotts Creek	1,030,186	30	10	40	3,090.56	968.00	4,058.56
Alleghany	719,329	15	------	15	1,078.99	----------	1,078.99
Arcadia	569,584	35	08	43	1,993.55	456.00	2,449.55
Boone	1,144,867	30	06	36	3,434.60	687.00	4,121.60
Cotton Grove	998,807	30	25	55	2,996.42	1,560.00	4,556.42
Cotton Grove, 4	1,615,177	20	10	30	3,230.35	972.00	4,202.35
Emons, 3	2,391,091	35	15	50	8,368.82	925.00	9,293.82
Lexington, 4	97,987	12	------	12	117.58	----------	117.58
Lexington, 5	1,052,587	25	------	25	2,631.47	----------	2,631.47
Midway	1,279,472	20	10	30	2,558.94	1,122.00	3,680.94
Reily Creek	486,125	35	20	55	1,701.44	854.00	2,555.44
Tyro, 1	704,802	30	------	30	2,114.41	----------	2,114.41
Tyro 6	421,059	50	18	68	2,105.30	758.00	2,863.30
Thomasville, 1	953,986	30	20	50	2,860.76	1,907.00	4,767.76
Thomasville, 2	.936,582	30	15	45	2,810.95	1,400.00	4,210.95
Thomasville, 4	1,290,564	20	------	20	2,581.93	----------	2,581.93
Total Local Tax	**15,692,605**	------	------	------	**43,676.00**	**11,609.00**	**55,285.00**
Special Charter	**21,421,703**	------	------	------	**66,416.00**	----------	**66,416.00**
Lexington	13,857,785	25	------	25	34,644.46	----------	34,644.46
Thomasville, 1927	7,563,918	42	------	42	31,771.97	----------	31,771.97
Davie County	**$ 9,397,825**	------	------	------	**$ 31,822.00**	**$ 2,623.00**	**$ 34,445.00**
Cana	208,891	20	------	20	417.78	----------	417.78
Farmington	785,398	30	8	38	2,356.19	628.32	2,984.51
Jerusalem	3,871,446	20	------	20	7,742.89	----------	7,742.89
Shady Grove	1,326,617	25	4	29	3,316.54	530.65	3,847.19
Smith Grove	813,488	30	18	48	2,440.46	1,464.28	3,904.74
Total Local Tax	**7,005,840**	------	------	------	**16,274.00**	**2,623.00**	**18,897.00**
Mocksville, Sp. Ch.	**2,391,985**	**65**	------	**65**	**15,548.00**	----------	**15,548.00**

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Current	Debt	Total	Current	Debt	Total
Duplin County	$ 19,347,050				$ 56,216.00		$ 56,216.00
Beulahville	1,302,628	30		30	3,907.88		3,907.88
Calypso	2,085,982	30		30	6,257.95		6,257.95
Charity	282,481	15		15	423.72		423.72
Chinquapin	1,127,863	30		30	3,383.59		3,383.59
Cobbs	368,363	05		05	184.18		184.18
B. F. Grady	1,524,082	30		30	4,572.25		4,572.25
Kenansville	1,799,323	30		30	5,397.97		5,397.97
Lanier	162,083	30		30	486.24		486.24
Magnolia	1,225,111	30		30	3,675.33		3,675.33
Mayesville	148,135	05		05	74.07		74.07
Outlaws Bridge	285,542	30		30	856.63		856.63
Page Harvell	225,044	30		30	675.13		675.13
Rose Hill	1,036,256	30		30	3,108.77		3,108.77
Taylor's Creek	218,213	25		25	545.53		545.53
Teachey	689,826	30		30	2,069.48		2,069.48
Wallace	2,199,958	30		30	6,598.74		6,598.74
Warsaw	3,094,531	30		30	9,283.59		9,283.59
Total Local Tax	**17,775,421**				**51,501.00**		**51,501.00**
Faison, Sp. Char.	**1,571,629**	**30**		**30**	**4,715.00**		**4,715.00**
Durham County	**$ 96,924,634**				**$ 240,640.00**	**$ 74,633.00**	**$ 315,273.00**
Bethesda	1,035,302	45		45	4,658.86		4,658.86
Bragtown	1,689,580	20		20	3,379.16		3,379.16
Chandler	154,130	20		20	308.26		308.26
East Durham	425,012	25		25	1,062.53		1,062.53
Fayetteville Road	502,141	20		20	1,004.28		1,004.28
Fowler	133,878	20		20	267.76		267.76
Glenn	1,123,465	20		20	2,246.93		2,246.93
Hillandale	410,743	20		20	821.49		821.49
Lakewood	824,677	20		20	1,649.35		1,649.35
Lebanon	845,713	20		20	1,691.43		1,691.43
Lowe's Grove	683,076	40		40	2,732.30		2,732.30
Mangum	2,319,855	25		25	5,799.64		5,799.64
Mineral Springs	16,914	20		20	33.83		33.83
Nelson	481,992	20		20	963.98		963.98
New Hope	735,773	20		20	1,471.55		1,471.55
Oak Grove	1,130,718	20		20	2,261.44		2,261.44
Patrick Henry	252,784	20		20	505.57		505.57
Redwood	22,987	20		20	45.97		45.97
South View	274,633	20		20	549.27		549.27
West Durham	646,873	20		20	1,293.75		1,293.75
White Cross Roads	287,896	20		20	575.79		575.79
Total Local Tax	**13 998 142**				**33 323.00**		**33 323.00**
Durham, Sp. Char.	**82 926 492**	**25**	**9**	**34**	**207 317.00**	**74 633.00**	**281 950.00**
Edgecombe County	**$ 31,701,879**				**$ 110,702.00**	**$ 32,794.00**	**$ 143,496.00**
Battleboro	1,281,351	25		25	3,203.38		3,203.38
Conetoe	1,584,939	28	.055	.335	4,437.82	87.72	4,525.54
Crisp Bend, 8, 9			07	07		816.04	816.04
Leggett, 5, 6, 7	1,857,442	25		25	4,643.60		4,643.60
Leggett, 5, 7			.045	.045		712.62	712.62
Mayo	821,994	15		15	1,232.99		1,232.99
Sharpsburg	48,986	30		30	146.97		146.97
South Edgecombe		24		24	10,122.18		10,122.18
Speed	2,017,196	16		16	3,227.51		3,227.51
West Edgecombe	3,873,553	26		26	1,007.21		1,007.21
Whitaker	963,498	30	10	40	2,890.49	963.50	3,853.99
Woodland	785,695	30		30	2,357.07		2,357.07
Total Local Tax	**13,234,654**				**42,333.00**	**2,580.00**	**44,913.00**
Special Charter	**18,467,225**				**68,369.00**	**30,214.00**	**98,583.00**
Rocky Mt. (half)	11,000,000	35	20	55	38,500.00	22,000.00	60,500.00
Tarboro	7,467,225	40	11	51	29,868.90	8,213.95	38,082.85
Forsyth County	**$199,952,148**				**$ 528,411.00**	**$ 201,822.00**	**$ 730,233.00**
City View	1,727,612	20		20	3,455.22		3,455.22
Clemmons	3,171,729	20		20	6,343.46		6,343.46
Germantown	264,435	30		30	793,31		793.31
Griffith	2,588,255	30		30	7.764.77		7,764.77
Lewisville	3,176,746	22		22	6,988.85		6,988.85
Mineral Springs	27,403,936	04		04	10,961.58		10,961.58
Old Richmond	1,938,981	25		25	4,847.44		4,847.44
Old Town	4,542,612	20		20	9,085.21		9,085.21

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Current	Debt	Total	Current	Debt	Total
Forsyth County, *Continued*							
Rural Hall	$ 1,710,991	25		25	$ 4,277.48	$	$ 4,277.48
Sedge Garden	1,603,451	25		25	4,008.62		4,008.62
Union Cross	1,467,095	30		30	4,401.29		4,401.29
Vienna	996,605	30		30	2,989.82		2,989.82
Walkertown	2,625,001	30		30	7,875.02		7,875.02
Total Local Tax	**53,217,449**				**73,792.00**		**73,792.00**
Special Charter	**146,734,699**				**454,619.00**	201,822.00	**656,441.00**
Kernersville	2,576,469	30		30	7,729.41		7,729.41
Winston-Salem	144,158,230	31	14	45	446,890.00	201,822.00	648,712.00
Franklin County	**$ 14,818,920**				**$ 71,566.00**	**$ 3,140.00**	**$ 74,706.00**
Bunn		50		50	6,858.52		6,858.52
Cedar Rock		50		50	8,252.62		8,252.62
Cedar Rock			25	25		785.44	785.44
Ipsam		30	30	60	2,345.61	2,345.61	4,709.22
Flat Rock		20		20	470.61		470.61
Gold Sand		50		50	8,066.31		8,066.31
Ingleside		20		20	282.37		282.37
Mapleville		30		30	865.32		865.32
Total Local Tax	**14,818,920**				**27,150.00**	3,140.00	**30,290.00**
Special Charter					**44,416.00**		**44,416.00**
Franklinton		48		48	18,108.05		18,108.05
Louisburg		75		75	19,293.83		19,293.83
Youngsville		50		50	7,014.50		7,014.50
Gaston County	**$ 83,916,620**				**$ 208,895.00**	**$ 74,524.00**	**$ 283,419.00**
Alexis	285,618	20		20	571.23		571.23
Arlington	1,000,485	40		40	4,001.94		4,001.94
Belmont	10,534,449	20		20	21,068.90		21,068.90
Chapel Grove	637,473	20		20	1,274.95		1,274.95
Dallas	1,888,186	30		30	5,664.54		5,664.54
Flint Grove	2,791,178	20		20	5,583.60		5,583.60
Hollman	360,210	10		10	360.21		360.21
Lowell	3,479,841	25		25	8,699.60		8,699.60
Lucia	507,045	30		30	1,521.14		1,521.14
Modena	97,503	50		50	487.51		487.51
Mt. Holly	7,032,915	25		25	17,582.28		17,582.28
Myrtle	2,848,122	20		20	5,696.24		5,696.24
North Belmont	4,365,401	20		20	8,730.80		8,730.80
Pinkney	2,223,140	20		20	4,446.28		4,446.28
Providence	126,263	20		20	252.53		252.53
Ranlo	3,719,178	20		20	7,438.35		7,438.35
Robinson	612,823	20		20	1,225.64		1,225.64
Stanley	1,133,045	37		37	4,192.26		4,192.26
Tryon	1,431,535	30		30	4,294.61		4,294.61
Union	453,717	10		10	453.71		453.72
Victory	4,198,665	20		20	8,397.33		8,397.33
Total Local Tax	**49,726,792**				**111,944.00**		**111,944.00**
Special Charter	**34,189,828**				**96,951.00**	74,524.00	**171,475.00**
Bessemer City	2,905,454	36		36	10,459.63		10,459.63
Cherryville	3,682,926	25		25	9,207.41		9,207.41
Gastonia	27,601,448	28	27	55	77,284.05	74,524.00	151,807.96
Gates County County-Wide	**$ 7,388,124**	**26**	**05**	**31**	**$ 19,209.00**	**3,694.00**	**$ 22,903.00**
Graham County	**$ 7,065,140**				**$ 7,921.00**	**$ 3,556.00**	**$ 11,477.00**
Stecoah	428,205	30		30	1,284.61		1,284.61
Sweet Water	81,741	10		10	81.74		81.74
Robbinsville	3,555,619	10	10	20	3,555.62	3,555.62	7,111.24
Yellow Creek	2,999.575	10		10	2,999.57		2,999.57
Granville County	**$ 21,714,806**				**$ 42,935.00**		**$ 42,935.00**
Bethel	542,930	20		20	1,085.86		1,085.86
Browning	378,589	20		20	757.18		757.18
Bullock	674,318	20		20	1,348.64		1,348.64
Concord	331,612	20		20	663.22		663.22

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Current	Debt	Total	Current	Debt	Total
Granville County, *Continued*							
Corinth	$ 297,003	15	------	15	$ 445.50	$----------	$ 445.50
Creedmoor	1,703,019	20	------	20	3,406.04	----------	3,406.04
Culbreth	237,830	20	------	20	475.66	----------	475.66
Currin	277,918	20	------	20	555.84	----------	555.84
Enon	240,060	15	------	15	360.09	----------	360.09
Frederick	558,060	20	------	20	1,116.12	----------	1,116.12
Grassy Creek	175,305	15	------	15	262.96	----------	262.92
Hester	175,325	20	------	20	350.65	----------	350.65
Knap of Reeds	232,510	20	------	20	465.02	----------	465.02
Knotts Grove	294,035	20	------	20	588.07	----------	588.07
Northside	305,704	20	------	20	611.41	----------	611.41
Oak Hill	828,555	20	------	20	1,657.11	----------	1,657.11
Providence	607,001	20	------	20	1,214.00	----------	1,214.00
Salem	1,366,735	20	------	20	2,733.47	----------	2,733.47
Shady Grove	286,245	20	------	20	572.49	----------	572.49
Sharon	115,600	8	------	8	92.48	----------	92.48
Stem	1,419,140	20	------	20	2,838.28	----------	2,838.28
Stovall	1,380,783	20	------	20	2,761.57	----------	2,761.57
Tar River	232,247	20	------	20	464.49	----------	464.49
Wilton	1,223,465	20	------	20	2,446.93	----------	2,446.93
Total Local Tax	**13,883,989**	------	------	------	**27,273.00**	----------	**27,273.00**
Oxford, Sp. Char.	**7,830,817**	**20**	------	**20**	**15,662.00**	----------	**15,662.00**
Greene County	**$ 11,238,462**	------	------	------	**$ 33,147.00**	**$----------**	**$ 33,147.00**
Arba	471,452	30	------	30	1,414.36	----------	1,414.36
Hookerton	1,070,696	45	------	45	5,353.48	----------	5,353.48
Hookerton	28,132	50	------	50	140.66	----------	140.66
Maury	3,123,854	25	------	25	7,809.64	----------	7,809.64
Shine	1,175,744	20	------	20	2,351.49	----------	2,351.49
Snow Hill	2,799,299	30	------	30	8,399.89	----------	8,399.89
Snow Hill	49,280	30	------	30	147.84	----------	147.84
Walstonburg	2,229,947	30	------	30	6,689.85	----------	6,689.85
Walstonburg	228,431	30	------	30	685.29	----------	685.29
Maury	61,627	25	------	25	154.07	----------	154.07
Guilford County	**$197,199,029**	------	------	------	**$ 722,524**	**$ 187,533**	**$ 910,057**
County Wide	**197,199,029**	**15.12**	**4.88**	**20**	**298,165.00**	**96,233.00**	**394,398.00**
Special Charter	**153,626,243**	------	------	------	**424,359.00**	**91,300.00**	**515,659.00**
Greater Greensboro District	107,976,243	30	------	30	323,929.00	----------	323,929.00
High Point	45,650,000	22	20	42	100,430.00	91,300.00	191,730.00
Halifax County	**$ 33,810,372**	------	------	------	**$ 154,972.00**	**$ 58,422.00**	**$ 213,394.00**
Aurelian Springs	511,361	50	------	50	2,556.81	----------	2,556.81
Bear Swamp	406,643	20	------	20	813.29	----------	813.29
Calvary	991,250	20	------	20	1,982.50	----------	1,982.50
Carter	305,761	50	------	50	1,528.81	----------	1,528.81
Darlington	398,151	20	------	20	796.30	----------	796.30
Dawson	805,190	30	------	30	2,415.57	----------	2,415.57
Garner	488,221	30	------	30	1,464.66	----------	1,464.66
Glennview	343,033	30	------	30	1,029.10	----------	1,029.10
Halifax	1,016,418	40	------	40	4,065.67	----------	4,065.67
Hardrawee	684,774	20	------	20	1,369.55	----------	1,369.55
Hawkins Chapel	212,276	20	------	20	424.55	----------	424.55
Hobgood	2,537,848	20	20	40	5,075.70	5,075.70	10,151.40
Hollister	639,918	30	------	30	1,919.75	----------	1,919.75
Littleton	766,725	50	------	50	3,833.63	----------	3,833.63
McDaniel	135,630	50	------	50	678.15	----------	678.15
New Hope	379,954	20	------	20	759.91	----------	759.91
Ringwood	484,562	30	------	30	1,453.69	----------	1,453.69
Roseneath	682,723	30	------	30	2,048.17	----------	2,048.17
South Rosemary	402,943	30	------	30	1,208.83	----------	1,208.83
Spring Hill	332,010	20	------	20	644.02	----------	664.02
Tillery	851,024	30	------	30	2,553.07	----------	2,553.07
Total Local Tax	**13,376,415**	------	------	------	**38,642.00**	**5,076.00**	**43,718.00**
Special Charter	**20,433,957**	------	------	------	**116,330.00**	**53,346.00**	**169,677.00**
Enfield	2,552,082	50	------	50	12,760.41	----------	12,760.41
Roanoke Rapids	12,000,000	63	37	100	75,600.00	44,400.00	120,000.00
Scotland Neck	2,879,575	45	05	50	12,958.00	1,440.00	14,398.00
Weldon	3,002,300	50	25	75	15,011.50	7,505.75	22,517.25

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Current	Debt	Total	Current	Debt	Total
Harnett County	$ 19,396,799				$ 71,347.00		$ 71,347.00
No. 11	1,209,114	35		35	4,231.90		4,231.90
No. 21 (Dunn)	4,334,994	50		50	21,674.97		21,674.97
No. 22	117,613	15		15	176.42		176.42
No. 23	619,468	25		25	1,548.67		1,548.67
No. 24	102,740	10		10	102.74		102.74
No. 25	130,957	30		30	392.87		392.87
No. 26	311,796	25		25	779.49		779.49
No. 27	563,387	15		15	845.08		845.08
No. 28	104,540	30		30	313.62		313.62
No. 32	621,946	50		50	3,109.73		3,109.73
No. 34	1,411,461	36		36	5,081.26		5,081.26
No. 36	203,540	10		10	203.54		203.54
No. 46 (Erwin)	4,322,230	30		30	12,966.69		12,966.69
No. 51	371,630	10		10	371.63		371.63
No. 53	754,705	40		40	3,018.82		3,018.82
No. 61	964,227	37		37	3,567.64		3,567.64
No. 62	279,480	20		20	558.96		558.96
No. 71	1,702,171	42		42	7,149.12		7,149.12
No. 71 (Col.)	69,240	42		42	290.81		290.81
No. 77	137,780	30		30	413.34		413.34
No. 78	769,240	40		40	3,076.96		3,076.96
No. 121	294,540	50		50	1,472.70		1,472.70
Haywood County	$ 20,498,526				$ 74,159.00		$ 74,159.00
Pigeon (Bethel)	580,321	40		40	2,321.28		2,321.28
Beauerdam	392,358	40		40	1,569.43		1,569.43
Cataloochee	880,388	10		10	880.39		880.39
Cecil	322,011	30		30	966.03		966.03
Clyde	1,132,869	30		30	3,398.61		3,398.61
Crabtree	856,442	10		10	856.44		856.44
East Fork	543,475	25		25	1,358.69		1,358.69
Times Creek	707,472	40		40	2,829.89		2,829.89
Pigeon (Garden C.)	324,070	15		15	486.11		486.11
Ivy Hill T. S.	557,513	10		10	557.51		557.51
Ivy Hill 1	297,620	25		25	744.05		744.05
Pigeon (Ivy Hill)	59,974	30		30	179.92		179.92
Jonathan T. S.	571,855	10		10	571.86		571.86
Jonathan 2	370,887	20		20	741.77		741.77
Pigeon (Spring H.)	59,974	30		30	179.92		179.92
Waynesville	7,707,069	50		50	38,535.35		38,535.35
White Oak	178,590	40		40	714.36		714.36
White Oak, Liberty	30,676	10		10	30.68		30.68
Total Local Tax	15,573,564				56,922.00		56,922.00
Canton Spe. Char.	4,924,962	35		35	17,237.00		17,237.00
Henderson County	$ 27,975,882				$ 90,369.00		$ 90,369.00
County Wide	27,975,882	20		20	55,951.76		55,951.76
Balfore		18		18	5,220.10		5,220.10
East Flat Rock		23		23	2,723.78		2,723.78
Edeneyville		42		42	1,395.30		1,395.30
Flat Rock		25		25	4,614.23		4,614.23
Hoopers Creek		17		17	3,104.86		3,104.86
Mills's River		29		29	1,914.59		1,914.59
Total Local Tax	27,975,882				74,925.00		74,925.00
Hendersonville S.C.	10,296,000	15		15	15,444.00		15,444.00
Hertford County	$ 8,449,861				$ 26,725.00		$26,725.00
Como	1,206,889	45		45	5,431.00		5,431.00
Harrellsville	1,588,960	30		30	4,766.88		4,766.88
Harrellsville Bonds	1,588,977	22		22	3,495.75		3,495.75
Menola	338,817	30		30	1,016.45		1,016.45
Murfreesboro	1,655,905	40		40	6,623.62		6,623.62
Oak Grove	199,750	10		10	199.75		199.75
St. Johns	209,850	10		10	209.85		209.85
Union	340,790	30		30	1,022.37		1,022.37
Winton	1,319,923	30		30	3,959.77		3,959.77
Hoke County	$ 9,385,299				$ 24,562.00	$ 5,258.00	$ 29,820.00
Aberdeen	269,265	25		25	673.17		673.17
Allendale	448,545	25		25	1,121.36		1,121.36
Antioch 2	1,071,565	25	10	35	2,678.91	1,071.57	3,750.48
Antioch 12	97,970	25		25	244.92		244.92

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Current	Debt	Total	Current	Debt	Total
Hoke County, *Continued*							
Blue Springs	$ 1,196,938	25		25	$ 2,992.34	$	$ 2,992.34
Little River	167,875	15		15	251.81		251.81
McLauchlin	687,420	30		30	2,062.26		2,062.26
McLauchlin	95,950	25		25	239.87		239.87
McLauchlin	179,810	25		25	449.52		449.52
Quewhiffle	867,347	30		30	2,602.04		2,602.04
Quewhiffle	78,990	25		25	197.47		197.47
Raeford	3,110,891	25	10	35	7,777.23	3,110.89	10,888.12
Raeford	85,645	25.		25	214.11		214.11
Stonewall	979,423	30	12	42	2,938.27	1,175.31	4,113.58
Stonewall	47,665	25		25	119.16		119.16
Hyde County	**$ 4,224,548**				**$ 12,249.00**		**$ 12,249.00**
Currituck 2, 4 C	71,309	30		30	213.93		213.93
Englehard 9	712,120	30		30	2,136.36		2,136.36
Englehard 6 C	23,769	30		30	71.31		71.31
Fairfield W	586,176	30		30	1,758.53		1,758.53
Fairfield C	8,935	30		30	26.81		26.81
Juniper Bay	224,208	20		20	448.42		448.42
Lake Landing	528,902	30		30	1,586.71		1,586.71
Lake Road	12,464	30		30	37.39		37.39
Lake View	185,269	10		10	185.27		185.27
Mt. Olive	133,050	30		30	399.15		399.15
Nebraska	15,224	30		30	45.67		45.67
Ocracoke	109,596	30		30	328.79		328.79
Rose Bay	101,993	20		20	203.99		203.99
Rose Bay 4 C	6,858	20		20	13.72		13.72
Scranton	198,942	10		10	198.94		198.94
Sladesville	567,002	30		30	1,701.01		1,701.01
Slocum	30,490	10		10	30.49		30.49
St. Lydia	6,544	25		25	16.36		16.36
Swan Quarter	400,254	50		50	2,001.27		2,001.27
Swan Quarter 1 C	10,347	50		50	51.74		51.74
Tiny Oak 5	119,499	30		30	358.50		358.50
Tiny Oak 3 C	9,074	30		30	27.22		27.22
Weston School	162,523	25		25	406.31		406.31
Iredell County	**$ 38,110,707**				**$ 129,705.00**	**$ 23,121.00**	**$ 152,826.00**
Barringer 1	363,755	07		07	254.63		254.63
Barringer 4	292,522	04		04	117.01		117.01
Barringer 5	61,119	10		10	61.12		61.12
Barringer 4	75,315	30		30	225.95		225.95
Barringer 3	15,630	10		10	15.63		15.63
Bethany 1	444,460	10		10	444.46		444.46
Bethany 5	1,480	20		20	2.96		2.96
Bethany 1	1,000	01		01	.10		.10
Bethany 1	91,572	10		10	91.57		91.57
Cool Springs 1	390,072	30		30	1,170.22		1,170.22
Cool Springs 1	215,099	10		10	215.10		215.10
Cool Springs	163,990	10		10	163.99		163.99
Concord 1	717,575	30		30	2,152.73		2,152.73
Concord 1	254,970	01		01	25.50		25.50
Concord 5	650,918	20		20	1,301.84		1,301.84
Chambersburg 5	183,738	10		10	183.74		183.74
Chambersburg 1	129,937	15		15	194.90		194.90
Chambersburg 4	394,120	09		09	354.71		354.71
Chambersburg 1	66,551	30		30	199.65		199.65
Chambersburg 1	64,334	10		10	64.33		64.33
Chambersburg 3	504,140	08		08	403.31		403.31
Coddle Creek 3	168,972	10		10	168.97		168.97
Coddle Creek 2	523,333	06		06	314.00		314.00
Coddle Creek 1	113,323	15		15	169.98		169.98
Davidson 1	719,909	15		15	1,079.86		1,079.86
Davidson 5	7,545	04		04	3.02		3.02
Davidson 2	7,815	06		06	4.69		4.69
Eagle Mills 1	57,755	30		30	173.26		173.26
Fallstown 4	1,287,959	30		30	3,863.88		3,863.88
Fallstown 1	26,614	20		20	53.23		53.23
Fallstown 5	5,399	04		04	2.16		2.16
New Hope	8,765	05		05	4.38		4.38
Olin 5	54,668	10		10	54.67		54.67
Shiloh 3	3,286,501	15		15	4,929.75		4,929.75
Shiloh 1	1,007,988	20		20	2,015.98		2,015.98

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Current	Debt	Total	Current	Debt	Total
Iredell County, *Continued*							
Shiloh 5	$ 81,203	20	------	20	$ 162.41	$------	$ 162.41
Shiloh 4	20,187	30	------	30	60.66	------	60.66
Statesville 1	468,973	10	------	10	468.97	------	468.97
Statesville 7	557,472	10	------	10	557.47	------	557.47
Statesville 1	276,984	20	------	20	553.97	------	553.97
Statesville 5	1,459,229	20	------	20	2,918.46	------	2,918.46
Statesville 4	273,388	30	------	30	820.16	------	820.16
Statesville 1	51,098	10	------	10	51.10	------	51.10
Turnusburg 1	434,620	30	------	30	1,303.86	------	1,303.86
Turnusburg 2	14,669	10	------	10	14.67	------	14.67
Union Grove 2	248,983	30	------	30	746.95	------	746.95
Union Grove 5	23,255	10	------	10	23.26	------	23.26
Total Local Tax	**16,268,904**	------	------	------	**28,203.00**	------	**28,203.00**
Special Charter	**21,841,803**	------	------	------	**101,502.00**	**23,121.00**	**124,623.00**
Mooresville	6,427,572	50	------	50	32,138.00		32,138.00
Statesville	15,414,231	45	15	60	69,364.00	23,121.00	92,485.00
Jackson County	**$ 9,654,569**	------	------	------	**$ 28,605.00**	------	**$ 28,605.00**
Barker's Creek 1,2	539,862	30	------	30	1,619.59	------	1,619.59
Barker's Creek 3	57,800	15	------	15	86.70	------	86.70
Canada 3	111,400	20	------	20	222.80	------	222.80
Canada 4	175,833	20	------	20	351.67	------	351.67
Caney Fork 2	173,050	30	------	30	519.15	------	519.15
Caney Fork 3	258,055	20	------	20	516.11	------	516.11
Cashier's Valley 1	607,013	30	------	30	1,821.04	------	1,821.04
Cashier's Valley 4	23,225	30	------	30	60.60	------	60.60
Cullowhee 1	562,277	30	------	30	1,686.83	------	1,686.83
Cullowhee 1	13,180	15	------	15	19.77	------	19.77
Dillsboro 1	824,706	30	------	30	2,474.12	------	2,474.12
Hamburg 3	517,493	30	------	30	1,552.48	------	1,552.48
Hamburg 4	23,225	20	------	20	46.45	------	46.45
Qualla 1	838,116	30	------	30	2,514.35	------	2,514.35
River 1	163,610	20	------	20	327.22	------	327.22
River 3	300,014	20	------	20	600.03	------	600.03
Scott's Creek 1,2,3	1,280,550	30	------	30	3,841.65	------	3,841.65
Sylva 1, 2	2,790,670	30	------	30	8,372.01	------	8,372.01
Webster 1	394,490	50	------	50	1,972.45	------	1,972.45
Johnston County	**$ 41,608,100**	------	------	------	**$ 149,200.00**	**$ 18,795.00**	**$ 167,995.00**
Banner 3	149,766	30	------	30	449.30	------	449.30
Banner 4	356,166	15	------	15	534.25	------	534.25
Banner 5	104,080	25	------	25	260.20	------	260.20
Banner 6	179,340	10	------	10	179.34	------	179.34
Banner 7	169,406	30	------	30	508.22	------	508.22
Banner 10	186,880	15	------	15	280.32	------	280.32
Bentonville 2	481,520	40	------	40	1,926.08	------	1,926.08
Beulah 1	1,775,924	50	------	50	8,879.62	------	8,879.62
Beulah 2	1,083,130	50	------	50	5,415.65	------	5,415.65
Boon Hill 1	2,677,950	45	------	45	12,050.78	------	12,050.78
Boon Hill 4	338,560	30	------	30	1,015.68	------	1,015.68
Boon Hill 8	226,000	10	------	10	226.00	------	226.00
Clayton 2	503,286	15	------	15	754.93	------	754.93
Clayton 6	281,240	10	------	10	281.24	------	281.24
Cleveland	1,001,005	20	------	20	2,002.01	------	2,002.01
Elevation 2	256,000	15	------	15	384.00	------	384.00
Elevation 7	172,253	15	------	15	258.38	------	258.38
Elevation 8	158,910	10	------	10	158.91	------	158.91
Four Oaks 1	2,035,220	50	------	50	10,176.10	------	10,176.10
Four Oaks 2	168,585	20	------	20	337.17	------	337.17
Four Oaks 3	277,496	25	------	25	693.74	------	693.74
Four Oaks 6	122,068	25	------	25	305.17	------	305.17
Meadow 1	79,430	30	------	30	238.29	------	238.29
Meadow 2	886,122	50	------	50	4,430.61	------	4,430.61
Meadow 3	195,760	25	------	25	489.40	------	489.40
Meadow 4	245,686	15	------	15	368.53	------	368.53
Micro	1,433,656	50	------	50	7,168.28	------	7,168.28
Pine Level	1,519,134	50	------	50	7,595.67	------	7,595.67
Selma 1	4,895,242	50	------	50	24,476.21	------	24,476.21
Selma 3 Bonds	3,803,454	20	------	20	7,606.91	------	7,606.91
Smithfield 2	307,352	25	------	25	768.38	------	768.38
Smithfield 4	451,590	10	------	10	451.59	------	451.59
Wilson Mills	1,721,896	30	------	30	5,165.69	------	5,165.69
Wilders 1	1,111,132	25	------	25	2,777.83	------	2,777.83

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Current	Debt	Total	Current	Debt	Total
Johnston County, *Continued*							
Wilders 2	$ 1,910,656	25		25	$ 4,776.64	$	$ 4,776.64
Total Local Tax	**31,265,895**				**113,391.00**		**113,391.00**
Special Charter	**10,342,205**				**35,809.00**	**18,795.00**	**54,604.00**
Benson 1	1,903,760	30	16	46	5,711.28	3,050.58	8,761.86
Clayton 1	3,656,153	30	30	60	10,968.46	10,968.46	21,937.00
Smithfield 1	4,782,292	40	10	50	19,129.17	4,775.93	23,905.00
Jones County	**$ 5,738,501**				**$ 10,424.00**	**$ 18,792.00**	**$ 29,216.0**
Beaver Creek	831,165	25		25	2,077.91		2,077.91
Chinquapin	687,997	25		25	1,719.99		1,719.99
Cypress Creek	129,411	25		25	323.53		323.53
Hargett and Turner	154,833	15		15	232.25		232.25
Maysville	722,978	25	60	85	1,807.44	4,337.87	6,145.31
Pike	34,976	15		15	52.46		52.46
Pollocksville	2,065,738	15	35	50	3,098.76	7,230.08	10,328.84
Trenton	1,111,403	10	65	75	1,111.40	7,224.12	8,335.52
Lee County	**$ 13,744,601**				**$ 47,314.00**	**$ 19,151.00**	**$ 66,465.00**
Broadway (White)	794,153	50		50	3,970.77		3,970.77
Broadway (Col)	52,962	50		50	264.81		264.81
Cameron	162,732	30	45	65	488.20	768.79	1,256.99
Carbonton	74,488	30		30	223.46		223.46
Clinton	286,373	05		05	143.18		143.18
Colon	612,312	30		30	1,836.94		1,836.94
Cool Springs	184,305	15		15	276.46		276.46
Cumnock (White)	251,947	30		30	755.84		755.84
Cumnock (Col.)	20,766	30		30	62.30		62.30
Deep River	478,725	30		30	1,436.18		1,436.18
Greenwood, Consol	1,370,750	30		30	4,112.25		4,112.25
Jonesboro (Graded)	1,006,706	50	10	60	5,033.53	1,006.71	6,040.24
Jonesboro (Consol)	900,550	50		50	4,502.75		4,502.75
Jonesboro (Col.)	76,914	50		50	384.57		384.57
Osgood	255,628	30		30	766.88		766.88
Poplar Springs	21,948	30			65.84		65.84
Sanford (Col.)	320,682	50	30	80	1,603.41	962.05	2,565.46
Total Local Tax	**6,871,941**				**26,696.00**	**$ 1,969.00**	**28,665.00**
Sanford (Graded) Special Charter	**6,872,660**	**30**	**25**	**55**	**20,618.00**	**17,182.20**	**37,800.00**
Lenoir County	**$ 25,428,919**				**$ 111,247.00**	**$ 3,936.00**	**$ 115,183.00**
Contentnea	3,364,660	30		30	10,093.98		10,093.98
Deep Run	1,111,100	30		30	3,363.30		3,363.30
La Grange	3,530,400	25		25	8,826.00		8,826.00
Moss Hill	118,500	30		30	355.50		355.50
Pink Hill	769,045	30		30	2,307.14		2,307.14
Woodington	1,323,140	30		30	3,969.42		3,969.42
Wheat Swamp	2,089,600	30		30	6,268.80		626.88
Total Local Tax	**12,316,445**				**35,185.00**		**35,185.00**
Kinton, Spe. Char.	**13,112,474**	**58**	**03**	**61**	**76,062.00**	**3,936.00**	**79,998.00**
Lincoln County	**$ 12,626,792**				**37,486.00**	**$ 23,573.00**	**$ 61,059.00**
Alexis	67,151	15		15	100.73		100.73
Asbury	1,267,936	45		45	5,705.89		5,705.89
Catawba Springs	1,453,470	30	20	50	4,360.41	2,906.94	7,267.35
Crouse	341,067	25		25	852.78		852.78
Howard's Creek	418,012	25		25	1,045.15		1,045.15
Iron Station	283,254	25		25	708.36		708.36
North Brook	1,500,091	30	20	50	4,500.27	3,000.18	7,500.45
Oak Grove	317,912	10		10	318.01		318.01
Saxony	693,026	15		15	1,039.77		1,039.77
Union	1,083,034	30		30	3,249.78		3,249.78
Total Local Tax	**7,424,953**				**21,881.00**	**5,907.00**	**27,788.00**
Lincolnton S. Char.	**5,201,839**	**30**	**33**	**63**	**15,606.00**	**17,666.00**	**33,272.00**

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate: Current	Rate: Debt	Rate: Total	Amount: Current	Amount: Debt	Amount: Total
Macon County[1]	$ 4,646,135			15	$ 15,952.00		$ 15,952.00
Acadamy	118,273	15		15	177.10		177.10
Aquone	254,976	30		30	764.93		764.93
Becker	273,404	20		20	546.81		546.81
Clear Creek	31,754	30		30	95.26		95.26
Caweta	110,025	30		30	330.08		330.08
Franklin	1,707,532	40		40	6,830.18		6,830.18
Franklin (Col.)	16,480	30		30	49.44		49.44
Hickory Knoll	79,747	30		30	239.24		239.24
Highlands	636,646	55		55	3,501.53		3,501.53
Higdonville	112,330	30		30	339.92		339.92
Holly Springs	157,059	20		20	314.12		314.12
Iotla	241,062	25		25	602.66		602.66
Mountain Grove	72,835	20		20	145.67		145.67
Mulberry	77,906	15		15	116.86		116.86
Otto	106,022	20		20	212.04		212.04
Pine Grove	48,184	30		30	144.55		144.55
Patton	111,545	30		30	334.64		334.64
Salem	119,239	20		20	238.48		238.48
Slagle	226,417	30		30	679.35		679.25
Union	144,699	20		20	289.09		289.09
Madison County	$ 7,887,982				$ 31,059.00		$ 31,059.00
Beech Glen	576,600	50		50	2,883.00		2,883.00
Bull Creek	119,225	30		30	357.68		357.68
Calif. Mars Hill	766,634	50		50	3,833.17		3,833.17
Doe Branch	50,760	30		30	152.28		152.28
Ebbs Chapel	99,011	30		30	297.03		297.03
Foster Creek	95,453	30		30	286.36		286.36
Hot Springs	1,190,952	50		50	5,954.76		5,954.76
Little Pines	246,612	30		30	739.84		739.84
Madison Seminary	156,335	30		30	469.01		469.01
Marshall	2,642,218	30		30	7,926.65		7,926.65
Meadow Fork	84,791	30		30	254.37		254.37
Paint Rock	341,694	30		30	1,025.08		1,025.08
Piney Grove	87,671	30		30	263.01		263.01
Poplar Gap	33,107	30		30	99.32		99.32
Revere	57,426	30		30	172.28		172.28
Roaring Fork	70,675	30		30	212.03		212.03
Walnut	1,136,378	50		50	5,681.89		5,681.89
White Rock	132,440	30		30	397.32		397.32
Martin County	$ 13,094,943				$ 35,549.00		$ 35,549.00
Anuge	60,405	25		25	151.01		151.01
Bear Grass	626,842	05		05	313.42		133.42
Dardens	652,026	10		10	652.03		652.03
Everetts	776,488	30		30	2,329.46		2,329.46
Farm Life	396,951	15		15	595.43		595.43
Gold Point	467,862	30		30	1,403.59		1,403.59
Hamilton	701,142	30		30	2,103.43		2,103.43
Hassell	515,780	25		25	1,289.45		1,289.45
Jamesville	600,642	30		30	1,801.93		1,801.93
Oak City	2,234,319	31		31	6,926.39		6,926.39
Parmele	879,665	25		25	2,199.16		2,199.16
Poplar Run	203,467	20		20	406.93		406.93
Robersonville	2,191,911	32		32	7,014.12		7,014.12
Williamston	2,787,443	30		30	8,362.33		8,362.33
McDowell County	$ 19,766,075				$ 68,490.00	$ 8,241.00	$ 76,731.00
Brocketts 1 and 2	498,363	15		15	747.54		747.54
Dysartville Hg. 3	15,232	20		20	30.46		30.46
Dysartville P. 5	77,379	20		20	154.76		154.76
Greenwood 1	763,867	30		30	2,291.60		2,291.60
Higgins Hg. 3	37,132	20		20	74.26		74.26
Higgins Ch. 2	11,068	07		07	7.75		7.75
Higgins Fv. 3	9,242	20		20	18.48		18.48
Higgins G. 1	26,087	30		30	78.26		78.26
Marion Ch. 2	317,445	07		07	222.21		222.21
Marion Ch. 3	476,190	30	10	40	1,428.57	476.19	1,904.76
Marion Ch. 4	347,830	30	37	67	1,043.49	1,286.96	2,330.45

[1]From 1927 Abstract.

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Current	Debt	Total	Current	Debt	Total
McDowell County, *Continued*							
Marion Ch. 5	$ 1,542,004	27		27	$ 4,163.41	$	$ 4,163.41
Marion Ch. 8	1,438,234	30	30	60	4,314.70	4,314.70	8,629.40
Marion Ch. 8½		15	10	25	2,657.07	1,771.38	4,428.45
Marion Ch. 10	467,123	23		23	1,074.38		1,074.38
Montford Cove 2	83,719	15		15	125.58		125.58
Nebo 1	1,959,472	23	2	25	4,506.79	391.89	4,898.68
Nebo C. 2	31,211	20		20	62.42		62.42
Nebo Fv. 3	16,261	20		20	32.52		32.52
Nebo Hg. 4	6,915	20		20	13.83		13.83
North Cove 1	2,972,363	20		20	5,944.73		5,944.73
Old Ford 1	502,623	27		27	1,357.08		1,357.08
Old Ford 3	2,687,434	30		30	8,062.30		8,062.30
Old Ford 7	63,139	20		20	126.28		126.28
Total Local Tax	**14,350,333**				**38,539.00**	8,241.00	**46,780.00**
Special Charter	**5,415,742**				**29,951.00**		**29,951.00**
Marion	2,915,742	77		77	22,451.00		22,451.00
Old Fort 1926*	2,500,000	30		30	7,500.00		7,500.00
Mecklenburg Co.	**$195,000,000**				**605,000.00**		**$ 605,000.00**
County-wide (Outside of Charlotte)	**40,000,000**	**35**		**35**	**140,000.00**		**140,000.00**
Charlotte S. Char.	**155,000,000**	**30**		**30**	**465,000.00**		**465,000.00**
Mitchell County	**$ 5,248,039**				**$ 13,757.00**		**$ 13,757.00**
Bakersville 1	957,363	30		30	2,872.09		2,872.09
Bakersville 4	196,320	10		10	196.32		196.32
Bakersville 6	24,860	30		30	74.58		74.58
Bradshaw 1	674,469	30		30	2,023.41		2,023.41
Fork Mt. 1	84,753	15		15	127.13		127.13
Grassy Creek 1	1,623,560	40		40	6,494.24		6,494.24
Grassy Creek 6	265,537	15		15	398.30		398.30
Little River Creek	239,967	30		30	719.90		719.90
Poplar 1	363,723	06		06	218.23		218.23
Snow Creek 3	275,027	06		06	165.02		165.02
Snow Creek 4	237,303	12		12	284.76		284.76
Snow Creek 6	305,157	06		06	183.09		183.09
Montgomery Co.	**$ 16,241,000**				**$ 51,226.00**		**$ 51,226.00**
Biscoe	1,063,179	50		50	5,315.90		5,315.90
Cander	1,672,394	40		40	6,689.58		6,689.58
Derby	5,300	30		30	15.90		15.90
Eldorado	1,743,903	20		20	3,487.81		3,487.81
Jackson Springs	121,970	30		30	365.91		365.91
Liberty Hill	116,290	20		20	232.58		232.58
Mt. Gilead	4,790,935	23		23	11,019.15		11,019,15
Pinoka	256,334	20		20	512.67		512.67
Starr	1,348,710	50		50	6,743.55		6,743.55
Troy	2,961,800	45		45	13,328.10		13,328.10
Uwharrie	1,611,951	15		15	2,417.93		2,417.93
Wadesville	548,234	20		20	1,096.47		1,096.47
Moore County	**$ 23,159,178**				**$ 94,148.00**	**$ 27,270.00**	**$ 121,418.00**
Capels Grove	102,079	10		10	102.09		102.09
Carbonton	151,865	30		30	455.60		455.60
Eagle Springs	436,992	30		30	1,310.98		1,310.98
Eureka	584,903	50		50	2,924.53		2,924.53
Glendon	301,966	30		30	905.90		905.90
Hallison	128,181	10		10	128.19		128.19
Hemp	366,720	50		50	2,833.60		2,833.60
Jackson Springs	519,208	30		30	1,557.62		1,557.62
McRae	182,413	25		25	456.04		456.04
Mineral Springs			10	10		6,901.48	6,901.48
Mt. Holly	94,327	25		25	235.82		235.82
Pinehurst	5,391,888	30		30	16,175.66		16,175.66
Plank Road	131,969	10		10	131.97		131.97
Putnam	207,888	10		10	207.89		207.89

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Cur-rent	Debt	Total	Current	Debt	Total
Moore County, *Continued*							
Roseland	$ 251,528	30	------	30	$ 754.59	$------	$ 754.59
Springfield	257,448	30	------	30	772.34	------	772.34
West End	1,122,553	50	------	50	5,612.76	------	5,612.76
White Hill	85,984	10	------	10	85.99	------	85.99
Total Local Tax	**10,517,912**	------	------	------	**34,652.00**	**6,901.00**	**41,553.00**
Special Charter	**12,641,266**	------	------	------	**59,496.00**	**20,369.00**	**79,865.00**
Aberdeen	3,297,428	50	10	60	16,487.14	3,297.42	19,784.56
Cameron	922,846	30	45	75	2,768.54	4,152.81	6,921.35
Carthage	1,745,162	56	49	1.05	9,772.91	8,551.29	18,324.20
Southern Pines	5,219,950	50	------	50	26,099.76	------	26,099.76
Vass-Lakeview	1,455,880	30	30	60	4,367.64	4,367.64	8,735.28
Nash County	**$ 32,281,279**	------	------	------	**$ 147,464.00**	**$ 43,455.00**	**$ 190,919.00**
Averton	596,286	15	------	15	894.43	------	894.43
Bailey	1,246,069	90	------	90	11,214.62	------	11,214.62
Battleboro	1,264,888	25	------	25	3,162.22	------	3,162.22
Brasswell	56,166	30	------	30	168.50	------	168.50
Bunn	1,378,545	60	------	60	8,271.27	------	8,271.27
Castalia Special	560,397	40	------	40	2,241.59	------	2,241.59
Castalia Comm'ity	------	------	30	30	------	1,681.20	1,681.20
Creek	48,485	20	------	20	96.97	------	96.97
Deans (Coopers)	174,297	60	------	60	1,045.78	------	1,045.78
Dortches	323,460	20	------	20	646.92	------	646.92
Edwards	246,865	20	------	20	493.73	------	493.73
Elm Grove	177,167	30	------	30	531.50	------	531.50
Frazier	67,937	30	------	30	203.81	------	203.81
Macedonia Special	341,566	30	------	30	1,024.70	------	1,024.70
Macedonia Bonds	------	------	30	30	------	1,024.69	1,024.69
Manning	161,147	30	------	30	483.44	------	483.44
Middlesex Special	1,068,515	60	------	60	6,411.09	------	6,411.09
Middlesex Bonds	------	------	15	15	------	1,602.77	1,602.77
Momeyer	500,924	60	------	60	3,005.54	------	3,005.54
Mt. Pleasant	548,024	75	------	75	4,110.18	------	4,110.18
Nashville Special	1,595,480	30	------	30	4,786.44	------	4,786.44
Nashville Bonds	------	------	55	55	------	8,775.14	8,775.14
Oak Level	809,527	60	------	60	4,857.16	------	4,857.16
Oak Ridge	100,627	15	------	15	150.94	------	150.94
Odoms	208,074	30	------	30	624.22	------	624.22
Philadelphia	308,120	10	------	10	308.12	------	308.12
Pridgen	206,300	30	------	30	618.90	------	618.90
Red Oak	969,590	60	------	60	5,817.54	------	5,817.54
Salem	469,000	75	------	75	3,517.50	------	3,517.50
Samaria	201,827	30	------	30	605.48	------	605.48
Sandy Cross	287,367	30	------	30	862.10	------	862.10
Sharphburg	463,335	60	------	60	2,780.01	------	2,780.01
Stanhope	666,266	70	------	70	4,663.86	------	4,663.86
Sugar Hill	147,780	30	------	30	443.34	------	443.34
Taylors	128,401	60	------	60	770.41	------	770.41
Union Hope	79,967	15	------	15	119.95	------	119.95
Whitakers Special	1,229,094	30	------	30	3,687.28	------	3,687.28
Whitakers Bonds	------	------	18	18	------	2,212.36	2,212.36
Williford	843,034	60	------	60	5,058.20	------	5,058.20
White Oak	165,930	30	------	30	497.79	------	497.79
Total Local Tax	**17,640,457**	------	------	------	**84,176.00**	**15,296.00**	**99,472.00**
Special Charter	**14,640,822**	------	------	------	**63,288.00**	**28,159.00**	**91,447.00**
Sharpsburg	1,829,148	85	------	85	15,547.76	------	15,547.76
Spring Hope	1,811,674	51	34	85	9,240.00	6,159.00	15,399.00
Rocky Mount (half)	11,000,000	35	20	55	38,500.00	22,000.00	60,500.00
New Hanover Co.	**$ 59,344,687**	**24⅓**	------	**24⅓**	**$ 144,405.00**	**$------**	**$ 144,405.00**
Northampton Co.	**$ 14,437,208**	------	------	------	**$ 35,736.00**	------	**$ 35,736.00**
County-wide	14,437,208	20	------	20	28,874.42	------	28,874.42
Conway	(890,142)	10	------	10	890.15	------	890.15
Jackson	(1,184,793)	10	------	10	1,187.79	------	1,187.79
Rich Square	(1,377,388)	25	------	25	3,445.97	------	3,445.97
Woodland	(669,027)	20	------	20	1,338.05	------	1,338.05

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Cur-rent	Debt	Total	Current	Debt	Total
Onslow County	**$ 5,953,465**	------	------	------	**$ 14,523.00**	-----------	**$ 14,523.00**
West Bear Creek	58,123	05	------	05	29.06	-----------	29.06
Dixon	536,051	30	------	30	1,608.15	-----------	1,608.15
Duck Creek	92,899	20	------	20	185.80	-----------	185.80
Enoc Consolidation	140,911	15	------	15	211.37	-----------	211.37
Harris Creek	147,024	10	------	10	147.02	-----------	147.03
Hubert	99,094	30	------	30	297.28	-----------	297.22
Humphreys	120,851	05	------	05	60.4 3	-----------	60.48
Jacksonville	1,050,259	30	------	30	3,150.77	-----------	3,150.77
Kellum	154,457	10	------	10	154.45	-----------	154.45
Maple Hurst	212,247	15	------	15	318.37	-----------	318.37
Marines	127,464	05	------	05	63.73	-----------	63.73
Meadow View	103,634	30	------	30	310.90	-----------	310.90
Richlands	1,974,538	30	------	30	5,923.61	-----------	5,923.61
Swansboro	244,150	40	------	40	976.60	-----------	976.60
Tabernacle	386,094	20	------	20	772.19	-----------	772.19
Tar Landing	40,782	20	------	20	81.56	-----------	81.56
Verona	464,887	05	------	05	232.44	-----------	232.44
Orange County	**$ 13,080,917**	------	------	------	**$ 38,588.00**	**$ 16,299.00**	**$ 54,887.00**
Carrboro	1,208,434	30	30	60	3,625.30	3,625.30	7,250.60
Cedar Grove	1,062,985	30	------	30	3,188.96	-----------	3,188.96
Efland	840,464	20	------	20	1,680.93	-----------	1,680.93
Gravely Hill	320,893	30	------	30	962.59	-----------	962.59
Hillsboro	3,307,488	20	20	40	6,614.98	6,614.98	13,229.96
Mebane	386,733	25	18	43	966.83	696.12	1,662.95
University	2,740,584	20	------	20	5,481.17	-----------	5,481.17
Total Local Tax	**9,867,581**	------	------	------	**22,521.00**	**10,936.00**	**33,458,00**
Chapel Hill S. Char.	**3,213,336**	**50**	**17**	**67**	**16,067.00**	**5,463.00**	**21,430.00**
Pamlico County	**$ 5,423,749**	**30**	------	**30**	**$ 16,271.00**	-----------	**$ 16,271.00**
Pasquotank Co.	**$ 19,108,143**	------	------	------	**$ 98,230.00**	-----------	**$98,230.00**
Central	2,687,606	30	------	30	8,062.82	-----------	8,062.82
Newland	1,172,304	30	------	30	3,516.91	-----------	3,516.91
Weeksville	2,852,446	30	------	30	8,557.34	-----------	8,557.34
Total Local Tax	**6,712,356**	------	------	------	**20,137.00**	-----------	**20,137.00**
Elizabeth City S. C.	**12,395,787**	**63**	------	**63**	**78,093.00**	-----------	**78,093.00**
Pender County	**$ 10,349,341**	------	------	------	**$ 30,733.00**	**$ 16,009.00**	**$ 46,742.00**
Atkinson	1,706,151	30	19	49	5,118.45	3,241.70	8,360.15
Bannerman	157,683	10	------	10	157.68	-----------	157.68
Burgaw	2,424,142	30	20	50	7,272.43	4,848.28	12,120.71
Long Creek-Grady	1,736,012	30	18	48	5,208.04	3,124.82	8,332.86
Maple Hill	317,509	30	------	30	952.53	-----------	952.53
Rocky Point	986,272	30	16	46	2,958.82	1,578.04	4,536.86
Topsoil	1,531,694	30	21	51	4,595.08	3,216.56	7,811.64
Union	1,489,878	30	------	30	4,469.63	-----------	4,469.63
Perquimans Co.	**$ 8,040,620**	------	------	------	**$ 7,823.00**	-----------	**$ 7,823.00**
County Wide	8,040,620	06	------	06	4,824.37	-----------	4,824.37
Belvidere	-----------	20	------	20	914.00	-----------	914.00
Hopewell	-----------	10	------	10	88.84	-----------	88.84
Whiteston	-----------	20	------	20	855.78	-----------	855.78
Winfall	-----------	15	------	15	1,139.71	-----------	1,139.71
Person County	**$ 7,552,923**	------	------	------	**$ 23,935.00**	**$ 5,769.00**	**$ 29,704.00**
Allenville 2	343,389	40	------	40	1,373.55	-----------	1,373.55
Bethel Hill 1	1,025,706	40	------	40	4,102.82	-----------	4,102.82
Bushy Fork 5	588,631	30	------	30	1,765.92	-----------	1,765.92
Helena 3	898,182	30	------	30	2,694.55	-----------	2,694.55
Hurdle Mills 7	836,489	30	------	30	2,509.46	-----------	2,509.46
Leasburg 6	185,520	25	------	25	463.80	-----------	463.80
Olive Hill 4	790,410	30	------	30	2,371.23	-----------	2,371.23
Total Local Tax	**4,668,327**	------	------	------	**15,281.00**	-----------	**15,281.00**
Roxboro Spe. Char.	**2,884,596**	**30**	------	**30**	**8,654.00**	5,769.00	**14,423.00**

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Current	Debt	Total	Current	Debt	Total
Pitt County	$ 43,774,580	------	------	------	$ 111,659.00	$ 78,538.00	$ 190,197.00
Arthur	1,214,578	16	09	25	1,943.32	1,093.12	3,036.44
lvoir	1,067,276	15	25	40	1,600.91	2,668.19	4,269.10
therl	3,530,231	21	09	30	7,413.49	3,177.20	10,590.69
lkland	1,657,530	23	07	30	3,812.32	1,160.27	4,972.59
Farmville	5,956,469	22	31	53	13,104.23	18,465.05	31,569.28
Fleming	760,677	15	------	15	1,141.02	------------	1,141.02
Fountain	1,331,265	20	30	50	2,662.53	3,993.79	6,656.32
Grifton	1,968,175	18	17	35	3,542.72	3,347.60	6,890.32
Grimesland	971,264	12	18	30	1,165.52	1,748.27	2,913.79
Hollywood	216,246	15	------	15	324.37	------------	324.37
Joyners	451,110	5	------	05	225.56	------------	225.56
Oak Ridge	661,917	15	------	15	992.88	------------	992.88
Pactolus	1,845,674	10	20	30	1,845.67	3,691.34	5,537.01
Renton	604,233	15	------	15	906.35	------------	906.35
Simpson	545,695	25	------	25	1,364.24	------------	1,364.24
Stokes	2,519,425	20	10	30	5,038.85	2,519.43	7,558.28
Williams	123,671	15	------	15	185.51	------------	185.51
Winterville	2,921,229	16	14	30	4,673.97	4,089.72	8,763.69
Total Local Tax	**28,346,665**	------	------	------	**51,943.00**	**45,954.00**	**97,897.00**
Special Charter	**15,427,915**	------	------	------	**59,716.00**	**32,584.00**	**92,300.00**
Ayden	3,990,260	35	10	45	13,965.91	3,990.26	17,956.17
Greenville	11,437,655	40	25	65	45,750.00	28,594.00	74,344.00
Polk County	$ 5,728,078	------	------	------	$ 37,239.00	$ 6,473.00	$ 43,713.00
Columbus	1,046,641	40	------	40	4,186.56	------------	4,186.06
Greens Creek	301,675	30	------	30	905.03	------------	905.03
Lynn	259,813	50	------	50	1,299.06	------------	1,299.06
Mills Springs	736,377	30	------	30	2,109.13	------------	2,109.13
Saluda	880,217	30	------	30	2,640.65	------------	2,640.65
Sunny View	503,355	50	------	50	2,516.78	------------	2,516.78
Total Local Tax	**3,728,078**	------	------	------	**13,657.00**	------------	**13,657.00**
Tryon Spe. Char.	**2,000,000**	**117.9**	**32.3**	**150.2**	**23,582.00**	**6,473.0(**	**30,056.00**
Randolph County	$ 16,828,682	------	------	------	$ 53,303.00	$ 7,477.0(	$ 60,780.00
Balfour	280,876	25	------	25	702.19	------------	702.19
Central Falls	188,750	10	------	10	188.75	------------	188.75
Charlotte	93,550	10	------	10	93.55	------------	93.55
Cross Roads	32,030	50	------	50	160.13	------------	160.13
Farmer	535,380	30	------	30	1,606.14	------------	1,606.14
Franklinville	729,252	25	------	25	1,823.13	------------	1,823.13
Gray's Chapel	471,888	25	------	25	1,179.72	------------	1,179.72
Julian	90,305	20	------	20	180.61	------------	180.61
Liberty	1,249,408	40	------	40	4,997.63	------------	4,997.63
Marlboro	261,760	10	------	10	261.76	------------	261.76
Mt. Pleasant	58,990	10	------	10	58.99	------------	58.99
Oak Shade	100,410	10	------	10	100.41	------------	100.41
Plainfield	37,873	15	------	15	56.81	------------	56.81
Pleasant Hill	9,650	10	------	10	9.65	------------	9.65
Providence	513,856	25	------	25	1,284.64	------------	1,284.64
Ramseur	1,176,447	30	------	30	3,529.34	------------	3,529.34
Randleman	3,118,604	25	------	25	7,796.51	------------	7,796.51
Seagrove	387,016	50	------	50	1,935.08	------------	1,935.08
Shepard	37,670	10	------	10	37.67	------------	37.67
Staley	253,530	20	------	20	507.06	------------	507.06
Stero	49,550	10	------	10	49.55	------------	49.55
Sophia	314,390	10	------	10	314.39	------------	314.39
Trinity	1,655,940	40	------	40	6,623.76	------------	6,623.76
Trogdon	70,280	10	------	10	70.28	------------	70.28
Walnut Cove	219,580	10	------	10	219.58	------------	219.58
Worthville	339,815	20	------	20	779.63	------------	779.63
Total Local Tax	**12,326,800**	------	------	------	**34,567.00**	------------	**34,567.00**
Special Charter	**45,501,882**	------	------	------	**18,736.00**	7,477.00	**26,213.00**
Asheboro	3,740,454	45	20	65	16,832.04	7,477.00	24,312.95
Franklinville(1926)	761,428	25	------	25	1,903.57	------------	1,903.57
Richmond County	$ 30,632,945	------	------	------	$ 97,965.00	$ 21,428.00	$ 119,392.00
Beaver Dam 2	377,755	200	------	20	755.51	------------	755.51
Beaver Dam 3	1,157,817	27	08	35	3,126.11	926.25	4,052.36
Beaver Dam 4	186,398	45	------	45	838.79	------------	838.79
Black Jack	1,007,847	30	------	30	3,023.54	------------	3,023.54

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Current	Debt	Total	Current	Debt	Total
Richmond County, *Continued*							
Marks Creek 1	$ 20,100	20	------	20	$ 40.20	$ ----------	$ 40.20
Marks Creek 2	637,435	20	------	20	1,274.87	----------	1,274.87
Marks Creek 3	161,077	09	------	09	144.97	----------	144.97
Marks Creek 4	1,278,123	30	------	30	3,834.37	----------	3,834.37
Marks Creek 5	164,600	20	------	20	329.20	----------	329.20
Marks Creek 6	468,677	09	------	09	421.81	----------	421.81
Marks Creek 7	569,880	05	------	05	284.94	----------	284.94
Marks Creek 8	548,299	09	------	09	493.47	----------	493.47
Mineral Springs 1	109,074	30	------	30	327.22	----------	327.22
Mineral Springs 2	170,906	30	------	30	512.72	----------	512.72
Mineral Springs 3	51,387	30	------	30	154.16	----------	154.16
Mineral Springs 4	964,846	37	23	60	3,569.93	2,219.15	5,789.08
Mineral Springs 6	176,476	45	------	45	794.14	----------	794.14
Mineral Springs 8	345,230	30	------	30	1,035.69	----------	1,035.69
Mineral Springs 9	170,157	30	------	30	510.47	----------	510.47
Rockingham 1	1,193,579	14	------	14	1,671.01	----------	1,671.01
Rockingham 2	502,426	08	------	08	401.94	----------	401.94
Rockingham 3	147,534	35	------	35	516.37	----------	516.37
Rockingham 4	353,849	35	------	35	1,238.47	----------	1,238.47
Rockingham 5	302,431	35	------	35	1,058.51	----------	1,058.51
Rockingham 6	672,469	16	------	16	1,075.95	----------	1,075.95
Rockingham 8	148,243	35	------	35	518.85	----------	518.85
Steeles 1	802,925	04	------	04	321.17	----------	321.17
Steeles 2	337,825	20	------	20	675.65	----------	675.65
Wolf Pit 1	604,025	12	------	12	724.83	----------	724.83
Wolf Pit 2	269,460	05	------	05	134.73	----------	134.73
Wolf Pit 3	232,592	14	------	14	325.63	----------	325.63
Wolf Pit 4	949,447	14	------	14	1,329.22	----------	1,329.22
Wolf Pit 5	359,478	22	------	22	790.85	----------	790.85
Wolf Pit 6	332,551	35	------	35	1,163.93	----------	1,163.93
Wolf Pit 7	5,403,517	15.3	006	16	8,321.42	324.21	8,645.63
Total Local Tax	**21,178,435**	------	------	------	**41,741.00**	**3,470.00**	**45,210.00**
Special Charter	**9,454,510**	------	------	------	**56,224.00**	**17,958.00**	**74,182.00**
Hamlet	4,700,000	65	20	65	30,550.00	9,400.00	39,950.00
Rockingham	4,754,510	54	18	72	25,674.00	8,558.00	34,232.00
Robeson County	**$ 36,200,088**	------	------	------	**$ 161,281.00**	**$ 47,992.00**	**$ 210,272.00**
Alfordsville 1	601,143	30	35	65	1,803.43	2,103.84	3,907.27
Alfordsville 1, Col.	87,140	30	------	30	261.42	----------	261.42
Black Swamp 1	40,127	30	------	30	120.38	----------	120.38
Britts 1	345,000	22	------	22	759.00	----------	759.00
Britts 2	205,110	20	------	20	410.22	----------	410.22
Burnt Swamp 1	210,877	30	------	30	632.63	----------	632.63
Burnt Swamp 1	528,530	06	------	06	317.12	----------	317.12
Fairmont 1	2,609,184	50	25	75	13,045.92	6,507.35	19,553.27
Gaddy 1	129,543	40	------	40	518.17	----------	518.17
Howellsville 6	397,426	50	------	50	1,987.13	----------	1,987.13
Howellville 2	726,393	40	15	55	2,905.57	1,095.70	4,001.27
Howellsville 2 lac	121,780	15	------	15	182.67	----------	182.67
Lumberton 1	287,800	10	------	10	287.80	----------	287.80
Lumberton 2	152,968	25	------	25	382.42	----------	382.42
Lumberton 2 Ind.	48,040	25	------	25	120.10	----------	120.10
Lumber Bridge 1	710,858	45	12	57	3,198.86	852.88	4,051.74
Lumber Bridge 3	439,087	30	------	30	1,317.26	----------	1,317.26
Lumber Bridge 1	29,916	50	------	50	149.58	----------	149.58
Orrum 1	1,306,258	40	------	40	5,225.03	----------	5,225.03
Parkton 1	1,324,750	50	25	75	6,623.75	3,312.26	9,936.01
Pembroke 1	1,818,711	35	25	60	6,365.49	4,546.31	10,911.08
Philadelphus	870,738	40	20	60	3,482.95	1,751.94	5,234.89
Raft Swamp 1	344,427	15	------	15	516.64	----------	516.64
Rennert 1	467,640	25	------	25	1,169.10	----------	1,169.10
Rowland 3	425,357	30	------	30	1,276.07	----------	1,276.07
Rowland 1Ind.	33,493	30	------	30	100.48	----------	100.48
Rowland 1 Col.	77,010	50	------	50	385.05	----------	385.05
Saddle Tree 1	192,927	30	------	30	578.78	----------	578.78
Saddle Tree 2	85,925	20	------	20	171.85	----------	171.85
Shannon 1 Col.	45,516	75	------	75	341.37	----------	341.37
St. Pauls 2	96,867	30	------	30	290.60	----------	290.60
St. Pauls 5	89,593	15	------	15	134.39	----------	134.39
St. Pauls 4 Col.	77,369	55	----	55	425.53	----------	425.53
Smith 1	1,367,677	30	25	55	4,103.03	3,419.09	7,522.12

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Current	Debt	Total	Current	Debt	Total
Robeson County, *Continued*							
Sterling 1	$ 996,437	30	25	55	$ 2,989.31	$ 2,490.73	$ 5,480.04
Thompson 1 and 2	1,668,673	30	------	30	5,006.02	------	5,006.02
Thompson 5 Ind.	224,660	30	------	30	673.98	------	673.98
White House 4	255,554	35	------	35	894.44	------	894.44
White House 5	469,083	30	------	30	1,407.25	------	1,407.25
White House 3Col.	51,658	50	------	50	258.29	------	258.29
Wishart 1	978,064	45	------	45	4,401.29	------	4,401.29
Orrum 1 C	13,510	40	------	40	54.04	------	54.04
Red Springs 1	2,469,401	55	45	100	13,581.71	11,112.67	24,694.38
Row[illegible]nd 1	1,876,323	35	15	50	6,567.13	2,110.26	8,677.39
[illegible]ls 4	2,366,968	40	15	55	9,467.87	3,550.83	13,018.70
[illegible] Ind	234,577	35	------	35	821.02	------	821.02
[illegible]ocal Tax	**27,900,088**	------	------	------	**109,877.00**	**38,690.00**	**148,567.00**
Special Charter	**8,300,000**	------	------	------	**52,395.00**	**9,310.00**	**61,705.00**
Lumberton	4,500,000	49.3	------	49.3	22,185.00	------	22,185.00
Maxton	3,800,000	49.5	24.5	104	30,210.00	9,310.00	39,520.00
Rockingham Co.	**$ 33,425,500**	------	------	------	**$ 135,521.00**	------	**$ 135,521.00**
Barns Springs	103,214	17	------	17	175.46	------	175.46
Bethany	1,398,517	30	------	30	4,195.55	------	4,195.55
Case	124,864	10	------	10	124.86	------	124.86
Don Valley	223,215	10	------	10	223.22	------	223.22
Leaksville	14,741,209	30	------	30	44,223.63	------	44,223.63
Matrimony	209,728	30	------	30	629.18	------	629.18
Midway	230,549	30	------	30	691.38	------	691.38
Monroeton	265,382	17	------	17	451.15	------	451.15
Ruffin	1,151,125	30	------	30	3,453.38	------	3,453.38
Sader	2,994,778	10	------	10	2,994.78	------	2,994.78
Stoneville	782,363	25	------	25	1,955.91	------	1,955.91
Total Local Tax	**22,224,854**	------	------	------	**59,119.00**	------	**59,119.00**
Special Charter	**11,200,646**	------	------	------	**76,402.00**	------	**76,402.00**
Madison	2,172,305	40	------	40	8,689.22	------	8,689.22
Reidsville	9,028,341	75	------	75	67,712.56	------	67,712.56
Rowan County	**$ 51,283,176**	------	------	------	**$ 189,143.00**	**$ 74,573.00**	**$ 263,716.00**
China Grove	3,181,164	24	12	36	7,634.79	3,817.40	11,452.19
Cleveland	2,091,888	20	13	33	4,183.78	2,719.45	6,903.23
Faith	374,583	20	------	20	749.17	------	749.17
Granite Quarry	691,345	50	30	80	3,456.73	2,074.04	5,530.77
Franklin	691,182	20	------	20	1,382.36	------	1,382.36
Landis	2,790,611	22	------	22	6,139.34	------	6,139.34
Mt. Ulla 1	200,567	20	------	20	401.13	------	401.13
Mt. Ulla 2	1,611,716	24	12	36	3,868.12	1,924.06	5,802.18
Providence	2,848,524	14	04	18	3,987.93	1,139.41	5,127.34
Rock Steel	326,886	10	------	10	326.89	------	326.89
Rockwell 6	1,164,043	25	05	30	2,910.11	582.02	3,492.13
Steele 5	46,811	12	------	12	56.17	------	56.17
Twell 8	304,215	10	------	10	304.22	------	304.22
Woodleaf	1,744,035	30	17	47	5,232.11	2,964.86	8,196.97
Total Local Tax	**18,067,570**	------	------	------	**40,633.00**	**15,231.00**	**55,864.00**
Special Charter	**33,215,606**	------	------	------	**148,510.00**	**59,342.00**	**207,852.00**
East Spencer	1,084,956	60	------	60	6,509.70	------	6,509.70
Salisbury	27,930,650	44.2	20.8	65	123,453.00	58,096.00	181,549.00
Spencer	4,200,000	43.2	2.9	46.1	18,547.54	1,245.41	19,792.95
Rutherford County	**$ 27,344,707**	------	------	------	**$ 116,570.00**	**$ 49,146.00**	**$ 165,716.00**
Buck Shoals	130,736	13.1	1.9	15	172.41	24.51	196.92
Caroleen-Henrietta	2,702,757	47.3	62.7	110	12,797.32	16,932.30	29,730.33
Chimney Rock	2,754,848	00.29	19.71	20	82.05	5,427.90	5,510.20
Coal Springs	7,712,210	38.16	25.84	64	29,425.20	19,933.38	49,358.58
Dobbinsville	337,043	.10	------	10	337.04	------	337.04
Ellenboro	970,192	2.77	2.73	55	2,686.30	2,649.16	5,335.46
Floyds Creek	150,924	------	29.11	30	13.46	439.13	452.59
Ferry	285,415	.10	------	10	285.02	------	285.02
Glenwood	123,020	22.35	7.65	30	275.06	94.50	370.06
Grays Chappel	58,812	.35	------	35	205.85	------	205.85
Green Hill	505,553	14.81	10.19	25	748.92	513.11	1,264.18
Gilkey	510,671	14.33	10.67	25	731.92	544.00	1,276.92
Hayes	46,496	.20	------	20	92.92	------	92.92

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Current	Debt	Total	Current	Debt	Total
Rutherford Co. *Continued*							
Harris	$ 771,279	15.33	14.67	30	$ 1,182.53	$ 1,131.25	$ 2,313.72
Hicks Grove	238,687	29.13	00.87	30	695.10	20.80	715.90
Mt. Kinney	131,709	25.33	04.67	30	333.49	61.60	395.06
Mt. Vernm	1,116,278	23.67	06.33	30	2,641.70	707.45	3,348.15
Morash	67,480	.30	------	30	202.58	----------	202.58
New Hoke Col	84,942	.50	------	50	424.97	----------	424.97
Oak Grove	101,101	.10	------	10	101.10	----------	101.10
Oakland	552,875	00.69	09.31	10	37.10	515.10	542.20
Piedmont	363,278	.35	------	35	1,271.09	----------	1,271.09
Pinehurst	249,183	.24	.06	30	597.18	150.00	747.18
Providence	395,986	.05	------	05	197.85	----------	197.85
Race Path	189,441	.20	------	20	378.90	----------	378.90
Rutherfordton	2,744,503	------	------	95	26,072.78	----------	26,072.78
Second Broad	121,172	.10	------	10	121.17	----------	121.17
Sunshine	311,261	.30	------	30	933.78	----------	933.78
Strickland	61,640	.30	------	30	185.06	----------	185.06
Spindale	2,889,656	1.10	------	110	31.786.22	----------	31,786.22
Walls	110,884	.30	------	30	332.47	----------	332.47
Washburn	228,293	.20	------	20	456.58	----------	456.58
Watkins	181,517	.35	------	35	632.93	----------	632.93
Wrights	144,871	.09	------	09	130.38	----------	130.38
Sampson County	**$ 18,467,133**	------	------	------	**$ 55,645.00**	----------	**$ 55,645.00**
Autreyville	315,149	30	------	30	945.50	----------	945.50
Dismal	1,063,642	30	------	30	3,190.63	----------	3,190.63
Franklin	1,292,632	30	------	30	3,877.98	----------	3,877.98
Garland	670,150	30	------	30	2,010.75	----------	2,010.75
Halls	888,178	30	------	30	2,664.57	----------	2.664.57
Herring	585,211	30	------	30	1,755.74	----------	1,755.74
Honeycutt	1,430,619	30	------	30	4,293.11	----------	4,293.11
Lisbon	743,972	30	------	30	2,232.09	----------	2,232.09
McDaniels	889,893	15	------	15	1,334.82	----------	11,334.82
Mingo Academy	689,097	30	------	30	2,066.46	----------	2,066.46
Newton Grove	886,942	30	------	30	2,660.97	----------	2,660.97
Piney Grove	1,101,558	35	------	35	3,855.44	----------	3,855.44
Plain View	973,465	30	------	30	2,921.36	----------	2,921.36
Roseboro (Consol)	1,921,946	30	------	30	5,764.90	----------	5,764.90
Turkey	1,027,503	40	------	40	4,109.77	----------	4,109.77
Westbrook	841,477	30	------	30	2,524.34	----------	2,524.34
Total Local Tax	**15,321,434**	------	------	------	**46,208.00**	----------	**46,208.00**
Special Charter	**3,145,699**	------	------	------	**9,437.00**	----------	**9,437.00**
Clinton	3,062,645	30	------	30	9,188.26	----------	9,188.26
Dobbersville	83,054	30	------	30	249.12	----------	249.12
Scotland County	**$ 14,858,488**	------	------	------	**$ 53,308.00**	**$ 28,100.00**	**$ 81,407.00**
Laurel Hill 1	2,194,265	27.1	6.9	34	5,946.46	1,514.04	7,460.50
Spring Hill 1	1,730,270	29	16	45	4,917.78	2,768.43	7,686.21
Stewartsville 1	1,658,967	25½	17	42½	4,230.37	2,820.24	7,050.61
Stewartsville 2	420,838	15	------	15	631.26	----------	631.26
Williamson 2	1,373,088	32.5	30.5	63	4,462.54	4,187.92	8,650.46
Total Local Tax	**7,377,428**	------	------	------	**20,188.00**	**11,291.00**	**31,479.00**
Special Charter	**7,481,060**	------	------	------	**33,120.00**	**16,809.00**	**49,929.00**
Gibson	384,094	50	------	50	1,920.47	----------	1,920.47
Gibson	1,529,600	42	28	70	6,424.22	4,282.88	10,707.10
Laurinburg	5,567,366	42.5	22.5	67	24,775.00	12,526.00	37.301.00
Stanly County	**15,133,571**	------	------	------	**$ 42,665.00**	**$----------**	**$ 42,665.00**
Center	4,329,070	30	------	30	12,987.21	----------	12,987.21
Harris	1,794,448	30	------	30	5,383.34	----------	5,383.34
Kingsville	88,986	30	------	30	266.95	----------	266.95
Locust	120,815	30	------	30	362.44	----------	362.44
Oakboro	1,327,531	30	------	30	3,982.59	----------	3,982.59
Palestine	333,549	10	------	10	333.55	----------	333.55
Starfield	1,002,601	30	------	30	3,007.80	----------	3,007.80
Total Local Tax	**8,997,000**	------	------	------	**26,324.00**	----------	**26,324.00**
Albemarle S. Char.	**6,136,571**	**25**	------	**25**	**16,341.00**	----------	**16,341.00**

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate: Current	Rate: Debt	Rate: Total	Amount: Current	Amount: Debt	Amount: Total
Stokes County	$ 5,397,468				$ 15,230.00		$ 15,230.00
Asbury	207,402	10		10	207.40		207.40
Germantown	415,309	30		30	1,245.93		1,245.93
King	1,643,139	30		30	4,929.42		4,929.42
Meadows	279,968	30		30	839.90		839.90
Mt. Tabor	65,763	10		10	65.76		65.76
Pine Hall	687,488	30		30	2,062.46		2,062.46
Pinnacle	421,596	30		30	1,264.79		1,264.79
Volunteer	166,561	5		5	83.28		83.28
Walnut Cove	1,406,215	30		30	4,218.65		4,218.65
Westfield	104,027	30		30	312.08		312.08
Surry County	$ 17,657,128				$ 65,186.00	$ 13,007.00	$ 78,193.00
Ararat C	72,780	30		30	218.34		218.34
Banner	371,920	25		25	929.80		929.80
Copeland	672,656	30		30	2,017.97		2,017.97
Cook	125,738	50		50	628.69		628.69
Dobson	213,040	50		50	1,065.20		1,065.20
Franklin	824,139	50		50	4,120.70		4,120.70
Rock	657,513	30		30	1,972.54		1,972.54
Rockford	727,052	20		20	1,454.10		1,454.10
Salem	617,701	30		30	1,853.10		1,853.10
Sandy Level C	56,984	50		50	284.92		284.92
Tesh	431,636	30		30	1,294.91		1,294.91
Westfield	284,530	30		30	853.59		853.59
White Plains	338,053	30		30	1,014.16		1,014.16
Total Local Tax	**5,393,742**				**17,708.00**		**17,708.00**
Special Charter	**12,263,386**				**47,478.00**	**13,007.00**	60,485.00
Elkin—1926	3,600,000	30		30	10,800.00		10,800.00
Mt. Airy	7,651,233	40	17	57	30,605.00	13,007.00	43,612.00
Pilot Mt.—1926	1,012,153	60		60	6,072.92		6,072.92
Swain County	**$ 10,778,751**				**$ 27,626.00**		**$ 27,626.00**
Almond	477,550	50		50	2,387.75		2,387.75
Bryson City	1,986,700	40		40	7,946.79		7,946.79
Bushnell	509,788	25		25	1,274.47		1,274.47
Ela	320,470	20		20	640.94		640.94
Epps Springs	370,030	15		15	555.04		555.04
Fontana	204,155	20		20	408.31		408.31
Forney	559,365	20		20	1,118.73		1,118.73
High Tower	93,920	20		20	187.84		187.84
Judson	514,748	25		25	1,286.87		1,286.87
Maple Springs	48,805	20		20	97.61		97.61
Noland	60,736	30		30	182.21		182.21
Proctor	272,205	25		25	680.51		680.51
Ravensford	1,327,896	25		25	3,319.74		3,319.74
Fairfax	1,257,320	5		5	628.66		628.66
Smokemont	877,896	25		25	2;194.74		2,194.74
Wesser	823,670	10		10	823.57		823.57
Whittier	438,396	5		5	219.20		219.20
Round Hill	250,026	30		30	750.08		750.08
Cold Springs	60,385	20		20	120.77		120.77
Uchella	198,595	20		20	397.19		397.19
Charleston	94,821	33		33	312.91		372.91
Forney Creek	31,374	38		38	11,922.00		11,922.00
Transylvania Co	**$ 9,534,075**	**27**		**27**	**$ 25,742,00**		**$ 25,742.00**
Tyrrell County	**$ 1,880,297**				**$ 6,527.00**		**$ 6,527.00**
Columbia	1,289.568	30		30	3,868.70		3,868.70
Gum Neck	590,729	45		45	2,658.28		2,658.28
Union County	**$ 20,268,410**				**$ 96,098.00**		**$ 96,098.00**
Albons	82,499	15		15	123.75		123.75
Antioch (Col)	15,958	30		30	47.87		47.87
Benton Heights	787,839	60		60	4,727.03		4,727.03
Beulah	193,190	30		30	579.57		579.57
Carmel	303,353	30		30	910.06		910.06
Clarksville (Col)	3,775	30		30	11.33		11.33
Dixie	63,130	30		30	189.39		189.39

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Current	Debt	Total	Current	Debt	Total
Union County:, *Continued*							
Fairfield	$ 265,730	50	------	50	$ 1,328.65	------	$ 1,328.65
Fairview	71,409	30	------	30	214.23	------	214.23
Faulks	158,139	30	----	30	474.42	------	474.42
Flint Ridge	178,443	30	------	30	535.33	------	535.33
Fowlers	145,023	30	------	30	435.07	------	435.07
Furr	55,531	30	------	30	166.59	------	166.59
Holly	97,380	30	------	30	292.14	------	292.14
Indian Trail	594,132	50	------	50	2,970.66	------	2,970.66
Jackson Forest	422,852	50	------	50	2,114.26	------	2,114.26
Jerome	156,521	30	------	30	469.56	------	469.56
Lanes Creek	374,010	50	------	50	1,870.05	------	1,870.05
Littles	111,056	30	------	30	313.17	------	313.17
Macedonia	172,450	30	------	30	517.35	------	517.35
Marshville	1,738,468	50	------	50	8,692.34	------	8,692.34
Marvin	291,593	50	------	50	1,457.97	------	1,457.97
Midway	96,917	15	------	15	145.38	------	145.38
Mill Grove	116,797	30	------	30	350.39	------	350.39
Mills	44,017	30	------	30	132.50	------	132.05
Mineral Springs	867,488	50	------	50	4,337.44	------	4,337.44
Mt. Pleasant	131,355	30	------	30	394.07	------	394.07
Mt. Spring	84,967	20	------	20	169.93	------	169.93
New Hope	52,429	30	------	30	157.29	------	157.29
New Salem	656,589	50	------	50	3,282.95	------	3,282.95
Olive Branch	182,784	50	------	50	913.92	------	913.92
Parkers	67,959	30	------	30	203.88	------	203.88
Piney Grove	120,507	05	------	05	60.25	------	60.25
Pleasant Hill	154,928	30	------	30	464.78	------	464.78
Plylers Mills	48,662	20	------	20	97.32	------	97.32
Prospect	308,528	50	------	50	1,542.64	------	1,542.64
Rehobeth	159,756	30	------	30	479.27	------	479.27
Sandy Ridge	78,805	20	------	20	157.61	------	157.61
Shiloh	469,688	30	------	30	1,409.06	------	1,409.06
Snyder	86,555	25	------	25	216.39	------	216.39
Stephenson	104,396	30	------	30	313.19	------	313.19
Stouts	365,127	30	------	30	1,095.38	------	1,095.38
Sustare	53,855	10	------	10	53.86	------	53.86
Trinity	133,500	30	------	30	400.50	------	400.50
Union (S. R.)	128,805	50	------	50	644.03	------	644.03
Union (L. C.)	272,889	50	------	50	1,364.45	------	1,364.45
Union Grove	205,632	30	------	30	616.90	------	616.90
Unionville	244,829	50	------	50	1,224.15	------	1,224.15
Waxhaw	820,470	30	------	30	2,461.41	------	2,461.41
Walker	100,505	30	------	30	301.52	------	301.52
Weddington	314,389	50	------	50	1,571.95	------	1,571.95
Westley Chapel	367,370	50	------	50	1,836.85	------	1,836.85
Wingate	1,614,393	50	------	50	8,071.97	------	8,071.97
Total Local Tax	14,737,372	------	------	------	62,912.00	------	**62,912.00**
Monroe Spe. Char.	5,531,038	**60**	------	**60**	33,186.00	------	**33,186.00**
Vance County	**$ 20,673,000**	**30**	------	**30**	**$ 62,034.00**	------	**$ 62,034.00**
Wake County	$ 91,454,769	------	------	------	**$ 421,810.00**	**$ 71,955.00**	**0$493,765.00**
Barton's Creek 1	298,932	30	------	30	893.79	------	893.79
Buckhorn 1	768,118	30	------	30	2,304.35	------	2,304.35
Cary 2	5,228,923	50	------	50	26,144.61	------	26,144.61
Cedar Fork 4	199,668	20	------	20	398.73	------	398.73
Holly Springs 2	1,646,967	40	------	40	6,587.85	------	6,587.85
Holly Spring 3	29,396	20	------	20	58.79	------	58.79
Little River 4	4,061,399	50	------	50	20,306.98	------	20,306.98
Marks Creek 1	2,676,141	50	------	50	13,380.70	------	13,380.70
Middle Creek 1	2,395,066	50	------	50	11,975.32	------	11,975.32
Lowes Grove	29,445	20	------	20	294.45	------	294.45
Neuse River 1	1,211,393	50	------	50	6,065.16	------	6,065.16
Panther Branch 1	1,074,028	50	------	50	5,374.15	------	5,374.15
Panther Branch 2	148,182	20	------	20	296.35	------	296.35
St. Mary's 1	3,416,110	50	------	50	17,080.53	------	17,080.53
St. Mary's 6	171,095	20	------	20	342.19	------	342.19
St. Mathews 1	568,732	40	------	40	2,274.92	------	2,274.92
St. Mathews 4	194,225	20	------	20	388.45	------	388.45
St. Mathews 5	1,319,309	50	------	50	6,596.54	------	6,596.54

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Current	Debt	Total	Current	Debt	Total
Wake County, *Continued*							
Swift Creek 3	$ 364,699	20	------	20	$ 729.40	$----------	$ 729.40
Wake Forest 1	2,620,412	50	------	50	13,102.05	----------	13,102.05
Wake Forest 2	680,966	50	------	50	3,404.83	----------	3,404.83
White Oak 1	2,809,722	50	------	50	14,048.61	----------	14,048.61
White Oak 4	949,462	50	------	50	4,759.58	----------	4,759.58
White Oak 9	142,319	30	------	30	426.95	----------	426.95
Total Local Tax	**33,004,709**	------	------	------	**157,235.00**	----------	**157,235.00**
Special Charter	**58,450,060**	------	------	------	**264,575.00**	**71,955.00**	**336,530.00**
Raleigh	55,350,060	45	13	58	249,075.35	71,955.00	321,030.00
Wake Forest	3,100,000	50	------	50	15,500.00	----------	15,500.00
Warren County	**$ 11,433,984**	------	------	------	**$ 40,884.00**	----------	**$ 40,884.00**
Aim Plain	377,089	15	------	15	565.63	----------	565.63
Axtell	299,282	20	------	20	598.56	----------	598.56
Churchill	452,856	25	------	25	1,132.14	----------	1,132.14
Drewry	804,936	30	------	30	2,414.80	----------	2,414.80
Elberon	520,681	30	------	30	1,562.04	----------	1,562.04
Embie	181,045	20	------	20	362.09	----------	362.09
Epworth	287,040	20	------	20	574.08	----------	574.08
Inez	518,051	15	------	15	777.07	----------	777.07
Littleton	781,579	50	------	50	3,907.89	----------	3,907.89
Macon	725,771	40	------	40	2,903.08	----------	2,903.08
Norlina	1,908,970	42	------	42	8,017.67	----------	8,017.67
Oakville	200,938	25	------	25	502.34	----------	502.34
Vaughan	602,938	30	------	30	1,808.81	----------	1,808.81
Wise	867,999	40	------	40	3,472.00	----------	3,472.00
Warrenton	2,563,137	45	------	45	11,534.07	----------	11,534.07
Warm Plain	341,672	22	------	22	751.68	----------	751.68
Washington Co.	**$ 7,993,514**	**33**	------	**33**	**$ 26,379.00**	----------	**$ 26,379.00**
Watauga County	**$ 3,598,244**	------	------	------	**$ 9,154.00**	----------	**$ 9,154.00**
Bold Mt	80,694	20	------	20	161.39	----------	161.39
Blowing Rock	1,759,812	25	------	25	4,399.00	----------	4,399.00
Boone	1,219,136	20	------	20	2,438.27	----------	2,438.27
Boone T. S.	100,421	40	------	40	410.68	----------	401.68
Cove Creek T. S.	338,705	40	------	40	1,354.82	----------	1,354.82
Laurell Creek T. S.	99,476	40	------	40	397.90	----------	397.90
Wayne County	**$ 44,762,985**	------	------	------	**$ 170,846.00**	**$ 71,446.00**	**$ 242,292.00**
Aycock	594,817	30	------	30	1,784.45	----------	1,784.45
Belfast	1,083,043	30	------	30	3,249.13	----------	3,249.13
Beston	519,451	30	------	30	1,558.35	----------	1,558.35
Brogden	----------	30	------	30	8,063.95	----------	8,063.95
Dobbersville	125,040	30	------	30	375.12	----------	375.12
Eureka	----------	30	------	30	6,198.72	----------	6,198.72
Fork Township	3,213,138	15	------	15	----------	4,819.71	4,819.71
Grantham	1,480,671	30	------	30	4,442.01	----------	4,442.01
Hood Swamp	1,046,143	5	5	10	523.07	523.07	1,046.14
Indian Springs	631,427	30	------	30	1,894.28	----------	1,894.28
Nahunta	1,206,239	30	------	30	3,618.72	----------	3,618.72
Pikeville	2,311,114	30	------	30	6,933.34	----------	6,933.34
Rosewood	3,213,138	15	------	15	4,819.71	----------	4,819.71
Saulston'	829,136	30	------	30	2,487.41	----------	2,487.41
Seven Springs	774,019	30	------	30	2,322.20	----------	2,322.20
Smiths Chapel	642,907	30	------	30	1,928.72	----------	1,928.72
Total Local Tax	**17,670,283**	------	------	------	**50,199.00**	**5,343.00**	**55,543.00**
Special Charter	**27,092,702**	------	------	------	**120,647.00**	**66,103.00**	**186,750.00**
Fremont	3,405,949	34.65	25.35	60	11,804.88	8,630.81	20,435.69
Goldsboro	20,166,789	4.35	2.85	72	87,722.00	57,473.00	145,195.00
Mt. Olive	3,519,964	60	------	60	21,119.78	----------	21,119.78
Wilkes County	**$ 8,184,993**	------	------	------	**$ 28,713.00**	**$ 7,858.00**	**$ 36,571.00**
Antiock 1 Col	7,196	30	------	30	21.59	----------	21.59
Beaver Creek 1 C.	5,971	30	------	30	17.91	----------	17.91
Boomer 4, White	18,225	20	------	20	36.45	----------	32.47
Boomer 1 Col	7,489	30	------	30	22.47	----------	26.45

TABLE 187—*Continued*

County and Districts	Assessed Valuation	Rate			Amount		
		Current	Debt	Total	Current	Debt	Total
Wilkes County, *Continued*							
Boomer 2 Col.	$ 7,996	30	------	30	$ 23.99	$----------	$ 23.99
Edwards 1 White	465,085	30	------	30	1,395.26	----------	1,395.26
Edwards 5 White	650,793	40	------	40	2,603.17	----------	2,603.17
Edwards 7 White	165,921	30	------	30	497.76	----------	497.76
Edwards 12 White	307,309	10	------	10	307.31	----------	307.31
Edwards 13 White	78,901	10	------	10	78.90	----------	78.90
Edwards 1 Col.	23,993	30	------	30	71.98	----------	71.98
Edwards 2 Col.	12,900	30	------	30	38.70	----------	38.70
Elk 1 White	253,138	20	------	20	506.28	----------	506.28
Elks 1 Col.	5,261	30	------	30	15.78	----------	15.78
Elks 2 Col.	5,462	30	------	30	16.39	----------	16.39
Lewis Fork 1 White	93,268	30	------	30	279.80	----------	279.80
New Castle 2 Col.	17,025	30	------	30	51.08	----------	51.08
N. Wilkesboro 1 W	230,527	10	------	10	230.53	----------	230.53
N. Wilkesboro 2 W	236,512	15	------	15	354.77	----------	354.77
N. Wilkesboro 3 W	21,767	10	------	10	21.77	----------	21.77
N Wilkesboro 4 W	146,312	10	------	10	146.31	----------	146.31
N. Wilkesboro 1 C	20,049	30	------	30	60.15	----------	60.15
Rock Creek 4 W	359,795	15	------	15	539.69	----------	539.69
Rock Creek 1 C	9,520	30	------	30	28.56	----------	28.56
Stanton 4 W	29,096	10	------	10	29.10	----------	29.10
Trap Hill 1	122,699	30	------	30	368.10	----------	368.10
Wilksboro 5 W	491,772	50	25	50	2,458.86	1,408.00	3,886.86
Wilksboro 1 C	58,276	50	------	50	291.38	----------	291.38
Wilksboro 2 C	12,344	30	------	30	37.03	----------	37.03
Wilksboro 3 C	20,391	50	------	50	101.96	----------	101.96
Total Local Tax	**3,884,993**	------	------	------	**10,653.00**	**1,408.00**	**12,061.00**
North Wilksboro Special Charter	**4,300,000**	**42**	**15**	**57**	**18,060.00**	**6,450.00**	**24,510.00**
Wilson County	**$ 49,649,041**	**22.7**	------	**22.7**	**112,703.00**	----------	**$ 112,703.00**
Yadkin County	**$ 2,725,341**	------	------	------	**$ 9,270.00**	**$ 3,668.00**	**$ 12,938.00**
Boonville	725,721	30	15	45	2,177.16	1,088.58	3,265.74
Courtney	520,482	50	------	50	2,602.41	----------	2,602.41
Huntsville	119,027	05	------	05	59.51	----------	59.51
Jonesville	401,951	25	25	50	1,004.88	1,004.88	2,009.76
Yadkinville	682,557	30	15	45	2,047.67	1,023.83	3,071.51
Total Local Tax	**2,449,738**	------	------	------	**7,892.00**	**3,117.00**	**11,009.00**
East Bend S. Char.	**275,603**	**50**	**20**	**70**	**1,378.00**	**551.00**	**1,929.00**
Yancey County	**$ 3,688,769**	------	------	------	**$ 9,033.00**	----------	**$ 9,033.00**
Bold Creek	323,137	30	------	30	969.41	----------	969.41
Bee Log	212,196	30	------	30	636.59	----------	636.59
Burnsville	1,389,813	25	------	25	3,474.53	----------	3,474.53
Clearmont	251,241	30	------	30	753.72	----------	753.72
Dayton Bend	129,698	30	------	30	389.09	----------	389.09
Lost Cove	581,729	07	------	07	407.21	----------	407.21
Mecamville	484,197	30	------	30	1,452.59	----------	1,452.59
Pensacola	316,758	30	------	30	950.27	----------	950.27

On an assessed valuation of $2,593,543,470, the total tax levy by school districts in 1928 was $10,359,449—$8,614,490 for current expense nad $1,745,061 for debt service. Of this total, local tax and special school taxing districts (county-wide levies included) levied $4,776,710—$4,187,939 for current expense and $588,771 for debt service; and special charter districts levied $5,582,841—$4,426,551 for current expense and $1,156,-290 for debt service.

TABLE 188—SUMMARY OF DISTRICT AND TOWNSHIP TAXES LEVIED FORPURPOSES OTHER THAN SCHOOLS, 1928—BY COUNTIES

County	Valuation	Roads	Debt Service	Sanitation and Water	Miscel-laneous	Total
Ashe	$ 11,849,096	$ 4,740	$	$	$	$ 4,740
Beaufort	11,224,150	4,490				4,490
Bertie	3,018,795		4,528			4,528
Bladen	13,771,413		25,290			25,290
Buncombe	57,205,213	5,035		207,659		212,694
Burke	22,895,428		29,141			29,141
Camden	3,378,502		10,855			10,855
Cherokee	12,929,092		48,619			48,619
Cleveland	54,105,306	118,555			13,518	132,023
Columbus	21,431,091	39,341				39,341
Cumberland	13,430,100				2,686	2,686
Dare	467,687	1,895				1,895
Duplin	8,700,044	6,216			918	7,134
Edgecombe	34,584,224	189,786				189,786
Franklin	14,818,920	84,356				84,356
Gaston	45,133,558		74,812			74,812
Gates	5,730,958	12,320				12,320
Graham	2,099,290		1,050			1,050
Harnett	110,597		14,106			14,106
Haywood	877,088		3,070			3,070
Henderson	23,707,451		9,402			9,402
Hyde	4,730,385	9,461				9,461
Iredell	22,941,894		8,663			8,663
Jackson	3,354,803		7,244			7,244
Macon	7,316,248				33,962	33,962
Madison	4,064,636	12,040				12,040
Martin	3,148,068	36,430				36,430
McDowell	20,171,228	45,186				41,586
Mitchell	8,380,206	34,978				34,978
Nash	36,702,099	137,741				137,741
Northampton	11,612,586	54,119				54,119
Orange	3,307,408	661				661
Pamlico	233,830	284				284
Pender	5,173,366	5,156	2,318			7,474
Pitt	36,518,413		17,653			17,653
Randolph		30	547			577
Robeson	36,313,951		75,345			75,345
Rowan	30,154,749	24,124				24,124
Rutherford	31,146,294	2,116	3,639			5,755
Scotland	15,949,352		13,505			13,505
Surry	14,261,764		5,622			5,622
Swain	12,619,545	18,929				18,929
Vance	715,892		6,443			6,443
Wake	6,086,937	13,469				13,469
Warren	13,448,251	59,637				59,637
Wautauga	2,101,996		1,051			1,051
Wilkes	5,355,161		534			534
Wilson	27,830,215		11,132			11,132
North Carolina	$ 705,724,168	$ 917,495	$ 374,569	$ 207,659	$ 51,084	$1,550,807

TABLE 189—DISTRICT AND TOWNSHIP ASSESSED VALUATIONS, PROPERTY TAX RATES AND TAXES LEVIED FOR PURPOSES OTHER THAN SCHOOLS, 1928[1]—BY COUNTIES

Name	Valuation	Purpose of Tax	Rate	Amount
Ashe County	$ 11,849,096	Township Roads	04	$ 4,740
Beaufort (Washington)	$ 11,224,150	Roads	04	$ 4,490
Bertie (Windsor)	$ 3,018,795	Railroad Bond	15	$ 4,528
Bladen	$ 13,771,413			$ 25,290
Abbots	766,941	Debt Service	25	1,917
Bethel	680,026	Debt Service	27	1,836
Bladenboro	2,960,122	Debt Service	06	1,776
Brown Marsh	1,149,881	Debt Service	25	2,875
Carver's Creek	1,321,031	Debt Service	30	3,963
Central	206,008	Debt Service	20	412
Colly	561,397	Debt Service	05	281
Cypress Creek	389,066	Debt Service	25	973
Elizabeth	1,367,081	Debt Service	10	1367
French's Creek	753,634	Debt Service	30	2,261
Hollow	1,022,928	Debt Service	15	1,535
Lake Creek	408,958	Debt Service	35	1,431
Turnbull	293,658	Debt Service	30	881
White's Creek	1,160,451	Debt Service	20	2,321
White Oak	730,231	Debt Service	20	1,460
Buncombe	$ 57,205,213			$ 212,694
Woodfin	4,652,193	Sanitary District	28	13,026
E. Biltmore	857,233	Sanitary District	39	3,343
Woolsey	341,220	Sanitary District	60	2,047
Fairview	2,072,870	Sanitary District	15	3,109
Swannanoa	19,890,447	Sanitary District	54	107,408
Caney Valley	807,400	Sanitary District	95	7,670
Beaver Dam	12,598,753	Sanitary District	05	6,299
Skyland	1,738,814	Sanitary District	62	10,781
Busbee	541,608	Sanitary District	102	5,524
Venable	592,185	Sanitary District	76	4,501
Hazel	1,492,264	Water	41	6,118
S. Buncombe	7,275,230	Water	52	37,831
Black Mountain	4,114,991	Road	10	4,115
Broad River	229,985	Road	40	920
Burke	$ 22,895,428			$ 29,141
Morganton Tp	8,344,538	Road Bond	10	8,345
Lovelady Tp	3,191,569	Road Bond	17	5,426
Ocard Tp	3,037,546	Road Bond	15	4,556
Lower Fork Tp	388,275	Road Bond	37	1,437
Upper Fork Tp	219,694	Road Bond	40	879
Silver Creek Tp	1,410,276	Road Bond	19	2,680
Lenville Tp	5,085,502	Road Bond	05	2,543
Upper Creek Tp	591,988	Road Bond	29	1,717
O Meadows	624,040	Road Bond	25	1,560
Camden	$ 3,378,502			$ 10,855
S. Mills	980,287	Road Bond	30	2,941
Shiloh Tp	2,398,215	Road Bond	33	7,914
Cherokee	$ 12,929,092			$ 48,619
Murphy Tp	3,500,547	Debt Service	50	17,503
Marble Road District	641,473	Debt Service	45	2,887
Andrews Road District	3,096,915	Debt Service	20	6,194
Beaverdam Tp	574,333	Debt Service	80	4,595
Shoal Creek Tp	534,346	Debt Service	100	5,343
Notla Tp	714,080	Debt Service	60	4,284
Hot House Tp	129,805	Debt Service	170	2,207
Valleytown Tp	3,737,593	Debt Service	15	5,606
Cleveland	$ 34,722,295			$ 132,073
No. 1	444,127	Roads	85	3,775
No. 2	1,413,961	Roads	65	9,191
No. 3	1,808,155	Roads	40	7,233
No. 4—Grover	(1,257,686)	Roads	22	2,767
No. 4 K. M. Pre	5,874,244	Roads	16	9,399
No. 4 K. M. District	(2,420,184)	Roads	10	2,420
No. 5	1,741,503	Roads	40	6,966
No. 6	14,114,979	Roads	24	33,876
No. 7	2,834,303	Roads	43	12,187
No. 8	1,734,845	Roads	50	8,674
No. 9	3,309,503	Roads	385	11,583

TABLE 189—*Continued*

Name	Valuation	Purpose of Tax	Rate	Amount
No. 9—Lawn	$ (1,590,262)	Roads	14	$ 2,226
No. 10	716,136	Roads	75	5,371
No. 11	730,439	Roads	70	5,113
No. 6—Hospital	(14,114,979)	Hospital	08	11,292
Columbus	$ 21,431,091	Roads		$ 39,341
Bogue	1,447,564	Roads	20	2,895
Bolton	1,222,490	Roads	20	2,445
Bug Hill	619,769	Roads	12	744
Chadbourn	2,566,295	Roads	18	4,619
Cerro Gordo	1,133,729	Roads	25	2,834
Fair Bluff	1,026,369	Roads	12	1,232
Lees	843,109	Roads	25	2,108
Ransom	1,973,028	Roads	25	4,933
Tatum	1,507,077	Roads	18	2,713
Waccamaw	1,204,838	Roads	12	1,446
Welches Creek	549,157	Roads	12	658
Western Prong	465,257	Roads	15	698
Williams	1,454,370	Roads	30	4,363
S. Williams	1,580,640	Roads	12	1,897
Whitesville	3,837,399	Roads	15	5,756
Cumberland (Cross Creek)	**$ 13,430,100**	Cemetery	02	**$ 2,686**
Dare County	**$ 467,687**			**$ 1,895**
Stumpy Point	98,336	Roads	80	787
Wanalese	224,662	Roads	30	674
Manns Harbor	144,689	Roads	30	434
Duplin County	**$ 8,700,044**			**$ 7,134**
Magnolia	1,294,899	Roads	05	647
Island Creek	2,700,954	Roads	10	2,701
Warsaw	2,867,234	Roads	10	2,867
Kenansville	1,836,957	R. R. Aid	05	918
Edgecombe County	**$ 34,584,224**			**189,786**
General Roads	17,612,930	Roads	36	109,414
Rocky Mt. Roads	14,948,270	Roads	30	70,257
Whitakers Road	2,023,024	Roads	50	10,115
Franklin County	**$ 14,818,920**			**$ 84,356**
Dunns	1,256,694	Roads	58	7,289
Harris	1,140,792	Roads	108	12,321
Youngsville	1,557,707	Roads	43	6,698
Franklinton	3,772,510	Roads	27	10,186
Hayesville	778,504	Roads	103	8,019
Sandy Creek	944,168	Roads	76	7,176
Gold Mine	624,610	Roads	142	8,869
Cedar Rock	1,097,017	Roads	53	5,814
Cypress Creek	639,622	Roads	79	5,053
Louisburg	3,007,296	Roads	43	12,931
Gaston County	**$ 45,133,558**			**$ 74,812†**
Bessemer City	2,855,814	Debt Service	10	2,856
Dallas	1,888,180	Debt Service	20	3,776
Stanley	1,133,045	Debt Service	20	2,266
Cherryville	3,682,926	Debt Service	15	5,524
Mt. Holly	7,032,915	Debt Service	15	10,549
North Belmont	4,365,410	Debt Service	10	4,365
Lowell	3,499,841	Debt Service	20	6,990
Belmont	10,534,444	Debt Service	15	15,802
Victory	4,198,665	Debt Service	10	4,199
Pinkney	2,223,140	Debt Service	20	4,446
Ranlo	3,719,178	Debt Service	15	5,579
Flint Groves	2,791,799	Debt Service	15	4,188
Myrtle	2,848,122	Debt Service	15	4,272
Gates County	**$ 5,730,958**			**$ 12,320**
Holly Grove	1,155,791	Roads	27	3,120
Hunters Mill	1,086,759	Roads	15	1,630
Mintonsville	709,055	Roads	25	1,773
Gatesville	876,733	Roads	15	1,315
Hall	548,669	Roads	20	1,097
Reynoldson	739,135	Roads	25	1,878
Hasletts	614,816	Roads	25	1,537

†Poll tax included.

[1]As reported to the Board of Assessment by County Auditors and Registers of Deeds.

TABLE 189—*Continued*

Name	Valuation	Purpose of Tax	Rate	Amount
Graham County	$ 2,099,290	Road and Bridge Bond	5	$ 1,050
Harnett County	$ 110,597			$ 14,106
Black River	14,180	Road Debt Service	06	1,024
Buckhorn	6,470	Road Debt Service	20	1,683
Duke	41,427	Road Debt Service	12	5,303
Grove	1,678	Road Debt Service	10	2,020
Hectors Creek	18,359	Road Debt Service	06	729
Johnsonville	5,372	Road Debt Service	21	1,990
Lillington	12,454	Road Debt Service	05	755
Neills Creek	10,657	Road Debt Service	05	601
Haywood (Cataloochee)	$ 877,088	Road Bond	35	$ 3,070
Henderson County	$ 23,707,451			$ 9,402
Hendersonville	19,328,497	Debt Service	025	4,832
Crab Creek	539,139	Debt Service	16	863
Edneyville	658,160	Debt Service	14	921
Hoopers Creek	1,556,992	Debt Service	085	1,323
Mills River	1,624,663	Debt Service	09	1,462
Hyde County	$ 4,730,385			$ 9,461
Currituck	1,363,137	Roads	20	2,726
Fairfield	607,549	Roads	20	1,215
Lake Landing	1,851,872	Roads	20	3,704
Swan Quarter	850,716	Roads	20	1,701
Excess Corp. Value	57,111	Roads	20	114
Iredell County	$ 22,941,894			$ 8,663
Bethany	802,006	Special R. R. Debt Service	10	802
Eagel Mills	626,078	Special R. R. Debt Service	18	1,127
Statesville	19,755,333	Special R. R. Debt Service	02	3,951
Turnersburg	1,091,511	Special R. R. Debt Service	20	2,183
Union Grove	666,966	Special R. R. Debt Service	09	600
Jackson County	$ 3,354,803			$ 7,244
Cullowhee	628,206	Road Bonds and Interest	25	1,571
Dillsboro	831,426	Road Bonds and Interest	16	1,330
Sylva	2,895,171	Road Bonds and Interest	15	4,343
Macon County (1927)	$ 7,316,248			$ 33,962
Franklin	2,617,597	Maintenance	40	10,470
Millshoal	405,627	Maintenance	21	852
Ellijay	370,982	Maintenance	30	1,113
Sugarfork	150,350	Maintenance	35	526
Highlands	824,149	Maintenance	27	2,225
Flats	81,834	Maintenance	40	326
Smith Bridge	566,437	Maintenance	40	2,266
Cartoogechaye	584,136	Maintenance	17	993
Nantahala	804,297	Maintenance	52	1,186
Burningtown	246,751	Maintenance	26	642
Cowee	664,088	Maintenance	38	2,524
Madison County	$ 4,064,636			$ 12,040
White Rock	475,269	Road Construction	45	2,139
Hot Springs and Spring Creek	2,434,493	Road Construction	25	6,086
Meadow Fork	225,451	Road Construction	40	902
Grape Vine	272,981	Roda Construction	25	682
Mans Hill	525,799	Road Construction	30	1,577
Fosters Creek	130,553	Road Construction	50	653
Martin County	$ 3,148,068			$ 36,430
Jamesville	1,763,471	Roads	25	4,409
Williams	839,866	Roads	30	2,520
Griffins	825,402	Roads	35	2,889
Bear Grass	880,633	Roads	30	2,642
Williamston	2,837,162	Roads	25	7,093
Cross Roads	1,050,998	Roads	35	3,678
Poplar Point	446,729	Roads	30	1,340
Hamilton	1,889,488	Roads	160	6,274
Goose Nest	2,614,319	Roads	100	5,586
McDowell County	$ 20,171,228			$ 41,586
Bracketts	504,473	Roads	12	605
Crooked Creek	263,050	Roads	18	473
Dysartsville	296,180	Roads	17	503
Glenwood	765,015	Roads	05	382

TABLE 189—*Continued*

Name	Valuation	Purpose of Tax	Rate	Amount
Higgins	$ 224,517	Roads	14	$ 314
Marion	9,509,844	Roads	13	12,363
Montfor Cone	263,902	Roads	10	264
Nebo	2,026,828	Roads	07	1,419
North Cave	3,075,995	Roads	16	4,922
Old Fort	3,241,424	Roads	14	4,538
Mitchell County	$ **8,380,206**			$ **34,978**
Bakersville	1,293,997	Road Construction	37	4,790
Bradshaw	819,142	Road Construction	20	1,638
Cane Creek	275,119	Road Construction	100	2,751
Fork Mountain	121,067	Road Construction	126	1,525
Grassy Creek	2,677,182	Road Construction	20	5,354
Herrell	449,553	Road Construction	97	4,361
Little Rock Creek	203,657	Road Construction	73	1,487
Red Hill	1,094,195	Road Construction	60	6,565
Snow Creek	1,446,295	Road Construction	45	6,508
Nash County	$ **36,702,099**			$ **137,741**
Bailey	1,382,364	Roads	65	8,985
Castalia	828,407	Roads	40	3,313
Coopers Bands	1,563,762	Roads	08	1,251
Drywells	1,200,817	Roads	95	11,408
Ferrells	787,257	Roads	70	5,511
Griffins	1,302,120	Roads	40	5,208
Jacksons	1,203,640	Roads	65	7,824
Mannings	2,791,189	Roads	46	12,839
Nashville	2,566,425	Roads	40	10,266
North Whitakens	1,702,528	Roads	70	11,918
Red Oak Bonds	885,312	Roads	08	708
Rocky Mount	19,144,603	Roads	30	57,434
South Whitaker Bonds	1,343,675	Roads	08	1,075
Northampton County	$ **11,612,580**			$ **54,119**
Gaston	897,027	Roads	70	6,279
Jackson	798,936	Roads	40	3,196
Kinby	2,373,172	Roads	40	9,493
Occaneechee	1,089,217	Roads	70	7,625
Pleasant Hill	355,945	Roads	30	1,068
Rich Square	1,984,579	Roads	50	9,923
Roanoke	1,262,562	Roads	30	3,788
Seaboard	1,344,009	Roads	50	6,700
Wiccacanee	1,507,130	Roads	40	6,029
Orange (Hillsboro)	$ **3,307,408**	Roads	**02**	$ **661**
Pamlico County	$ **233,830**			$ **284**
Fenebee Road	84,700	Roads	10	85
Alligator Road	48,800	Roads	10	49
Jumping Run Road	28,820	Roads	10	29
Neals Creek Road	21,360	Roads	10	21
Mattoxville Road	50,150	Roads	20	100
Pender County	$ **5,173,366**			$ **7,474**
Burgaw	2,095,615	Roads	10	2,096
Caswell	1,114,629	Road Bonds	15	1,672
Columbia	646,214	Road Bonds	10	646
Grady	853,253	Roads	25	2,133
Long Creek	463,655	Roads	20	927
Pitt County	$ **36,518,413**			$ **17,653**
Ayden	5,068,281	Road Bonds	6	3,041
Chicod	3,823,599	Road Bonds	8	3,059
Frankland	1,657,530	Road Bonds	12	1,989
Fountain	1,163,753	Road Bonds	12	1,396
Farmville	6,132,196	Road Bonds	6	3,679
Greenville	15,396,683	Road Bonds	1	1,540
Winterville	3,276,371	Road Bonds	9	2,949
Randolph County				$ **577**
Randleman Ts.		Interest		547
Worthville District		Roads		30

TABLE 189—*Continued*

Name	Valuation	Purpose of Tax	Rate	Amount
Robeson County	**$ 36,313,951**			**$ 75,345**
Alfordsville	1,218,342	Debt Service	43	5,239
Fairmont	2,196,123	Debt Service	26	5,710
Gaddy	353,045	Debt Service	49	1,730
Howellsville	1,167,114	Debt Service	42	4,902
Lumber Bridge	1,143,394	Debt Service	16	1,829
Lumberton	7,815,267	Debt Service	12	9,378
Maxton	3,184,729	Debt Service	28	8,917
Orrum	1,265,516	Debt Service	19	2,404
Parkton	1,129,981	Debt Service	16	1,808
Pembroke	1,986,650	Debt Service	24	4,768
Philadelphus	798,071	Debt Service	17	1,357
Raft Swamp	475,678	Debt Service	36	1,712
Rennert	579,284	Debt Service	31	1,796
Rowland	1,843,208	Debt Service	25	4,608
Red Springs	1,961,220	Debt Service	05	981
Shannan	424,900	Debt Service	21	892
Smith	1,759,272	Debt Service	39	6,861
St. Pauls	2,595,318	Debt Service	11	2,855
Sterlings	925,008	Debt Service	12	1,110
Thompson	1,733,309	Debt Service	11	1,907
White House	744,822	Debt Service	37	2,756
Weshart	1,013,700	Debt Service	18	1,825
Rowan County	**$ 30,154,749**			**$ 24,124**
Atwell	2,267,174	Road Maintenance		1,814
China Grove	5,177,179	Road Maintenance		4,142
Cleveland	1,608,076	Road Maintenance		1,286
Franklin	2,256,932	Road Maintenance		1,806
Old Hill	1,416,283	Road Maintenance		1,133
Whitaker	1,687,030	Road Maintenance		1,350
Stocke	2,296,376	Road Maintenance		1,837
Morgan	1,311,240	Road Maintenance		1,049
Mt. Ulla	1,203,861	Road Maintenance		963
Providence	4,127,964	Road Maintenance		3,302
Scotch Irish	864,071	Road Maintenance		691
Steele	1,040,575	Road Maintenance		832
Unity	1,378,005	Road Maintenance		1,102
Sailsbury	3,519,983	Road Maintenance		2,816
Rutherford County	**$ 31,146,294**			**$ 5,755**
Colfax	2,711,468	Sinking Fund	8	2,171
High Shoals	7,306,921	Sinking Fund	2	1,468
Rutherfordton	6,777,442	C. A. H. W. Y. Road	1	679
Green Hill	713,166	C. A. H. W. Y. Road	1	71
Colfax	2,705,913	C. A. H. W. Y. Road	1	271
Chinney Rock	2,879,717	C. A. H. W. Y. Road	1	288
Coal Springs	8,051,667	C. A. H. W. Y. Road	1	807
Scotland County	**$ 15,949,352**			**$ 13,505**
Stewartsville	8,729,419	Bonds and Interest	12	133
Williamson T.	3,259,113	Bonds and Interest	30	151
Laurel Hill Twp.	2,233,550	Bonds and Interest	36	158
Spring Hill Twp.	1,730,270	Bonds and Interest	30	100
Surry County	**$ 14,261,764**			**$ 5,622**
Dobson	1,591,022	Twp. Road Bonds	03	477
Elkin	3,878,028	Twp. Road Bonds	02	776
Marsh	498,211	Twp. Road Bonds	03	149
Rockford	789,145	Twp. Road Bonds	03	237
Shoals	681,629	Twp. Road Bonds	04	273
Siloam	582,610	Twp. Road Bonds	04	233
Stewarts Creek	1,099,137	Twp. Road Bonds	03	330
Westfield	1,263,954	Twp. Road Bond	03	379
Elkin	3,878,028	Twp. R. R. Bond	04	1,551
Swain County (1927)	**$ 12,619,545**			**$ 18,929**
Charleston	4,050,895		15	6,076
Nontahala	2,476,536	Upkeep of Roads	15	3,715
Ocana Lufty	2,954,686	Upkeep of Roads	15	4,432
Farney Creek	3,137,428	Upkeep of Roads	15	4,706

TABLE 189—*Continued*

Name	Valuation	Purpose of Tax	Rate	Amount
Vance (Townsville Twp.)	$ 715,892	R. R. Bonds	90	$ 6,443
Wake County	$ 6,086,937			$ 13,469
Arnet Ferry Road	104,893	Road	10	105
Holly Springs	1,735,871	Road	5	868
Middle Creek	2,963,674	Road	40	11,855
Panther Branch	1,282,499	Road	5	641
Warren County	$ 13,448,251			$ 59,637
Raven Twp.	1,328,947	Roads	30	3,987
Six Pound	1,099,221	Roads	35	3,847
Hawkin	1,309,233	Roads	45	5,892
Smith Creek	1,133,506	Roads	44	4,987
Nutbush	939,555	Roads	40	3,758
Sandy Creek	673,571	Roads	35	2,357
Shows	566,930	Roads	35	1,984
Fishing Creek	791,915	Roads	40	3,170
Jutkim	1,169,809	Roads	35	4,094
Warrenton	3,672,305	Roads	21	7,712
Fork	612,591	Roads	45	2,757
Roanoke	150,668	Roads	30	452
Watauga (Boone Twp.)	$ 2,101,996	R. R. Bond	05	$ 1,051
Wilkes (No. Wilksboro Twp.)	$ 4,355,161	Railroad	01	$ 534
Wilson (Wilson)	$ 27,830,215	Road Bonds	04	$ 11,132
North Carolina	$ 705,724,168			$1,550,807

TABLE 190—‡CITY AND TOWN ASSESSED VALUATIONS, PROPERTY TAX RATES AND TAXES LEVIED, FOR PURPOSES OTHER THAN SCHOOLS, 1928—BY COUNTIES, POLL TAXES

County	Rates					Accounts			
	Assessed Valuation	Gen. Purposes	Debt Service	Miscel*	Total	General Purposes	Debt Service	Miscellaneous*	Total
Alamance	$ 16,008,561	------	------	------	------	$ 24,162	$ 170,821	$ 11,515	$ 206,498
Burlington	10,509,045	08.5	104	02.5	115	8,933	109,294	2,627	120,854
Elon College	353,752	80	------	------	80	2,830	------	------	2,830
Graham	2,693,250	26	121	33	180	7,003	32,588	8,888	48,479
Mebane	2,452,514	22	118	------	140	5,396	28,939	------	34,335
Alexander—Taylorsuille	1,051,451	110	150	------	160	11,566	5,257	------	16,823
Alleghany No towns reporting	------	------	------	------	------	------	------	------	------
Anson	5,007,796	------	------	------	------	47,322	------	4,954	52,276
Ansonville	310,222	50	------	------	50	1,551	------	------	1,551
Lilesville	177,098	50	------	------	50	8,854	------	------	8,854
*McFarlan	181,277	50	------	------	50	906	------	------	906
Morven	550,465	------	------	90	90	------	------	4954	4,954
*Polkton	341,147	45	------	------	45	1,535	------	------	1,535
Wadesboro	3,447,587	100	------	------	100	34,476	------	------	34,476
Ashe	198,814	------	------	------	------	2,982	------	------	2,982
Jefferson	198,814	150	------	------	150	2,982	------	------	2,982
West Jefferson no report	------	------	------	------	------	------	------	------	------
Avery	327,316	------	------	------	------	1,874	513	------	2,387
†Banner Elk	122,000	35	------	------	35	437	------	------	437
Newland	205,316	70	25	------	95	1,437	513	------	1,950
Beaufort	9,874,093	------	------	------	------	44,928	40,301	------	85,229
*Aurora	309,000	100	50	------	150	3,090	1,545	------	4,635
*Bath	141,931	15	------	------	15	213	------	------	213
Belhaven	1,252,260	25	155	------	180	3,013	18,732	------	21,745
*Pantego	161,136	60	------	------	60	967	------	------	967
Washington	8,009,766	47	25	------	72	37,645	20,024	------	57,669
***Bertie County**	4,066,333	------	------	------	------	41,109	------	329	41,438
Aulander	1,355,646	100	------	------	100	13,556	------	------	13,566
Colerain	206,904	40	------	------	40	828	------	------	828
Kelford	319,363	40	------	------	40	1,277	------	------	1,277
Lewiston	511,933	20	------	------	20	1,024	------	------	1,024
Powellsville	138,137	20	------	------	25	266	------	------	266
*Roxobel	328,758	------	------	10	10	------	------	329	329
Windsor	1,011,040	235	------	------	235	23,759	------	------	23,759
Woodville	199,552	20	------	------	20	399	------	------	399
Bladen	1,830,023	------	------	------	------	6,821	604	------	7,425
*Bladenboro	782,826	50	------	------	50	3,914	------	------	3,914
*Clarkton	410,286	30	------	------	30	1,231	------	------	1,231
*Council	133,997	20	------	------	20	268	------	------	268
*Elizabethtown	502,914	28	12	------	40	1,408	604	------	2,012

[1]Miscellaneous frequently means that the rates for general purposes and for debt service were not reported separately.

TABLE 190—*Continued*

County	Rates					Accounts			
	Assessed Valuation	Gen. Purposes	Debt Service	Miscel*	Total	General Purposes	Debt Service	Miscellaneous*	Total
Brunswick—Southport	$ 990,316	50	100	------	150	$ 5,109	$ 9,822		$ 14,931
Buncombe	102,776,050	------	------	------	------	367,386	823,217	782	1,191,385
Asheville	98,930,798	32	82	------	114	316,611	811,233	---------	1,127,844
Biltmore	1,692,663	150	------	------	150	25,390	---------	---------	25,390
Black Mountain	1,302,589	97	92	06	195	12,635	11,984	782	25,401
Weaverville	850,000	150	------	------	150	12,750	---------	---------	12,750
Burke	9,150,791	------			------	76,022	---------	---------	76,022
†Connelly Springs	355,220	20	------	------	20	710	---------	---------	710
Drexel	936,950	30	------	------	30	2,809	---------	---------	2,809
Glen Alpine	292,521	20	------	------	20	585	---------	---------	585
*Hildebran	164,469	15	------	------	15	247	---------	---------	247
Morgantown	6,231,983	110	------	------	110	68,543	---------	---------	68,543
Rutherford College	150,000	25	------	------	25	375	---------	---------	375
†Valdese	1,019,828	27	------	------	27	2,753	---------	---------	2,753
Cabarrus	15,589,232	------			------	69372	95,726	2,991	168,089
Concord	14,957,162	43	64	02	109	64,316	95,726	2,991	163,033
Mt. Pleasant	632,070	80	------	------	80	5,056	---------	---------	50,056
Caldewll	12,289,887	------	------	------	------	49,023	30,558	---------	79,581
Granite Falls	2,379,482	35	15	------	50	8,328	3,569	---------	11,897
Hudson	670,917	10	------	------	10	6,709	---------	---------	6,709
Lenoir	6,747,278	50	40	------	90	33,737	26,989	---------	60,726
Rhodhiss	2,492,210	01	------	------	01	249	---------	---------	249
Camden No towns reporting	----------	------	------	------	------	---------	---------	---------	---------
Carteret	6,223,192					92,121	---------	---------	92,121
Beaufort	2,642,418	175	------	------	175	45,234	---------	---------	45,234
Morehead City	3,276,196	138	------	------	138	45,212	---------	---------	45,212
New Port	304,578	55	------	------	55	1,675	---------	---------	1,675
Caswell—Milton	129,966	30	------	------	30	390	---------	---------	390
Catawba	21,437,410	------	------	------	------	82,826	131,466	5,148	219,440
Catawba	450,000	60	------	------	60	2,700	---------	---------	2,700
*Claremont	415,222	10	40	------	50	415	1,661	---------	2,076
Conover	936,257	100	------	------	100	9,363	---------	---------	9,363
Hickory	10,838,377	14.75	98.5	04.75	118	15,986	106,758	5,148	127,892
Maiden	1,610,227	10	85	------	95	1,610	13,687	---------	15,297
Newton	4,625,874	825	------	------	825	38,163	---------	---------	38,163
Longview	1,075,890	65	------	------	65	5,379	---------	---------	5,379
West Hickory	1,485,563	62	63	------	125	9,210	9,360	---------	18,570
Chatham	2,723,989	------			------	24,566	1,200	---------	25,766
Bennett	110,304	15	------	------	15	165	---------	---------	165
Goldston	188,095	20	------	------	20	376	---------	---------	376
*Moncure	186,666	30	------	------	30	560	---------	---------	560
*Pittsboro	600,000	55	------	------	75	3,300	1,200	---------	4,500
*Siler City	1,638,924	123	------	------	123	20,165	---------	---------	20,165

TABLE 190—*Continued*

County	Rates					Accounts			
	Assessed Valuation	Gen. Purposes	Debt Service	Miscel*	Total	General Purposes	Debt Service	Miscellaneous*	Total
Cherokee	**$ 3,130,792**					$ 61,980	$	$	$ 61,980
Andrews	1,337,117	275			275	36,771			36,771
Marble	226,142	75			75	1,696			1,696
Murphy	1,567,533	150			150	23,513			23,513
Chowan-Edontan	**459,564**	54		31	85	24,812		14,244	39,056
Clay	**134,338**					269		806	1,075
*Hayesville	134,338	20		60	80	269		806	1,075
Cleveland	**17,514,714**					78,160	92,787		170,947
Grover	366,596	20			20	733			733
Kings Mountain	5,420,277	50	25		125	27,101	40,651		67,752
†Lattimore	363,053	50			50	1,815			1,815
Lawndale	787,044	25			25	1,968			1,968
Mooresboro	193,703	60			60	1,160			1,160
Shelby	10,222,735	44	51		95	44,980	52,136		97,116
Waco	161,306	25			25	403			403
Cabarrus	**15,589,232**					69,372	95,726	2,991	168,089
Copcord	14,957,162	43	64	02	109	64,316	95,726	2,991	163,033
Mt. Pleasant	632,070	80			80	5,056			5,056
Columbus	**5,194,835**					22,340	39,400		61,740
Acme	159,730	33⅓			33⅓	532			532
†Chadbourn	916,778	35	50		85	3,309	4,584		7,893
†Cerro Gordo	1,034,116	40			40	4,136			4,136
*Delco	216,862	20			20	434			434
Fair Bluff	308,573	40			40	1,235			1,235
Tabor	775,855	50	150		200	3,879	11,638		15,517
Whiteville	1,782,921	50	130		180	8,915	23,178		32,093
Craven	**15,368,064**					63,828	95,242		159,070
Bridgeton	335,926	125			125	4,188			4,188
Dover	263,700	50			50	1,319			1,319
New Bern	14,266,452	40	65		105	57,066	92,732		149,798
Vanceboro	501,986	25	50		75	1,255	2,510		3,765
Cumberland	**13,660,484**					131,622			131,622
Fayetteville	12,826,317	100			100	128,263			128,263
*Falcon	125,000	25			25	313			313
Godwin	59,765	40			40	239			239
Hope Mills	473,386	50			50	2,367			2,367
Wade	176,061	25			25	440			440
Currituck-(No towns reporting)									
Dare-Manteo	**245,470**	50			50	1,227			1,227
Davidson County	**17,686,881**					202,495	13,710	12,390	228,595
Denton	404,385	25			50	8,289	8,289		16,578
Lexington	9,718,578	140			140	136,660			136,660
Thomasville	7,563,918	71	07	16	94	57,546	5,421	12,390	75,357

TABLE 190—*Continued*

County	Rates					Accounts			
	Assessed Valuation	Gen. Purposes	Debt Service	Miscel*	Total	General Purposes	Debt Service	Miscellaneous*	Total
Davie—Mocksville	$ 1,878,523	90	------	------	90	$ 16,907	$------	$------	$ 16,907
Duplin	4,238,750	------	------	------	------	20,244	16,769	------	37,013
Calypso	444,300	30	------	------	30	1,333	------	------	1,333
Faison	599,318	50	17	------	67	2,997	1,019	------	4,016
Kenansville	288,210	20	------	------	20	576	------	------	576
Magnolia	299,574	3.33	------	------	33.3	998	------	------	988
Rose Hill	550,968	30	------	------	30	1,653	------	------	1,653
*Teachcys	142,807	12½	------	------	12½	179	------	------	179
Wallace	804,396	110	------	------	101	8,848	------	------	8,848
Warsaw	1,109,177	33	142	------	175	3,660	15,750	------	19,410
Durham—Durham	82,926,492	55	58	------	113	456,096	480,974	------	937,070
Edgecombe	7,759,789	------	------	------	------	100,023	6,930	------	1,069,53
*Conetoe	179,319	45	------	------	45	807	------	------	807
Macclesfield	221,098	27½	30	------	57½	1,271	------	------	1,271
Pinebluff	443,760	100	60	------	160	4,438	2,662	------	7,100
Pine Tops	539,285	135	------	------	135	7,281	------	------	7,281
*Princeville	115,168	25	25	------	50	288	288	------	576
Rocky Mount[1]	------	------	------	------	------	------	------	------	------
Tarboro	5,461,226	37	113	------	150	81,918	------	------	81,918
Whitakers	799,933	51	49	------	100	4,020	3,980	------	8,000
Forsyth	145,546,785	------	------	------	------	567,260	461,306	------	1,028,566
Kernersville	1,388,555	140	------	------	140	19,459	------	------	19,459
Winston-Salem	144,158,230	38	32	------	70	547,801	461,306	------	1,009,107
Franklin	3,101,812	------	------	------	------	34,018	22,478	6,435	62,931
Bunn	119,949	75	------	------	75	900	------	------	900
Franklinton	1,139,241	200	------	------	200	22,221	------	------	22,221
Louisburg	1,529,847	60	141	39	240	9,177	21,540	5,966	36,683
Youngsville	312,775	55	30	15	100	1,720	938	469	3,127
Gaston	52,064,358	------	------	------	------	327,388	43,964	------	371,352
Belmont	7,879,275	60	------	------	60	47,276	------	------	47,275
Bessemer City	2,905,454	137	------	------	137	39,805	------	------	39,806
Cherryville	3,074,529	40	70	------	110	12,298	21,511	------	33,809
Dallas	1,448,356	85	------	------	85	12,311	------	------	12,311
†Gastonia	27,601,448	70	------	------	70	193,210	------	------	193,210
†Lowell	4,390,537	10	------	------	10	4,390	------	------	4,390
*McAdensville	182,046	.33⅓	------	------	.33⅓	607	------	------	607
Mt Holly	3,742,169	40	60	------	100	14,969	22,453	------	37,422
Stanly	840,544	30	------	------	30	2,522	------	------	2,522
Gates-Gatesville	338,595	20	.7½	------	.27½	677	254	------	931
Graham—Robbinsville	308,823	100	------	------	100	3,088	------	------	3,088

[1] For Rocky Mount see Nash county.

TABLE 190—*Continued*

County	Rates					Accounts			
	Assessed Valuation	Gen. Purposes	Debt Service	Miscel*	Total	General Purposes	Debt Service	Miscellaneous*	Total
Granville	$ **5,698,443**					$ **30,234**	$ **25,157**	$ **5,805**	$ **61,196**
Creedmoor	322,366	60			60	1,934			1,934
Oxford	4,837,803	56	52	12	120	27,092	25,157	5,805	58,054
Stem	261,938	25			25	655			655
Stovall	276,336	20			20	553			553
Greene	**1,757,777**					**12,791**	**14,557**		**27,348**
Hookerton	398,455	150			150	5,977			5,977
*Snow Hill	1,115,000	50	125		175	5,575	13,937		19,512
Walstonburg	247,822	50	25		75	1,239	620		1,859
Guilford	**216,962,232**					**635,139**	**933,218**	**42,238**	**1,610,597**
Gibsonville	2,240,926	75			75	16,807			16,807
Greensboro (New)	105,594,954	32	56	04	92	337,904	591,332	42,238	971,474
(Old City Limits)	61,287,145		29		29		177,733		177,733
High Point	45,598,061	.615	36		.975	280,428	164,153		444,581
Halifax	**9,497,228**					**71,447**	**40,748**	**2,121**	**114,317**
Enfield	1,904,342	130			130	22,778			22,778
Halifax	451,405	50			50	2,257			2,257
Hobgood	358,296	.6666			.6666	2,386			2,386
Littleton	1,218,050	150			150	18,271			18,271
Roanoke Rapids	1,463,280	90			90	13,170			13,170
Scotland Neck	1,981,100	10	120		130	1,981	23,783		25,764
Weldon	2,120,755	50	80	10	140	10,604	16,966	2,121	29,691
Harnett	**5,703,627**					**83,328**	**7,690**		**91,018**
Angiers	414,059	100			100	4,141			4,141
*Buies Creek	247,600		50		50	1,238			1,238
Coats	282,145	40			40	1,129			1,129
Dunn	3,950,339	175			175	69,130			69,130
Lillington	809,484	95	95		190	7,690	7,690		15,380
Haywood	**9,586,049**					**90,318**	**1,611**	**41,874**	**133,803**
*Clyde	494,170	130			130	6,424			6,424
Canton	4,920,773	125			125	61,510			61,510
Hazelwood	950,000	100			100	9,500			9,500
Waynesville	3,221,106	40	05	130	175	12,884	1,611	41,874	56,369
Henderson—									
Hendersonville	**10,935,205**	**62**	**99**	**23**	**184**	**67,798**	**108,259**	**25,151**	**201,208**
Hertford	**2,916,669**					**18,867**	**19,755**		**38,622**
Ahoskie	1,783,852	75	100		175	13,379	17,839		31,218
Harrelsville	1,111,402	50			50	557			557
Murfreesboro	547,505	50	35		85	2,738	1,916		4,654
*Tunis	87,834		30		30	263			263
Winton	386,076	50			50	1,930			1,930

TABLE 190—*Continued*

County	Rates					Accounts			
	Assessed Valuation	Gen. Purposes	Debt Service	Miscel*	Total	General Purposes	Debt Service	Miscellaneous*	Total
Hoke—Raeford	$ 1,912,600	60	—	—	60	$ 11,476	$—	$ 102	$ 11,578
Hyde No towns reporting	—	—	—	—	—	—	—	—	—
Iredell	21,475,161	—	—	—	—	171,579	40,747	1,541	213,867
*Mooresville	5,618,830	—	100	—	100	56,188	—	—	56,188
Statesville	15,414,231	74	25	.01	100	114,065	38,536	1,541	154,142
Troutmans	442,100	30	50	—	80	1,326	2,211	—	3,537
Jackson	2,269,762	—	—	—	—	19,019	—	—	19,019
Dillsboro	551,806	—	.33⅓	—	.33⅓	1,839	—	—	1,839
*Sylva	1,717,956	—	100	—	100	17,180	—	—	17,180
Johnston	10,175,090	—	—	—	—	101,445	10,301	39,681	151,427
Benson	1,587,220	50	—	250	300	7,936	—	39,681	47,617
Clayton	1,587,089	62.5	62.5	—	125	9,919	9,919	—	19,838
Four Oaks	607,664	.66⅔	—	—	.66⅔	4,051	—	—	4,051
†Kenly	618,568	65	—	—	65	4,020	—	—	4,020
*Micro	41,029	30	—	—	30	123	—	—	123
†Pine Level	667,000	.33⅓	—	—	.33⅓	2,000	—	—	2,000
Princeton	148,744	50	—	—	50	1,969	—	—	1,969
Smithfield	3,171,556	160	—	—	160	50,745	—	—	50,745
Selma	1,593,435	125	—	—	125	19,918	—	—	19,918
Princeville	152,785	50	25	—	75	764	382	—	[illegible],146
Jones	858,844	—	—	—	—	5,819	—	—	5,819
Maysville	275,836	50	—	—	50	1,379	—	—	1,379
Polloksville	283,260	125	—	—	125	3,541	—	—	3,541
*Trenton	299,748	30	—	—	30	899	—	—	899
Lee	6,389,558	—	—	—	—	68,455	—	—	68,455
Jonesboro	513,789	75	—	—	75	3,853	—	—	3,853
Sanford	5,875,769	110	—	—	110	64,622	—	—	64,622
Lenoir	13,193,291	—	—	—	—	88,397	40,475	—	128,872
Kinston	11,421,038	58	35	—	93	66,253	39,975	—	106,228
*LaGrange	1,640,363	130	—	—	130	21,325	—	—	21,325
†Pink Hill	131,890	100	—	—	100	819	500	—	1,319
Lincoln	5,078,783	—	—	—	—	7,635	41,664	—	49,299
Crouse	107,231	10	—	—	10	107	—	—	107
*Denver	69,971	25	—	—	25	175	—	—	175
Lincolnton	4,901,581	15	85	—	100	7,353	41,664	—	49,017
Macon	1,837,298	—	—	—	—	15,620	9,351	—	24,971
Franklin	1,381,162	—	—	—	—	12,430	—	—	12,430
Highlands	456,136	70	205	—	275	3,190	9,351	—	12,541
Madison	702,022	—	—	—	—	7,248	2,820	—	10,068
Hot Springs	467,022	—	—	—	—	5,838	—	—	5,838
Mars Hill	235,000	60	120	—	180	1,410	2,820	—	4,230

TABLE 190—*Continued*

County	Rates					Amounts			
	Assessed Valuation	Gen. Purposes	Debt Service	Miscel*	Total	General Purposes	Debt Service	Miscelleaneous*	Total
Martin	$ 4,105,506					$ 21,860	$ 35,687	$	$ 57,547
Everetts	176,250	40			40	705			705
Hamilton	300,000	50			50	1,500			1,500
Hassell	74,977	25			25	187			187
Jamesville	150,000	30			30	450			450
Oak City	336,075	55			55	1,848			1,848
Robersonville	1,280,431	65	85		150	8,323	10,884		19,207
Williamston	1,550,172	50	160		210	7,751	24,803		32,554
Parmele	237,601	55			55	1,096			1,096
McDowell	3,951,130					4,643	29,460		34,103
Marion	2,889,628		87		87		25,140		25,140
Nebo	215,502	15			15	323			323
*Old Fort	846,000	50	50		100	4,320	4,320		8,640
Mecklenburg	149,828,750					1,261,297	29,264	7,316	1,297,877
Charlotte	146,318,890	83.5		.025	86	1,221,762	29,264	7,316	1,258,342
Cornelius	1,030,289	50			50	5,151			5,151
Davidson	1,306,259	150			150	19,594			19,594
Huntersville	663,295	02			.02	13,266			13,266
Matthews	508,017	30			30	1,524			1,524
Mitchell	1,491,999					4,625		8,208	12,833
Spruce Pine	1,231,259	33⅓		.66⅔	100	4,104		8,208	12,312
Bakersville	260,740	20			20	521			521
Montgomery	4,781,533					342053	16,991	4,940	55,984
Biscoe	583,340	30			30	1,750			1,750
*Candor	310,311	35			35	1,086			1,086
Mt. Gilead	1,651,736	30	95		125	4,955	15,691		20,646
*Star	520,000	10	25	95	130	520	1,300	4,940	6,760
Troy	1,716,146	40	110		150	25,742			25,742
Moore	6,570,780					75,713	24,518	4,353	104,584
Aberdeen	1,297,477	150			150	19,462			19,462
Cameron	323,337	30			30	970			970
*Carthage	1,088,172	65		40	105	7,073		4,353	11,426
Pine Bluff	450,615	100	60		160	4,506	2,704		7,210
Southern Pines	2,988,237	142	73		215	42,433	21,814		64,247
Vass	422,948	30			30	1,269			1,269
Nash	26,684,225					217,683	13,509		231,192
Bailey	465,515	75			75	3,491			3,491
†Battleboro	624,027	40			40	2,486			2,486
Middlesex	345,836	100			100	3,458			3,458
*Nash	922,958		65		65	5,999			5,999
Rocky Mount[1]	22,232,168	77½			77½	172,310			172,310
*Rocky Mount Mills	1,000,000		.64½		.64½	6,450			6,450
Sharpsburg	193,102	75			75	14,483			14,483
Spring Hope	900,619	100	150		250	9,006	13,509		22,515

[1] Rocky Mount lies in both Nash and Edgecombe. It is carried entirely in Nash.

TABLE 190—*Continued*

County	Rates					Amounts			
	Assessed Valuation	Gen. Purposes	Debt Service	Miscel*	Total	General Purposes	Debt Service	Miscelleaneous*	Total
New Hanover	$ 46,390,897					$ 225,920	$ 338,031		$ 563,951
†Wilmington	45,070,765	45	75		120	202,818	338,031		540,849
Wrightsville	1,320,132	175			175	23,102			23,102
Northampton	1,530,392					8,986	2,546		11,532
*Rich Square	490,079		75		75	3,676			3,676
Seaboard	431,856	70			70	3,022			3,022
Woodland	318,197	40	80		120	1,272	2,546		3,818
Severn	290,260	35			35	1,016			1,016
Onslow	143,072					4,689			4,689
*Jacksonville	627,526		.33⅓		.33⅓	2,092			2,092
Richlands	335,133	50			50	1,676			1,676
Swansboro	180,413	50			50	921			921
Orange	5,552,300					28,059	17,940		45,999
Carrboro	1,188,047	14	76		90	1,663	9,029		10,692
Chapel Hill	3,564,253	46	25		71	16,396	8,911		25,307
Pamlico	911,884					4,126	995		5,121
Bayboro	227,592		30		30	683			683
Oriental	398,145	75	25		100	2,986	995		3,981
Vandemere	161,801	10			10	162			162
*Arapahoe	85,346	30			30	256			256
*Stonewall	39,000	10			10	39			39
*Stonewall	39,000	10			10	39			39
Pasquotank—Elizabeth City	10,657,740	74			74	99,337			99,337
Person—Roxboro	3,369,034	53	97		150	17,856	32,680		50,536
Pender	1,428 039					4,070	3,335		7,405
Atkinson	203,436	25			25	509			509
*Burgaw	1,111,809	30	30		60	3,335	3,335		6,670
Watha	112,798	20			20	226			226
Perquiman-Hertford	1,459,855	52	58		110	7,859	8,766		16,625
Pitt	17,110,783					77,506	87,440	11,072	176,018
Ayden	1,790,176	20	140		160	3,580	25,063		28,643
*Bethel	940,000	25		45	70	2,350		4,230	6,580
Farmville	2,930,435	66.66	75	08.33	150	19,536	21,978	2,442	43,956
Fountain	418,839	25		75	100	1,047		3,141	4,188
Greenville	9,889,993	45	40		85	44,505	39,560		84,065
Grifton	419,679	30	20	30	80	1,259	839	1,259	3,357
Grimesland	183,538	65			65	1,193			1,193
Winterville	538,123	75			75	4,036			4,036
Polk	2,515,100					25,319	22,237		47,556
Saluda	932,108	100	85		185	9,322	7,922		17,244
Tryon	1,683,992	95	85		180	15,998	14,314		30,312

TABLE 190—*Continued*

County	Rates					Amounts			
	Assessed Valuation	Gen. Purposes	Debt Service	Miscel*	Total	General Purposes	Debt Service	Miscellaneous*	Total
Randolph	$ 7,575,533	-----	-----	-----	-----	$ 39,822	$ 30,438	$--------	$ 70,260
Asheboro	3,740,454	40	65	-----	105	14,962	24,313	--------	39,275
Franklinville	533,803	25	-----	-----	25	1,335	--------	--------	1,335
Liberty	954,000	100	-----	-----	100	9,540	--------	--------	9,540
Ramseur	984,277	60	-----	-----	60	6,221	--------	--------	6,221
†Randleman	1,225,000	60	50	-----	110	7,350	6,125	--------	13,475
Staley	137,999	30	-----	-----	30	414	--------	--------	414
Richmond	10,180,762	-----	-----	-----	-----	80,464	57,638	1,571	139,673
*Ellerbe	557,981	150	-----	-----	150	8,370	--------	--------	8,370
Hamlet	4,383,000	137	-----	-----	137	60,043	--------	--------	60,043
†Rockingham	5,239,781	23	110	03	136	12,051	57,638	1,571	71,260
Robeson	10,803,637	-----	-----	-----	-----	50,454	63,990	5,839	120,283
Lumber Bridge	1,266,244	30	-----	-----	30	3,798	--------	--------	3,798
Lumberton	4,300,236	21	102	-----	123	8,709	42,302	--------	51,011
Maxten	1,668,268	60	20	35	115	10,010	3,337	5,839	19,186
Orrum	99,996	25	-----	-----	25	250	--------	--------	250
Pembroke	355,808	110	-----	-----	110	3,914	--------	--------	3,914
Red Springs	1,051,196	30	120	-----	150	3,154	12,614	--------	15,768
Rowland	717,183	80	105	-----	185	7,172	5,737	--------	12,909
St. Pauls	1,344,706	100	-----	-----	100	13,447	--------	--------	13,447
Rockingham	14,501,557	-----	-----	-----	-----	82,226	83,023	6,763	172,012
Leaksville	3,652,054	35	70	.05	110	12,782	25,565	1,827	40,174
*Madison	1,514,656	140	-----	-----	140	21,205	--------	--------	21,205
Mayodan	1,356,882	-----	.001	-----	.001	1,282	--------	--------	1,282
Reidsville	7,460,454	57	76.5	06.5	140	42,817	57,458	4,936	105,211
Stoneville	517,511	80	-----	-----	80	4,140	--------	--------	4,140
Rowan	35,921,089	-----	-----	-----	-----	165,029	124,793	6,050	295,872
China Grove	1,397,337	90	-----	-----	90	12,576	--------	--------	12,576
Cleveland	596,686	30	-----	-----	30	1,783	--------	--------	1,783
*East Spencer	984,287	100	40	-----	140	9,843	3,937	--------	13,780
Granite Quary	343,608	20	-----	-----	20	687	--------	--------	687
*Landis	2,122,688	25	-----	-----	25	5,307	--------	--------	5,307
Rockwell	878,618	11	16	03	30	966	1,406	264	2,636
Salisbury	28,440,584	43	-----	-----	85	122,294	119,450	--------	241,744
Spencer	1,157,281	100	-----	50	150	11,573	--------	5,786	17,359
Rutherford	10,119,904	-----	-----	-----	-----	65,262	88,740	--------	154,002
Bostic	191,343	75	-----	-----	75	1,435	--------	--------	1,435
Ellenboro	326,688	35	-----	-----	35	1,143	--------	--------	1,143
Forest City	4,428,418	.42½	107½	-----	150	18,821	47,605	--------	66,426
Rutherfordton	2,285,232	15	180	-----	195	3,428	41,135	--------	44,563
Spindale	2,888,223	140	-----	-----	140	40,435	--------	--------	40,435
Sampson	2,711,049	-----	-----	-----	-----	31,398	20,950	--------	52,348
*Clinton	1,995,216	75	105	-----	180	14,964	20,950	--------	35,914
†Roseboro	715,833	200	-----	-----	200	16,434	--------	--------	16,434

TABLE 190—*Continued*

County	Assessed Valuation	Rates: Gen. Purposes	Rates: Debt Service	Rates: Miscel*	Rates: Total	Amounts: General Purposes	Amounts: Debt Service	Amounts: Miscellaneous*	Amounts: Total
Scotland	$ 4,334,619					$ 10,149	$ 38,875	$	$ 49,024
East Laurinburg	420,489	30			30	1,261			1,261
Laurinburg	3,702,407	13	106		119	5,183	38,875		44,058
Wagram	211,723	175			175	3,705			3,705
Stanly	7,793,202					23,295	55,931		79,225
Albemarle	6,214,550	10	90		100	6,215	55,931		62,146
New London	206,526	50			50	1,032			1,032
Norwood	1,131,472	125			125	14,242			14,242
†Oakboro	240,654	75			75	1,805			1,805
Stokes—Walnut Cave	745,679	200			200	14,914			14,914
Surry	13,292,244					69,028	37,987		107,015
*Dobson	221,573	50			50	1,108			1,108
*Elkin	3,165,000	80			80	25,320			25,320
Mount Airy	7,752,454	49	49		98	37,987	37,987		75,974
Pilot Mountain	1,153,217	40			40	4,613			4,613
Swain	1,459,216					25,505			25,505
*Bryson City	1,192,000	205			205	24,436			24,436
Whittier	267,216	40			40	1,069			1,069
Transylvania	3,728,875					20,197	29,107		49,304
Brevard	3,198,603	59	91		150	18,872	29,107		47,979
Rosman	530,272	25			25	1,325			1,325
Tyrell No Towns Reporting									
Union	6,992,558					62,090	63,139		125,229
Marshville	784,445	250			250	19,611			19,611
Mineral Springs	73,303	100			100	733			733
Monroe	5,053,124	70	125		195	35,372	63,139		98,511
Waxhaw	621,012	75			75	4,658			4,658
*Wingate	409,646	40			40	1,639			1,639
Indian Trail	51,028	15			15	77			77
Vance	7,484,566					55,219	40,104		95,323
Henderson	7,291,705	75	55		130	54,688	40,104		94,792
Middleburg	108,489	10			10	109			109
Kittrell	84,371	50			50	422			422
Wake	57,092,242					506,508	160,630		667,138
Apex	1,027,782	150			150	15,417			15,417
Cary	924,786	165			165	11,659			11,659
Fuquay Springs	935,218	200			200	9,352			9,352
Holly Springs	1,204,855	35			35	4,237			4,237
Morrisville	191,036	10			10	191			191
*Raleigh	49,497,038	85	30		115	420,725	148,491		569,216
Wake Forest	1,174,088	150			150	17,621			17,621
Wendell	923,555	230			230	21,237			21,237
*Zebulan	1,213,884	50	100		150	6,069	12,139		18,208

TABLE 190—*Continued*

County	Rates					Amounts			
	Assessed Valuation	Gen. Purposes	Debt Service	Miscel*	Total	General Purposes	Debt Service	Miscel-laneous*	Total
Warren	$ 430,183	-----	-----	-----	-----	$ 9,092	$ 8,336	$--------	$ 17,428
Macon	267,416	30	30	-----	60	779	23		802
Warrenton	1,662,667	50	50	-----	100	8,313	8,313	---------	16,626
Washington	1,506,993	-----	-----	-----	-----	6,106	---------	20,072	26,178
*Cherry	31,251	30	-----	-----	30	94	---------	---------	94
Creswell	199,269	50	-----	-----	50	996	---------	---------	996
*Plymouth	1,07[illegible],143	41	-----	186	227	4,424	---------	20,072	24,496
Roper	1[illegible],330	90	-----	-----	90	592	---------	---------	592
Watauga	2,168,708	-----	-----	-----	-----	33,699	---------	---------	33,699
Blowing Rock	1,385,100	160	-----	-----	160	21,935	---------	---------	21,935
*Boone	783,608	150	-----	-----	150	11,754	---------	---------	11,754
Wayne	12,590,764	-----	-----	-----	-----	142,789	83,810	---------	226,599
Eureka	112,557	.33⅓	-----	-----	.33⅓	375	---------	---------	375
Fremont	1,722,198	150	-----	-----	150	25,832	---------	---------	25,832
Goldsboro	13,968,257	65	60	-----	125	90,894	83,810	---------	174,704
Mount Olive	2,385,346	100	-----	-----	100	23,853	---------	---------	23,853
Pikeville	331,510	50	-----	-----	50	1,658	---------	---------	1,658
*White Hall	70,896	25	-----	-----	25	177	---------	---------	177
Wilkes	5,255,145	-----	-----	-----	-----	31,386	33,852	---------	65,238
North Wilkesboro	4,472,700	60	60	-----	120	28,836	28,836	---------	87,672
Ronda	340,664	10	50	-----	60	341	1,703	---------	2,044
*Wilkesboro	441,781	50	75	-----	125	2,209	3,313	---------	5,522
Wilson	24,585,012	-----	-----	-----	-----	81,834	89,956	3,501	175,291
*Black Creek	273,100	60	-----	-----	60	1,639	---------	---------	1,639
Elm City	931,555	130	-----	-----	130	12,637	---------	---------	12,637
*Lucama	378,809	50	-----	-----	50	1,894	---------	---------	1,894
Stantonsburg	512,553	50	-----	65	115	2,695	---------	3,501	6,196
Wilson	22,488,995	28	40	-----	68	62,969	89,956	---------	152,925
Yadkin	765,197	-----	-----	-----	-----	1,013	2,151	---------	4,064
*Boonville	255,743	10	-----	-----	10	256	---------	---------	256
*East Bend	222,614	10	-----	-----	10	223	---------	---------	223
*Jonesville	286,840	50	75	-----	125	1,434	2,151	---------	3,585
Yancey—Burnsville	1,037,689	150	-----	-----	150	15,565	---------	---------	15,565
North Carolina	$1,438,743,370	-----	-----	-----	-----	$8,330,981	$5,544,716	$ 297,792	$ 14,173,489

‡Several small towns were not included in this table because no reports were filed.
*No report for 1928; used 1926 figures.
†No report for 1928; used 1927 figures.

TABLE 191—SUMMARY OF STATE TAXES[1] COLLECTED FOR THE FISCAL YEAR 1927–28[2]

FOR THE GENERAL FUND			
Schedule A—Inheritance Taxes		$ 698,740	
Schedule B—License Taxes		1,401,473	
Schedule C—Franchise Taxes		3,636,900	
Railroads	$ 472,823		
Public Utilties	252,839		
Pullman	4,378		
Express	34,569		
Telegraph	20,491		
Telephone	229,609		
Domestic Corporations	582,099		
Foreign Corporations	251,490		
Insurance Premium Taxes	1,280,865		
Insurance Licenses	222,007		
Bus Taxes	285,207		
Penalty Bad Checks	523		
Schedule D—Income Taxes		$ 8,175,188	
Domestic Corporations	$ 2,840,793		
Foreign Corporations	2,988,403		
Individuals	2,345,734		
Penalty Bad Checks	358		
Total under Revenue Act for General Fund			$13,912,301
FOR THE HIGHWAY FUND			
Automobile License Tax		$ 6,235,744	
Gasoline Tax		9,376,988	
Title Registrations		169,522	
Total for Highway Fund			$15,782,254
Total State Taxes 1927–28			$29,694,555

[1]Taxes collected through the State Department of Revenue. This table does not include some small amounts of revenue collected by other State Departments.

[2]Ending June 30, 1928.

TABLE 192—TOTAL TAXES LEVIED BY YEARS 1920-1928
LOCAL TAXES, (COUNTY-WIDE, DISTRICT, TOWNSHIP, CITY AND TOWN)

	1920	1922	1924	1926	1928	Per Cent Increase from 1920 to 1928
Six months school term†	*$ 9,835,389	$ 11,832,710	$ 15,635,626	$ 18,100,904	$ 19,900,775	102.3
District school	2,128,728	3,253,649	4,163,053	4,426,479	4,876,710	135.5
Special charter school	2,376,226	3,236,391	4,381,150	4,943,954	5,582,841	126.9
Total special school	4,504,954	6,490,040	8,544,203	9,370,433	10,359,449	130.0
Total Levy for schools	$ 14,340,343	$ 18,322,750	$ 24,179,829	$ 27,471,337	$ 30,260,224	111.0
County, general fund	$ 2,718,378	$ 3,183,339	$ 4,539,963	$ 4,100,491	$ 4,131,367	69.7
Poor	208,938	247,235	206,030	368,827	400,981	133.2
Roads and bridges	3,277,794	3,902,144	4,738,876	5,609,458	5,205,430	58.8
Bonds and interest	2,107,438	4,343,567	5,008,649	6,244,950	7,913,855	275.5
Total county other than school	$ 8,312,548	$ 11,676,285	$ 14,493,518	$ 16,323,726	$ 18,014,424	116.7
Township and district other than school	$ 1,197,383	$ 906,721	$ 1,251,681	$ 1,673,944	$ 1,550,807	31.5
City and town, other than school	4,480,987	6,078,467	11,403,934	12,179,842	14,268,468	218.4
Total subdivision, other than school	$ 5,678,370	$ 6,985,188	$ 12,655,615	$ 13,853,786	$ 15,819,275	178.6
Total other than school	$ 13,990,918	$ 18,661,473	$ 27,149,133	$ 30,177,512$	$ 33,833,699	141.8
Total local taxes, county-wide district, township, city and town	$** 28,331,261	$ 36,984,223	$ 51,328,962	$ 57,648,849	$ 64,093,923	126.2

*In 1920 the state levied $4,103,137 on property for three months of the six months school term. This item is combined with the county wide levy.
**One year interval. All others are two years each.
†Includes fall tax and day tax for six months school term.

STATE TAXES—1920-1928 (FISCAL YEAR ENDING JUNE 30)

	1920-21	1922-23	1924-25	1926-27	1927-28**	Per Cent Increase from 1920-21 to 1927-28
Schedule A (inheritance)	$ 603,077	$ 337,804	$ 765,863	$ 824,541	$ 698,740	----------
Schedule B (license)	334,872	653,924	566,284	1,159,468	1,401,473	----------
Schedule C (franchise)	1,590,683	2,017,279	2,169,439	3,292,859	3,636,900	----------
Schedule D (income)	498,781	3,573,351	3,751,349	6,233,805	8,175,188	----------
Total general fund	$* 3,027,413	$ 6,582,358	$ 7,252,935	$ 11,510,673	$ 13,912,301	259.5
Automobile license	$ 1,777,176	$ 2,946,713	$ 4,713,780	$ 5,894,449	$ 6,235,744	----------
Gasoline tax	----------	$ 1,427,391	5,272,094	8,120,604	9,376,988	----------
Title registration	----------	----------	144,613	160,371	169,522	----------
Total special automobile taxes	$ 1,777,176	$ 4,374,104	$ 10,130,487	$ 14,175,424	$ 15,782,254	$ 788.1
Total state taxes (general and automobile)	$* 4,804,589	$ 10,956,462	$ 17,383,422	$ 25,686,097	$ 20,694,555	518.0
Total local taxes (counties and subdivisions)	28,331,661	36,984,223	51,328,932	57,648,849	64,093,923	126.2
Total taxes, state and local	$ 33,136,250	$ 47,940,685	$ 68,712,354	$ 83,334,946	$ 93,788,479	183.0

*In 1920 the state levied $4,103,137 on property for three months of the six months school term. This item is combined with the county wide levy.
**One year interval. All others are two years each.

TABLE 193—SUMMARY OF TOTAL INDEBTEDNESS, BONDED AND NON-BONDED, OF COUNTIES, OF DISTRICTS AND TOWNSHIPS, OF CITIES AND TOWNS, AND OF ALL LOCAL GOVERNMENTS—FOR SCHOOLS AND FOR PURPOSES OTHER THAN SCHOOLS, JUNE 30, 1928—BY COUNTIES

County	County-Wide			District and Township			City and Town Other Than Schools	Total—All Divisions			Total Sinking Funds	Per Cent Total Indebtedness is of Assessed Valuation
	Schools	Other Than Schools	Total County-Wide	Schools	Other Than Schools	Total District and Townships		Schools	Other Than Schools	Grand Total for All Purposes		
Alamance	$ 428,200	$ 1,922,694	$ 2,350,894	$ 370,534	$	$ 370,534	$ 3,793,500	$ 798,734	$ 5,716,194	$ 6,514,928	$ 181,639	19.3
Bonded	204,000	1,808,000	2,012,000	294,810		294,810	3,688,500	498,810	5,496,500	5,995,310		
Non-Bonded	224,200	114,694	338,894	75,724		75,724	105,000	299,924	219,694	519,618		
Alexander	60,690	434,000	494,690	74,000		74,000	230,000	134,690	664,000	798,690	15,861	9.0
Bonded	1,000	407,000	408,000	74,000		74,000	230,000	75,000	637,000	712,000		
Non-Bonded	59,690	27,000	86,690					59,690	27,000	86,690		
Alleghany	20,585	205,000	225,585					20,585	205,000	225,585	6,728	4.6
Bonded		205,000	205,000						205,000	205,000		
Non-Bonded	20,585		20,585					20,585		20,585		
Anson	216,910	665,865	882,775	4,000		4,000	481,000	220,910	1,146,865	1,367,775	65,650	6.5
Bonded	60,000	644,000	704,000	4,000		4,000	481,000	64,000	1,125,000	1,189,000		
Non-Bonded	156,910	21,865	178,775					156,910	21,865	178,775		
Ashe	8,250	1,470,000	1,478,250				3,600	8,250	1,473,600	1,481,850	21,150	12.5
Bonded		1,370,000	1,370,000				2,400		1,372,400	1,372,400		
Non-Bonded	8,250	100,000	108,250				1,200	8,250	101,200	109,450		
Avery	257,290	445,000	702,290				100,500	257,290	545,500	802,790	29,275	14.2
Bonded	90,000	420,000	510,000				100,500	90,000	520,500	610,500		
Non-Bonded	167,290	25,000	192,290					167,290	25,000	192,290		
Beaufort	103,270	1,993,000	2,096,270	440,800	50,000	490,800	1,476,000	544,070	3,519,000	4,063,070	342,554	13.9
Bonded		1,859,500	1,859,500	375,800	50,000	425,800	1,457,000	375,800	3,366,500	3,742,300		
Non-Bonded	103,270	133,500	236,770	65,000		65,000	19,000	168,270	152,500	320,770		

Bertie	**519,850**	**744,300**	**1,264,150**	**78,781**	**50,000**	**128,781**	**521,150**	**598,631**	**1,315,450**	**1,914,081**	**73,062**	**12.9**
Bonded	90,800	706,700	797,500	71,000	50,000	121,000	491,500	161,800	1,248,200	1,410,000	----------	----------
Non-Bonded	429,050	37,600	466,650	7,781	----------	7,781	29,650	436,831	67,250	504,081	----------	----------
Bladen	**391,200**	**559,500**	**950,700**	**93,817**	**342,500**	**436,317**	**81,000**	**485,017**	**983,000**	**1,468,017**	**114,786**	**10.7**
Bonded	212,000	511,000	723,000	87,000	342,500	429,500	81,000	299,000	934,500	1,233,500	----------	----------
Non-Bonded	179,200	48,500	227,700	6,817	----------	6,817	----------	186,017	48,500	234,517	----------	----------
Brunswick	**430,200**	**1,357,976**	**1,788,176**	**46,000**	**94,000**	**140,000**	**132,242**	**476,200**	**1,584,218**	**2,060,418**	**1,638**	**21.2**
Bonded	399,000	1,263,000	1,662,000	46,000	94,000	140,000	129,842	445,000	1,486,842	1,931,842	----------	----------
Non-Bonded	31,200	94,976	126,176	----------	----------	----------	2,400	31,200	97,376	128,576	----------	----------
Buncombe	**2,557,350**	**12,773,000**	**15,330,350**	**3,020,000**	**3,775,000**	**6,795,000**	**21,508,207**	**5,577,350**	**38,056,207**	**43,633,557**	**4,442**	**26.0**
Bonded	2,252,000	7,923,000	10,175,000	3,020,000	3,775,000	6,795,000	15,009,200	5,272,000	26,707,200	31,979,200	----------	----------
Non-Bonded	305,350	4,850,000	5,155,350	----------	----------	----------	6,499,007	305,350	11,349,007	11,654,357	----------	----------
Burke	**416,356**	**615,479**	**1,031,835**	**133,000**	**250,000**	**383,000**	**666,739**	**549,356**	**1,532,218**	**2,081,574**	**20,570**	**8.8**
Bonded	92,000	529,000	621,000	133,000	250,000	383,000	657,300	225,000	1,436,300	1,661,300	----------	----------
Non-Bonded	324,356	86,479	410,835	----------	----------	----------	9,439	324,356	95,918	420,274	----------	----------
Cabarrus	**404,133**	**984,000**	**1,388,133**	**256,000**	----------	**256,000**	**1,264,000**	**660,133**	**2,248,000**	**2,908,133**	**1,500**	**6.4**
Bonded	170,000	984,000	1,154,000	256,000	----------	256,000	1,239,000	426,000	2,223,000	2,649,000	----------	----------
Non-Bonded	234,133	----------	234,133	----------	----------	----------	25,000	234,133	25,000	259,133	----------	----------
Caldwell	**211,550**	**611,000**	**822,550**	**317,000**	----------	**317,000**	**679,500**	**528,550**	**1,290,500**	**1,819,050**	**32,000**	**8.3**
Bonded	----------	611,000	611,000	317,000	----------	317,000	653,000	317,000	1,264,000	1,581,000	----------	----------
Non-Bonded	211,550	----------	211,550	----------	----------	----------	26,500	211,550	26,500	238,050	----------	----------
Camden	**59,150**	**35,500**	**94,650**	**64,000**	**122,000**	**186,000**	----------	**123,150**	**157,500**	**280,650**	**8,179**	**8.3**
Bonded	----------	33,000	33,000	64,000	122,000	186,000	----------	64,000	155,000	219,000	----------	----------
Non-Bonded	59,150	2,500	61,650	----------	----------	----------	----------	59,150	2,500	61,650	----------	----------
Carteret	**435,605**	**3,171,717**	**3,607,322**	----------	**23,000**	**23,000**	**1,940,251**	**435,605**	**5,134,968**	**5,570,573**	**52,985**	**38.1**
Bonded	351,200	2,658,000	3,009,200	----------	23,000	23,000	1,819,500	351,200	4,500,500	4,851,700	----------	----------
Non-Bonded	84,405	513,717	598,122	----------	----------	----------	120,751	84,405	634,468	718,873	----------	----------
Caswell	**116,450**	**453,000**	**569,450**	----------	----------	----------	----------	**116,450**	**453,000**	**569,450**	----------	**6.5**
Bonded	----------	453,000	453,000	----------	----------	----------	----------	----------	453,000	453,000	----------	----------
Non-Bonded	116,450	----------	116,450	----------	----------	----------	----------	116,450	----------	116,450	----------	----------

TABLE 193—*Continued*

County	County-Wide			District and Township			City and Town Other Than Schools	Total—All Divisions			Total Sinking Funds	Per Cent Total Indebtedness is of Assessed Valuation
	Schools	Other Than Schools	Total County-Wide	Schools	Other Than Schools	Total District and Townships		Schools	Other Than Schools	Grand Total for All Purposes		
Catawba	$ 945,750	$ 1,249,000	$ 2,194,750	$ 285,500	$----------	$ 285,500	$ 2,489,100	$ 1,231,250	$ 3,738,100	$ 4,969,350	$ 74,268	11.7
Bonded	709,000	1,249,000	1,958,000	283,000	----------	283,000	2,299,000	992,000	3,548,000	4,540,000	----------	----------
Non-Bonded	236,750	----------	236,750	2,500	----------	2,500	190,100	239,250	190,100	429,350	----------	----------
Chatham	127,110	1,125,200	1,252,310	119,000	----------	119,000	716,000	246,110	1,841,200	2,087,310	43,509	11.5
Bonded	37,000	1,125,200	1,162,200	119,000	----------	119,000	716,000	156,000	1,841,200	1,997,200	----------	----------
Non-Bonded	90,110	----------	90,110	----------	----------	----------	----------	90,110	----------	90,110	----------	----------
Cherokee	129,260	540,000	669,260	58,000	535,000	593,000	788,291	187,260	1,863,291	2,050,551	41,374	22.3
Bonded	23,000	540,000	563,000	58,000	535,000	593,000	777,000	81,000	1,852,000	1,933,000	----------	----------
Non-Bonded	106,260	----------	106,260	----------	----------	----------	11,291	106,260	11,291	117,551	----------	----------
Chowan	7,035	438,661	445,696	83,000	----------	83,000	167,400	90,035	606,061	696,096	----------	6.9
Bonded	----------	435,000	435,000	83,000	----------	83,000	167,400	83,000	602,400	685,400	----------	----------
Non-Bonded	7,035	3,661	10,696	----------	----------	----------	----------	7,035	3,661	10,696	----------	----------
Clay	75,756	450,938	526,694	----------	----------	----------	25,000	75,756	475,938	551,694	102,235	23.6
Bonded	17,500	445,000	462,500	----------	----------	----------	25,000	17,500	470,000	487,500	----------	----------
Non-Bonded	58,256	5,938	64,194	----------	----------	----------	----------	58,256	5,938	64,194	----------	----------
Cleveland	255,250	222,000	477,250	485,554	606,000	1,091,554	1,668,192	740,804	2,496,192	3,236,996	76,932	8.4
Bonded	----------	222,000	222,000	462,650	606,000	1,068,650	1,533,000	462,650	2,361,000	2,823,650	----------	----------
Non-Bonded	255,250	----------	255,250	22,904	----------	22,904	135,192	278,154	135,192	413,346	----------	----------
Columbus	421,125	1,330,000	1,751,125	238,000	1,584	239,584	416,621	659,125	1,748,205	2,407,330	233,703	11.2
Bonded	238,000	1,330,000	1,568,000	238,000	----------	238,000	412,500	476,000	1,742,500	2,218,500	----------	----------
Non-Bonded	183,125	----------	183,125	----------	1,584	1,584	4,121	183,125	5,705	188,830	----------	----------
Craven	883,100	2,550,000	3,433,100	259,000	----------	259,000	1,482,400	1,142,100	4,032,400	5,174,500	14,900	18.6
Bonded	481,800	2,250,000	2,731,800	259,000	----------	259,000	1,400,500	740,800	3,650,500	4,391,300	----------	----------
Non-Bonded	401,300	300,000	701,300	----------	----------	----------	81,900	401,300	381,900	783,200	----------	----------

Cumberland	344,525	2,748,000	3,092,525	691,000		691,000	1,693,500	1,035,525	4,441,500	5,477,025	257,579	18.6
Bonded	158,000	2,133,000	2,291,000	691,000		691,000	1,675,500	849,000	3,808,500	4,657,500		
Non-Bonded	186,525	615,000	801,525				18,000	186,525	633,000	819,525		
Currituck	83,120	41,700	124,820	19,600		19,600		102,720	41,700	144,420	21,354	2.9
Bonded	35,000	41,700	76,700	19,600		19,600		54,600	41,700	96,300		
Non-Bonded	48,120		48,120					48,120		48,120		
Dare	63,125	418,500	481,625				10,000	63,125	428,500	491,625		19.1
Bonded	38,500	418,500	457,000				10,000	38,500	428,500	467,000		
Non-Bonded	24,625		24,625					24,625		24,625		
Davidson	217,640	550,000	767,640	738,000	6,750	744,750	5,497,668	955,640	6,054,418	7,010,058	208,196	17.3
Bonded		550,000	550,000	738,000	6,750	744,750	5,414,500	738,000	5,971,250	6,709,250		
Non-Bonded	217,640		217,640				83,168	217,640	83,168	300,808		
Davie	110,850	399,500	510,350	98,500		98,500		209,350	399,500	608,850	14,192	4.8
Bonded	8,000	399,500	407,500	98,500		98,500		106,500	399,500	506,000		
Non-Bonded	102,850		102,850					102,8[illegible]		102,850		
Duplin	805,750	1,884,000	2,689,750		38,000	38,000	277,606	805,750	2,199,606	3,005,356	182,744	13.1
Bonded	383,000	1,837,000	2,220,000		38,000	38,000	262,800	383,000	2,137,800	2,520,800		
Non-Bonded	422,750	47,000	469,750				14,806	422,750	61,806	484,556		
Durham	296,350	2,253,652	2,550,002	1,892,130		1,892,130	11,279,440	2,188,480	13,533,092	15,721,572	711,913	16.1
Bonded	60,000	1,931,000	1,991,000	1,802,130		1,802,130	11,208,500	1,862,130	13,139,500	15,001,630		
Non-Bonded	236,350	322,652	559,002	90,000		90,000	70,940	326,350	393,592	719,942		
Edgecombe	315,880	1,385,000	1,700,880	839,500		839,500	826,434	1,155,380	2,211,434	3,366,814	127,621	9.7
Bonded	80,000	1,385,000	1,465,000	839,500		839,500	821,256	919,500	2,206,250	3,125,750		
Non-Bonded	235,880		235,880				5,184	235,880	5,184	241,064		
Forsythe	1,188,000	1,920,000	3,108,000	2,346,000	70,000	2,416,000	16,301,450	3,534,000	18,291,450	21,825,450	273,022	10.7
Bonded	874,000	1,920,000	2,794,000	2,308,000		2,308,000	16,290,800	3,182,000	18,210,800	21,392,800		
Non-Bonded	314,000		314,000	38,000	70,000	108,000	10,650	352,000	80,650	432,650		
Franklin	412,250	384,000	796,250	30,000	649,500	679,500	605,178	442,250	1,638,678	2,080,928	113,411	14.0
Bonded	98,000	384,000	482,000	30,000	649,500	679,500	555,000	128,000	1,588,500	1,716,500		
Non-Bonded	314,250		314,250				50,178	314,250	50,178	364,428		

TABLE 193—*Continued*

County	County-Wide			District and Township			City and Town Other Than Schools	Total—All Divisions			Total Sinking Funds	Per Cent Total Indebtedness is of Assessed Valuation
	Schools	Other Than Schools	Total County-Wide	Schools	Other Than Schools	Total District and Townships		Schools	Other Than Schools	Grand Total for All Purposes		
Gaston	$ 239,050	$ 2,342,652	$ 2,581,702	$ 1,515,500	$	$ 1,515,500	$ 4,499,842	$ 1,754,550	$ 6,842,494	$ 8,597,044	$ 210,966	8.7
Bonded		2,246,000	2,246,000	1,515,500		1,515,500	4,424,000	1,515,500	6,670,000	8,185,500		
Non-Bonded	239,050	96,652	335,702				75,842	239,050	172,494	411,544		
Gates	202,700	100,000	302,700				24,000	202,700	124,000	326,700	8,290	4.4
Bonded	86,000	100,000	186,000				24,000	86,000	124,000	210,000		
Non-Bonded	116,700		116,700					116,700		116,700		
Graham	92,857	345,000	437,857	25,000	15,000	40,000	38,199	117,857	398,199	516,056	16,422	7.3
Bonded	26,500	345,000	371,500	25,000	15,000	40,000	25,000	51,500	385,000	436,500		
Current	66,357		66,357				13,199	66,357	13,199	79,556		
Granville	620,000	651,000	1,271,000	145,000		145,000	720,268	765,000	1,371,268	2,136,268	130,000	10.0
Bonded	448,000	651,000	1,099,000	145,000		145,000	631,000	593,000	1,282,000	1,875,000		
Non-Bonded	172,000		172,000				89,268	172,000	89,268	261,268		
Greene	279,350	848,000	1,127,350	50,000	38,000	88,000	264,500	329,350	1,150,500	1,479,850	244,790	11.5
Bonded	750,000	798,000	873,000		38,000	38,000	264,500	750,000	1,100,500	1,175,500		
Non-Bonded	204,350	50,000	254,350	50,000		50,000		254,350	50,000	304,350		
Guilford	1,446,200	4,183,918	5,630,118	2,191,000		2,191,000	22,067,095	3,737,200	26,251,013	29,888,213	830,536	15.2
Bonded	1,020,500	3,788,918	4,809,418	2,191,000		2,191,000	20,828,000	3,211,500	24,616,918	27,828,418		
Current	425,700	395,000	820,700				1,239,095	425,700	1,634,095	2,059,795		
Halifax	300,800	1,689,000	1,989,800	585,500		585,500	1,388,175	886,300	3,077,175	3,963,475	489,523	10.1
Bonded		1,614,000	1,614,000	585,500		585,500	1,321,500	585,500	2,935,500	3,521,000		
Non-Bonded	300,800	75,000	375,800				66,675	300,800	141,675	442,475		
Harnett	920,605	660,500	1,581,105		430,000	430,000	822,750	920,605	1,913,250	2,833,855		11.7
Bonded	545,000	463,000	1,008,000		430,000	430,000	822,750	545,000	1,715,750	2,260,750		
Non-Bonded	375,605	197,500	573,105					375,605	197,500	573,105		

Haywood	240,550	1,196,000	1,436,550	360,755	28,000	388,755	1,554,940	601,305	2,778,940	3,380,245	2,904	15.1
Bonded	50,000	1,116,000	1,166,000	356,000	28,000	384,000	1,514,000	406,000	2,658,000	3,064,000	-	-
Non-Bonded	190,550	80,000	270,550	4,755	-	4,755	40,940	195,305	120,940	316,245	-	-
Henderson	816,750	2,622,000	3,438,750	486,000	127,000	613,000	3,630,201	1,302,750	6,379,201	7,681,951	1,089,731	27.5
Bonded	465,000	2,263,000	2,728,000	486,000	127,000	613,000	3,464,000	951,000	5,854,000	6,805,000	-	-
Non-Bonded	351,750	359,000	710,750	-	-	-	166,201	351,750	525,201	876,951	-	-
Hertford	115,930	532,218	648,148	120,348	-	120,348	249,000	236,278	781,218	1,017,496	132,258	9.1
Bonded	-	500,000	500,000	91,000	-	91,000	249,000	91,000	749,000	840,000	-	-
Non-Bonded	115,930	32,218	148,148	29,348	-	29,348	-	145,278	32,218	177,496	-	-
Hoke	78,150	206,057	284,207	58,500	-	58,500	151,522	136,650	357,579	494,229	71,912	5.1
Bonded	12,500	204,000	216,500	58,500	-	58,500	139,000	71,000	343,000	414,000	-	-
Non-Bonded	65,650	2,057	67,707	-	-	-	12,522	65,650	14,579	80,229	-	-
Hyde	162,530	608,099	770,629	5,000	-	5,000	4,000	167,530	612,099	779,629	-	15.0
Bonded	108,000	542,342	650,342	5,000	-	5,000	4,000	113,000	546,342	659,342	-	-
Non-Bonded	54,530	65,757	120,287	-	-	-	-	54,530	65,757	120,287	-	-
Iredell	547,345	3,671,000	4,218,345	532,000	127,500	659,500	2,288,545	1,079,345	6,087,045	7,166,390	211,844	15.1
Bonded	-	3,506,000	3,506,000	532,000	127,500	659,500	1,909,946	532,000	5,543,446	6,075,446	-	-
Non-Bonded	547,345	165,000	712,345	-	-	-	378,599	547,345	543,599	1,090,944	-	-
Jackson	272,775	1,079,000	1,351,775	5,250	66,000	71,250	387,000	278,025	1,532,000	1,810,025	595	16.9
Bonded	10,000	825,000	835,000	5,250	66,000	71,250	387,000	15,250	1,278,000	1,293,250	-	-
Non-Bonded	262,775	254,000	516,775	-	-	-	-	262,775	254,000	516,775	-	-
Johnston	2,353,560	1,240,000	3,593,560	86,000	627,000	713,000	1,381,282	2,439,560	3,248,282	5,687,842	312,375	13.6
Bonded	1,711,000	1,085,000	2,796,000	86,000	627,000	713,000	1,337,500	1,797,000	3,049,500	4,846,500	-	-
Non-Bonded	642,560	155,000	797,560	-	-	-	43,782	642,560	198,782	841,342	-	-
Jones	229,700	521,000	750,700	81,000	-	81,000	642,549	310,700	1,163,549	1,474,249	185,795	22.9
Bonded	46,000	496,000	542,000	81,000	-	81,000	642,549	127,000	1,138,549	1,265,549	-	-
Non-Bonded	183,700	25,000	208,700	-	-	-	-	183,700	25,000	208,700	-	-
Lee	130,695	450,000	580,695	307,000	-	307,000	824,621	437,695	1,274,631	1,712,326	76,417	11.3
Bonded	17,000	420,000	437,000	307,000	-	307,000	760,000	324,000	1,180,000	1,504,000	-	-
Non-Bonded	113,695	30,000	143,695	-	-	-	64,631	113,695	94,631	208,326	-	-

TABLE 193—*Continued*

County	County-Wide			District and Township			City and Town Other Than Schools	Total—All Divisions			Total Sinking Funds	Per Cent Total Indebtedness is of Assessed Valuation
	Schools	Other Than Schools	Total County-Wide	Schools	Other Than Schools	Total District and Townships		Schools	Other Than Schools	Grand Total for All Purposes		
Lenoir	$ 472,175	$ 2,137,072	$ 2,609,247	$ 580,500	$	$ 580,500	$ 937,500	$ 1,052,675	$ 3,074,572	$ 4,127,247	$ 194,891	14.9
Bonded	145,000	2,083,000	2,228,000	580,500		580,500	937,500	725,500	3,020,500	3,746,000		
Non-Bonded	327,175	54,072	381,247					327,175	54,072	381,247		
Lincoln	233,950	936,000	1,169,950	75,500		75,500	602,000	309,450	1,538,000	1,847,450	127,300	11.7
Bonded	40,000	936,000	976,000	75,500		75,500	569,000	115,500	1,505,000	1,620,500		
Non-Bonded	193,950		193,950				33,000	193,950	33,000	226,950		
Macon	106,775	725,000	831,775	63,000	122,000	185,000	547,972	169,775	1,394,972	1,564,747	4,715	20.3
Bonded	62,000	675,000	737,000	63,000	122,000	185,000	521,000	125,000	1,318,000	1,443,000		
Non-Bonded	44,775	50,000	94,775				26,972	44,775	76,972	121,747		
Madison	248,550	940,000	1,188,550		65,000	65,000	149,500	248,550	1,154,500	1,403,050	52,359	13.5
Bonded	58,000	655,000	713,000		65,000	65,000	144,000	58,000	864,000	922,000		
Non-Bonded	190,550	285,000	475,550				5,500	190,550	290,500	481,050		
Martin	461,030	833,000	1,294,030		210,000	210,000	506;500	461,030	1,549,500	2,010,530	44,083	12.5
Bonded	262,000	813,000	1,075,000		210,000	210,000	506,500	262,000	1,529,500	1,791,500		
Non-Bonded	199,030	20,000	219,030					199,030	20,000	219,030		
McDowell	159,200	1,043,500	1,202,700	343,100	142,600	485,700	455,000	502,300	1,641,100	2,143,400	70,473	10.3
Bonded		971,000	971,000	343,100	142,600	485,700	455,000	343,100	1,568,600	1,911,700		
Non-Bonded	159,200	72,500	231,700					159,200	72,500	231,700		
Mecklenburg	531,520	3,604,000	4,135,520	2,012,000		2,012,000	10,322,227	2,543,520	13,926,227	16,469,747	412,659	8.4
Bonded	77,000	2,404,000	2,481,000	2,012,000		2,012,000	10,193,669	2,089,000	12,597,669	14,686,669		
Non-Bonded	454,520	1,200,000	1,654,520				128,558	454,520	1,328,558	1,783,078		
Mitchell	96,700	593,900	690,600		290,000	290,000	88,000	96,700	971,900	1,068,600	53,778	11.9
Bonded		593,000	593,000		290,000	290,000	88,000		971,000	971,000		
Non-Bonded	96,700	900	97,600					96,700	900	97,600		

Montgomery	280,150	1,196,500	1,476,650	484,000		484,000	738,147	764,150	1,934,647	2,698,797	49,463	14.5
Bonded		1,190,000	1,190,000	484,000		484,000	738,000	484,000	1,928,000	2,412,000		
Non-Bonded	280,150	6,500	286,650				147	280,150	6,647	286,797		
Moore	288,600	558,861	847,461	409,500		409,500	867,625	698,100	1,426,486	2,124,586	138,382	7.9
Bonded	94,000	545,000	639,000	409,500		409,500	861,675	503,500	1,406,675	1,910,175		
Non-Bonded	194,600	13,861	208,461				5,950	194,600	19,811	214,411		
Nash	274,700	1,227,900	1,502,600	299,962	230,000	529,962	2,071,200	574,662	3,529,100	4,103,762	144,053	12.5
Bonded	52,000	1,220,000	1,272,000	277,700	230,000	507,700	1,988,000	329,700	3,438,000	3,767,700		
Non-Bonded	222,700	7,900	230,600	22,262		22,262	83,200	244,962	91,100	336,062		
New Hanover	1,048,812	684,000	1,732,812				3,888,604	1,048,812	4,572,604	5,621,416	378,906	9.5
Bonded	624,000	615,000	1,239,000				3,575,000	624,000	4,190,000	4,814,000		
Non-Bonded	424,812	69,000	493,812				313,604	424,812	382,604	807,416		
Northampton	417,125	39,000	456,125		225,500	225,500	42,000	417,125	306,500	723,625		5.0
Bonded	253,000	39,000	292,000		225,500	225,500	42,000	253,000	306,500	559,500		
Non-Bonded	164,125		164,125					164,125		164,125		
Onslow	146,705	628,000	774,705				67,000	146,705	695,000	841,705		7.0
Bonded		628,000	628,000				67,000		695,000	695,000		
Non-Bonded	146,705		146,705					146,705		146,705		
Orange	220,675	506,000	726,675	180,000		180,000	423,428	400,675	929,428	1,330,103	70,947	7.4
Bonded	40,000	506,000	546,000	180,000		180,000	394,928	220,000	900,928	1,120,928		
Non-Bonded	180,675		180,675				28,500	180,675	28,500	209,175		
Pamlico	216,985	905,000	1,121,985	7,000		7,000	35,500	223,985	940,500	1,164,485	67,995	21.5
Bonded	117,000	670,000	787,000	7,000		7,000	35,000	124,000	705,000	829,000		
Non-Bonded	99,985	235,000	335,985				500	99,985	235,500	335,485		
Pasquotank	118,150	950,000	1,068,150	402,000	48,000	450,000	2,048,356	520,150	3,046,356	3,566,506	53,863	18.9
Bonded		950,000	950,000	402,000	48,000	450,000	2,019,000	402,000	3,017,000	3,419,000		
Non-Bonded	118,150		118,150				29,356	118,150	29,356	147,506		
Pender	138,577	507,500	646,077	180,000	30,000	210,000	10,500	318,577	548,000	866,577	90,009	8.3
Bonded		505,000	505,000	174,000	30,000	204,000	10,500	174,000	545,500	719,500		
Non-Bonded	138,577	2,500	141,077	6,000		6,000		144,577	2,500	147,077		

TABLE 193—*Continued*

County	County-Wide			District and Township			City and Town Other Than Schools	Total—All Divisions			Total Sinking Funds	Per Cent Total Indebtedness is of Assessed Valuation
	Schools	Other Than Schools	Total County-Wide	Schools	Other Than Schools	Total District and Townships		Schools	Other Than Schools	Grand Total for All Purposes		
Perquimans	$ 99,850	$ 603,000	$ 702,850	$	$	$	$ 201,000	$ 99,850	$ 804,000	$ 903,850	$	
Bonded	25,000	603,000	628,000				201,000	25,000	804,000	829,000		11.2
Non-Bonded	74,850		74,850					74,850		74,850		
Person	196,400	589,000	785,400	94,300		94,300	924,000	290,700	1,513,000	1,803,700	41,382	14.0
Bonded		576,000	576,000	88,000		88,000	924,000	88,000	1,500,000	1,588,000		
Non-Bonded	196,400	13,000	209,400	6,300		6,300		202,700	13,000	215,700		
Pitt	403,350	2,248,000	2,651,350	329,900	296,000	625,900	1,740,200	733,250	4,284,200	5,017,450	365,900	10.2
Bonded	144,000	2,248,000	2,392,000	329,900	296,000	625,900	1,740,200	473,900	4,284,200	4,758,100		
Non-Bonded	259,350		259,350					259,350		259,350		
Polk	300,530	460,042	760,572	115,000	38,500	153,500	556,677	415,530	1,055,219	1,470,749	1,838	18.5
Bonded	217,000	369,000	586,000	115,000	38,500	153,500	543,400	332,000	950,900	1,282,900		
Non-Bonded	83,530	91,042	174,572				13,277	83,530	104,319	187,849		
Randolph	337,850	1,636,000	1,973,850		25,000	25,000	788,800	337,850	2,449,800	2,787,650	44,049	10.2
Bonded	104,000	1,536,000	1,640,000		25,000	25,000	781,300	104,000	2,342,300	2,446,300		
Non-Bonded	233,850	100,000	333,850				7,500	233,850	107,500	341,350		
Richmond	146,700	897,000	1,043,700	305,000		305,000	1,410,378	451,700	2,307,378	2,759,078	242,000	8.8
Bonded		897,000	897,000	305,000		305,000	1,302,500	305,000	2,199,500	2,504,500		
Non-Bonded	146,700		146,700				107,878	146,700	107,878	254,578		
Robeson	271,200	1,582,000	1,583,000	801,000		801,000	1,679,547	1,072,200	3,261,547	4,333,747	335,754	11.2
Bonded		1,582,000	1,582,000	801,000		801,000	1,650,000	801,000	3,232,000	4,033,000		
Non-Bonded	271,200		271,200				29,547	271,200	29,547	300,747		
Rockingham	781,600	3,242,371	4,023,971	520,300		520,300	1,639,391	1,301,900	4,881,762	6,183,662	9,871	14.1
Bonded	591,000	3,162,000	3,753,000	409,000		409,000	1,613,000	1,000,000	4,775,000	5,775,000		
Non-Bonded	190,600	80,371	270,971	111,300		111,300	26,391	301,900	106,762	408,662		

Rowan	**285,200**	**1,482,000**	**1,767,200**	**920,000**	**2,000**	**922,000**	**4,227,119**	**1,205,200**	**5,711,119**	**6,916,319**	**188,043**	**10.0**
Bonded		1,112,000	1,112,000	920,000	2,000	922,000	3,924,500	920,000	5,038,500	5,958,500		
Non-Bonded	285,200	370,000	655,200				302,619	285,200	672,619	957,819		
Rutherford	**772,224**	**2,162,000**	**2,934,224**	**549,000**	**83,000**	**632,000**	**2,191,500**	**1,321,224**	**4,436,500**	**5,757,724**	**64,404**	**16.1**
Bonded	501,000	1,862,000	2,363,000	549,000	83,000	632,000	2,126,500	1,050,000	4,071,500	5,121,500		
Non-Bonded	271,224	300,000	571,224				65,000	271,224	365,000	636,224		
Sampson	**551,350**	**973,500**	**1,524,850**				**468,020**	**551,350**	**1,441,520**	**1,992,870**	**245,234**	**9.1**
Bonded	442,000	943,500	1,385,500				395,500	442,000	1,339,000	1,781,000		
Non-Bonded	109,350	30,000	139,350				72,520	109,350	102,520	211,870		
Scotland	**103,150**	**518,000**	**621,150**	**133,050**	**98,000**	**231,050**	**551,644**	**236,200**	**1,173,644**	**1,409,844**	**12,027**	**8.8**
Bonded		518,000	518,000	133,050	98,000	231,050	530,500	133,050	1,146,500	1,279,550		
Non-Bonded	103,150		103,150				27,144	103,150	27,144	130,294		
Stanly	**311,750**	**1,762,000**	**2,073,750**	**156,000**		**156,000**	**1,060,997**	**467,750**	**2,822,997**	**3,290,747**	**293,617**	**10.0**
Bonded	82,000	1,762,000	1,844,000	156,000		156,000	1,051,000	238,000	281,300	3,051,000		
Non-Bonded	229,750		229,750				9,997	229,750	9,997	239,747		
Stokes	**141,050**	**952,710**	**1,093,760**	**18,000**		**18,000**	**300,000**	**159,050**	**1,252,710**	**1,411,760**		**11.2**
Bonded		952,000	952,000	18,000		18,000	300,000	18,000	1,252,000	1,270,000		
Non-Bonded	141,050	710	141,760					141,050	710	141,760		
Surry	**281,600**	**1,042,000**	**1,323,600**	**222,500**	**355,000**	**577,000**	**1,456,475**	**504,100**	**2,853,475**	**3,357,575**	**14,159**	**11.1**
Bonded		1,042,000	1,042,000	222,500	355,000	577,500	1,387,000	222,500	2,784,000	3,006,500		
Non-Bonded	281,600		281,600				69,475	281,600	69,475	351,075		
Swain	**82,920**	**1,080,500**	**1,163,420**	**50,000**	**200,000**	**250,000**	**441,000**	**132,920**	**1,721,500**	**1,854,420**	**24,378**	**14.7**
Bonded	22,000	1,080,500	1,102,500	50,000	200,000	250,000	441,000	72,000	1,721,500	1,793,500		
Non-Bonded	60,920		60,920					60,920		60,920		
Transylvania	**385,200**	**1,427,000**	**1,812,200**				**709,700**	**385,200**	**2,136,700**	**2,521,900**	**56,899**	**26.5**
Bonded	294,600	1,180,000	1,474,600				696,000	294,600	1,876,000	2,170,600		
Non-Bonded	90,600	247,000	337,600				13,700	90,600	260,700	351,300		
Tyrell	**75,378**	**480,700**	**556,078**				**86,000**	**75,378**	**566,700**	**642,078**		**16.3**
Bonded	32,850	321,500	354,350				86,000	32,850	407,500	440,350		
Non-Bonded	42,528	159,200	201,728					42,528	159,200	201,728		

TABLE 193—*Continued*

County	County-Wide			District and Township			City and Town Other Than Schools	Total—All Divisions			Total Sinking Funds	Per Cent Total Indebtedness is of Assessed Valuation
	Schools	Other Than Schools	Total County-Wide	Schools	Other Than Schools	Total District and Townships		Schools	Other Than Schools	Grand Total for All Purposes		
Union	$ 275,075	$ 968,000	$ 1,243,075	$ 190,000	$ -----	$ 190,000	$ 1,326,900	$ 465,075	$ 2,294,900	$ 2,759,975	$ 79,953	12.3
Bonded	41,000	968,000	1,009,000	190,000	-----	190,000	1,256,500	231,000	2,225,500	2,455,500	-----	-----
Non-Bonded	234,075	-----	234,075	-----	-----	-----	70,400	234,075	70,400	304,475	-----	-----
Vance	282,150	598,146	880,296	504,625	-----	504,625	1,032,007	786,775	1,630,153	2,416,928	225,757	11.7
Bonded	135,000	582,000	717,000	442,000	-----	442,000	1,018,000	577,000	1,600,000	2,177,000	-----	-----
Non-Bonded	147,150	16,146	163,296	62,625	-----	62,625	14,007	209,775	30,153	239,928	-----	-----
Wake	1,346,575	2,387,400	3,733,975	2,129,500	50,000	2,179,500	6,974,433	3,476,075	9,411,833	12,887,908	757,034	13.7
Bonded	435,000	2,097,400	2,532,400	2,129,500	50,000	2,179,500	6,888,222	2,564,500	9,035,622	11,600,122	-----	-----
Non-Bonded	911,575	290,000	1,201,575	-----	-----	-----	86,211	911,575	376,211	1,287,786	-----	-----
Warren	197,410	37,000	234,410	67,500	236,000	303,500	104,500	264,910	377,500	642,410	46,798	4.8
Bonded	90,000	-----	90,000	22,500	236,000	258,500	104,500	112,500	340,500	453,000	-----	-----
Non-Bonded	107,410	37,000	144,410	45,000	-----	45,000	-----	152,410	37,000	189,410	-----	-----
Washington	421,420	459,000	880,420	182,120	-----	182,120	389,922	603,540	848,922	1,452,456	4,798	18.2
Bonded	373,000	454,000	827,000	143,500	-----	143,500	387,000	516,500	841,000	1,357,500	-----	-----
Non-Bonded	48,420	5,000	53,420	38,620	-----	38,620	2,922	87,040	7,922	94,962	-----	-----
Wautauga	118,000	458,000	576,000	27,000	27,000	54,000	390,787	145,000	875,787	1,020,787	12,783	11.1
Bonded	54,000	458,000	512,000	27,000	27,000	54,000	380,000	81,000	865,000	946,000	-----	-----
Non-Bonded	64,000	-----	64,000	-----	-----	-----	10,787	64,000	10,787	74,787	-----	-----
Wayne	232,000	1,689,000	1,921,000	1,030,500	-----	1,030,500	2,224,250	1,262,500	3,913,250	5,175,750	253,632	10.8
Bonded	-----	674,000	674,000	1,030,500	-----	1,030,500	2,223,500	1,030,500	2,897,500	3,928,000	-----	-----
Non-Bonded	232,000	1,015,000	1,247,000	-----	-----	-----	750	232,000	1,015,750	1,247,750	-----	-----
Wilkes	293,900	1,176,500	1,470,400	13,500	15,000	28,500	596,000	307,400	1,787,500	2,094,900	53,318	12.6
Bonded	130,000	1,024,500	1,154,500	13,500	15,000	28,500	582,000	143,500	1,621,500	1,765,000	-----	-----
Non-Bonded	163,900	152,000	315,900	-----	-----	-----	14,000	163,900	166,000	329,900	-----	-----

Wilson	1,570,981	1,799,500	3,370,481	1,165,000	95,000	1,260,000	2,487,891	2,735,981	4,382,391	7,118,372	120,741	14.3
Bonded	1,265,000	1,799,500	3,064,500	1,165,000	95,000	1,260,000	2,377,891	2,430,000	4,272,391	6,702,391	----------	----------
Non-Bonded	305,981	----------	305,981	----------	----------	----------	110,000	350,981	110,000	415,981	----------	----------
Yadkin	76,910	432,000	508,910	39,000	----------	39,000	24,000	115,910	456,000	571,910	186,002	6.1
Bonded	----------	432,000	432,000	39,000	----------	39,000	24,000	39,000	456,000	495,000	----------	----------
Non-Bonded	76,910	----------	76,910	----------	----------	----------	----------	76,910	----------	76,910	----------	----------
Yancey	145,975	896,000	1,041,975	----------	----------	----------	214,000	$ 1,459,975	1,110,000	1,255,975	----------	16.5
Bonded	73,000	841,000	914,000	----------	----------	----------	214,000	73,000	1,055,000	1,128,000	----------	----------
Non-Bonded	72,975	55,000	127,975	----------	----------	----------	----------	72,975	55,000	127,975	----------	----------
North Carolina	$ 38,316,539	$123,330,228	$161,646,767	$ 34,233,926	$ 10,955,434	$ 45,189,360	$178,064,665	$ 72,550,465	$312,350,327	$384,900,792	$ 13,100,782	13.0
Bonded	18,658,750	109,019,260	127,678,010	33,548,990	10,883,850	44,432,840	166,651,022	52,207,740	286,554,132	338,761,872	----------	----------
Non-Bonded	19,657,789	14,310,968	33,968,757	684,936	71,584	756,520	11,413,643	20,343,725	25,796,195	46,138,920	----------	----------

TABLE 194—SUMMARY OF COUNTY-WIDE BONDED INDEBTEDNESS, JUNE 30, 1928—BY COUNTIES

Counties	For Schools		Total for Schools	For Purposes Other Than Schools					Total for Other Than Schools	Total All Purposes	Amount Sinking Fund
	Building[1]	Funding		Roads and Bridges	Public Buildings	Railroads	Funding Expenses	Refunding			
Alamance	$ 68,000	$ 136,000	$ 204,000	$ 1,206,000	$ 244,000	$--------	$ 342,000	$ 16,000	$ 1,808,000	$ 2,012,000	$ 63,883
Alexander	----------	1,000	1,000	337,000	----------	--------	70,000	--------	407,000	408,000	13,861
Alleghany	----------	----------	----------	175,000	30,000	--------			205,000	205,000	6,728
Anson	----------	60,000	60,000	565,000	79,000	--------	----------	--------	644,000	704,000	58,560
Ashe	----------	----------	----------	1,370,000	----------	--------	----------	--------	1,370,000	1,370,000	21,150
Avery	8,000	82,000	90,000	325,000	10,000	--------	70,000	15,000	420,000	510,000	29,275
Beaufort	----------	----------	----------	1,747,000	----------	--------	112,500	--------	1,859,500	1,859,500	140,264
Bertie	28,500	62,300	90,800	622,700	----------	--------	84,000	--------	706,700	797,500	60,420
Bladen	95,000	117,000	212,000	511,000	----------	--------	----------	--------	511,000	723,000	7,544
Brunswick	317,000	82,000	399,000	733,000	----------	--------	530,000	--------	1,263,000	1,662,000	----------
Buncombe	2,252,000	----------	2,252,000	6,735,000	362,000	--------	643,000	183,000	7,923,000	10,175,000	----------
Burke	----------	92,000	92,000	292,000	140,000	--------	97,000	--------	529,000	621,000	
Cabarrus	170,000	----------	170,000	789,000	54,000	--------	141,000	--------	984,000	1,154,000	----------
Caldwell	----------	----------	----------	565,000	46,000	--------	----------	--------	611,000	611,000	32,000
Camden	----------	----------	----------	33,000	----------	--------	----------	--------	33,000	33,000	4,999
Carteret	351,200	----------	351,200	2,473,000	----------	--------	185,000	--------	2,658,000	3,009,200	----------
Caswell	----------	----------	----------	385,000	33,000	--------	35,000	--------	453,000	453,000	----------
Catawba	167,000	542,000	709,000	1,049,000	200,000	--------	----------	--------	1,249,000	1,958,000	52,253
Chatham	----------	37,000	37,000	856,200	50,000	--------	219,000	--------	1,125,200	1,162,200	6,514
Cherokee	10,000	13,000	23,000	270,000	260,000	--------	10,000	--------	540,000	563,000	20,000

Chowan				435,000					435,000	435,000	0
Clay	17,500		17,500	330,000		75,000	40,000		445,000	462,500	102,235
Cleveland				220,000	3,000				222,000	222,000	0
Columbus	238,000		238,000	1,035,000	50,000		245,000		1,330,000	1,568,000	212,87
Craven	188,800	293,000	481,400	1,060,000			1,155,000	35,000	2,250,000	2,731,800	
Cumberland		158,000	158,000	1,779,000	300,000		54,000		2,133,000	2,291,000	110,547
Currituck		35,000	35,000	37,700			4,000		41,700	76,700	18,098
Dare		38,500	38,500	408,500	10,000				418,500	457,000	
Davidson				400,000			150,000		550,000	550,000	70,308
Davie		8,000	8,000	316,500	4,000		79,000		399,500	407,500	14,192
Duplin	250,000	133,000	383,000	1,785,000	52,000				1,837,000	2,220,000	168,029
Durham	60,000		60,000	1,429,000	502,000				1,931,000	1,991,000	
Edgecombe		80,000	80,000	1,342,000	43,000				1,385,000	1,465,000	
Forsyth	724,000	150,000	874,000	1,495,000	425,000				1,920,000	2,794,000	
Franklin		98,000	98,000	160,000	55,000		169,000		384,000	482,000	23,954
Gaston				2,016,000	230,000				2,246,000	2,246,000	
Gates		86,000	86,000	100,000					100,000	186,000	8,290
Graham	18,000	8,500	26,500	265,000			80,000		345,000	371,500	8,901
Granville	422,000	26,000	448,000	400,000			251,000		651,000	1,099,000	84,489
Greene		75,000	75,000	786,000			12,000		798,000	873,000	244,790
Guilford	1,020,500		1,020,500	3,245,000	520,000	23,918			3,788,918	4,809,418	166,740
Halifax				1,291,000	110,000		213,000		1,614,000	1,614,000	461,000
Harnett	505,000	40,000	545,000	333,000			130,000		463,000	1,008,000	
Haywood		50,000	50,000	1,016,000	100,000				1,116,000	1,166,000	0
Henderson	320,000	145,000	465,000	1,963,000	115,000		185,000		2,263,000	2,728,000	10,411
Hertford				500,000					500,000	500,000	111,105
Hoke		12,500	12,500	159,000	25,000		20,000		204,000	216,500	27,237
Hyde	36,000	72,000	108,000	530,000			12,342		542,342	650,342	
Iredell				3,506,000					3,506,000	3,506,000	83,264
Jackson		10,000	10,000	825,000					825,000	835,000	0

TABLE 194—SUMMARY OF COUNTY-WIDE BONDED INDEBTEDNESS, JUNE 30, 1928—*Continued*

Counties	For Schools		Total for Schools	For Purposes Other Than Schools					Total for Other Than Schools	Total All Purposes	Amount Sinking Fund
	Building[1]	Funding		Roads and Bridges	Public Buildings	Rail-roads	Funding Expenses	Refund-ing			
Johnston	$ 1,711,000	$	$ 1,711,000	$ 585,000	$ 500,000	$	$	$	$ 1,085,000	$ 2,796,000	$ 170,632
Jones		46,000	46,000	496,000					496,000	542,000	184,695
Lee		17,000	17,000	305,000	65,000		50,000		420,000	437,000	74,156
Lenoir	145,000		145,000	1,843,000			240,000		2,083,000	2,228,000	
Lincoln		40,000	40,000	711,000			225,000		936,000	976,000	86,775
Macon	62,000		62,000	675,000					675,000	737,000	
Madison		58,000	58,000	554,000	16,000		85,000		655,000	713,000	36,902
Martin	168,000	94,000	262,000	615,000	123,000		75,000		813,000	1,075,000	18,283
McDowell				755,000	204,000		12,000		971,000	971,000	58,050
Mecklenburg	77,000		77,000	1,815,000	289,000			300,000	2,404,000	2,481,000	0
Mitchell				543,000			50,000		593,000	593,000	27,743
Montgomery				940,000	210,000		40,000		1,190,000	1,190,000	49,463
Moore		94,000	94,000	345,000	150,000		50,000		545,000	639,000	48,927
Nash		52,000	52,000	865,000	355,000				1,220,000	1,272,000	8,186
New Hanover	624,000		624,000	338,000	277,000				615,000	1,239,000	331,288
Northampton	198,000	55,000	253,000		39,000				39,000	292,000	
Onslow				500,000	20,000		108,000		628,000	628,000	
Orange		40,000	40,000	457,000			49,000		506,000	546,000	49,362
Pamlico		117,000	117,000	650,000		20,000			670,000	787,000	61,187
Pasquotank				950,000					950,000	950,000	22,185
Pender				470,000	35,000				505,000	505,000	84,426
Perquimans	25,000		25,000	576,000			27,000		603,000	628,000	
Person				576,000					576,000	576,000	22,434
Pitt	50,000	94,000	144,000	1,976,000	75,000		197,000		2,248,000	2,392,000	184,402
Polk	28,000	189,000	217,000	288,000	40,000		41,000		369,000	586,000	0

Randolph	104,000	---	104,000	692,000	36,000	---	758,000	50,000	1,536,000	1,640,000	44,049
Richmond	---	---	---	610,500	261,500	---	---	25,000	897,000	897,000	242,000
Robeson	---	---	---	1,257,000	275,000	---	50,000	---	1,582,000	1,582,000	227,722
Rockingham	591,000	---	591,000	1,961,000	987,000	---	214,000	---	3,162,000	3,753,000	---
Rowan	---	---	---	460,000	181,000	36,000	435,000	---	1,112,000	1,112,000	149,703
Rutherford	230,000	271,000	501,000	1,483,000	351,000	---	---	28,000	1,862,000	2,363,000	625
Sampson	442,000	---	442,000	898,500	---	---	45,000	---	943,500	1,385,500	238,051
Scotland	---	---	---	513,000	5,000	---	---	---	518,000	518,000	0
Stanly	19,000	63,000	82,000	1,337,000	50,000	50,000	325,000	---	1,762,000	1,844,000	200,000
Stokes	---	---	---	802,000	30,000	---	120,000	---	952,000	952,000	0
Surry	---	---	---	917,000	5,000	---	120,000	---	1,042,000	1,042,000	12,492
Swain	22,000	---	22,000	1,031,500[2]	9,000[2]	---	40,000[2]	---	1,080,500[2]	1,102,500	20,000[2]
Transylvania	51,600	243,000	294,600	888,000	88,000	79,000	125,000	---	1,180,000	1,474,600	23,130
Tyrell	---	32,850	32,850	309,000	1,000	---	11,500	---	321,500	354,350	---
Union	---	41,000	41,000	818,000	75,000	---	75,000	---	968,000	1,009,000	32,778
Vance	---	135,000	135,000	461,000	26,000	95,000	---	---	582,000	717,000	222,981
Wake	400,000	35,000	435,000	1,797,400	300,000	---	---	---	2,097,400	2,532,400	419,320
Warren	50,000	40,000	90,000	---	---	---	---	---	---	90,000	4,770
Washington	143,000	230,000	373,000	217,000	73,000	---	164,000	---	454,000	827,000	2,073
Watauga	---	54,000	54,000	398,000	40,000	---	20,000	---	458,000	512,000	---
Wayne	---	---	---	263,000	96,000	---	315,000	---	674,000	674,000	110,829
Wilkes	---	130,000	130,000	1,013,000	11,500	---	---	---	1,024,500	1,154,500	37,318
Wilson	1,165,000	100,000	1,265,000	1,250,000	410,000	---	139,500	---	1,799,500	3,064,500	6,505
Yadkin	---	---	---	407,000	25,000	---	---	---	432,000	432,000	180,828
Yancey	---	73,000	73,000	812,000	11,000	---	18,000	---	841,000	914,000	0
Total	$13,572,100	$5,086,650	$18,658,750	$88,630,500	$9,796,000	$378,918	$9,561,842	$652,000	$109,019,260	$127,678,010	$6,138,185

[1] Includes approximately $11,000,000 for building bonds originally issued by school districts and later taken over by the county.

[2] As of 1926. (Statement for 1928 not furnished.)

TABLE 195—SUMMARY OF COUNTY-WIDE CURRENT LIABILITIES AND NON-BONDED INDEBTEDNESS, JUNE 30, 1928—BY COUNTIES

Counties	For Schools			Total for Schools	For Purposes other than Schools					Total for Other Than Schools	Total All Purposes
	Buildings	Funding or Deficit	Due Special Building Fund & Literary Fund[1]		Roads and Bridges	Public Buildings	Notes for Current Expenses	Refunding or Renewals	Net Specified		
Alamance			$ 224,200	$ 224,200			$ 78,973		$ 35,721	$ 114,694	$ 338,894
Alexander			59,690	59,690	$ 2,000		25,000			27,000	86,690
Alleghany			20,585	20,585							20,585
Anson			156,910	156,910	21,865					21,865	178,775
Ashe			8,250	8,250			100,000			100,000	108,250
Avery	$ 68,170	30,000	69,120	167,290			25,000			25,000	192,290
Beaufort			103,270	103,270			133,500			133,500	236,770
Bertie	217,975		211,075	429,050		22,600	15,000			37,600	466,650
Bladen			179,200	179,200			48,500			48,500	227,700
Brunswick			31,200	31,200			94,976			94,976	126,176
Buncombe			305,350	305,350	2,250,000	2,100,000	500,000			4,850,000	5,155,350
Burke	93,106	80,000	151,250	324,356	80,000				6,479	86,479	410,835
Cabarrus		21,353	212,780	234,133							234,133
Caldwell		10,000	201,550	211,550							211,550
Camden	6,000	6,500	46,650	59,150	2,500					2,500	61,650
Carteret			84,405	84,405					513,717	513,717	598,122
Caswell			116,450	116,450							116,450
Catawba			236,750	236,750							236,750
Chatham			90,110	90,110							90,110
Cherokee			106,260	106,260							106,260

Chowan			7,035	7,035	3,661					3,661	10,696
Clay		2,441	55,815	58,256	1,554		4,384			5,938	64,194
Cleveland		18,000	237,250	255,250							255,250
Columbus			183,125	183,125							183,125
Craven		212,500	188,800	401,300			300,000			300,000	701,300
Cumberland			186,525	186,525			615,000			615,000	801,525
Currituck			48,120	48,120							48,120
Dare			24,625	24,625							24,625
Davidson			217,640	217,640							217,640
Davie			102,850	102,850							102,850
Duplin		128,000	294,750	422,750	10,000			37,000		47,000	469,750
Durham			236,350	236,350			260,000		62,652	322,652	559,002
Edgecombe			235,880	235,880							235,880
Forsyth	157,000		157,000	314,000							314,000
Franklin			314,250	314,250							314,250
Gaston			239,050	239,050	9,957		86,695			96,652	335,702
Gates			116,700	116,700							116,700
Graham		4,957	61,400	66,357							66,357
Granville		22,000	150,000	172,000							172,000
Greene			204,350	204,350			50,000			50,000	254,350
Guilford			425,700	425,700	395,000					395,000	820,700
Halifax			300,800	300,800	20,000		55,000			75,000	375,800
Harnett			375,605	375,605	26,500	35,000	55,000		81,000	197,500	573,105
Haywood		75,000	115,550	190,550	80,000					80,000	270,550
Henderson		140,000	211,750	351,750	299,000		60,000			359,000	710,750
Hertford			115,930	115,930	8,130				24,088	32,218	148,148
Hoke			65,650	65,650			2,057			2,057	67,707
Hyde			54,530	54,530			65,757			65,757	120,287
Iredell		273,673	273,672	547,345	25,000		140,000			165,000	712,345
Jackson			262,775	262,775	254,000					254,000	516,775

TABLE 195—SUMMARY OF COUNTY-WIDE CURRENT LIABILITIES AND NON-BONDED INDEBTEDNESS, JUNE, 1928—BY COUNTIES—*Continued*

Counties	For Schools			Total for Schools	For Purposes other than Schools					Total for Other Than Schools	Total All Purposes
	Buildings	Funding or Deficit	Due Special Building Fund & Literary Fund[1]		Roads and Bridges	Public Buildings	Notes for Current Expenses	Refunding or Renewals	Net Specified		
Johnston	$	$ 420,000	$ 222,560	$ 642,560	$	$	$ 155,000	$	$	$ 155,000	$ 797,560
Jones		115,000	68,700	183,700	25,000					25,000	208,700
Lee	45,000		68,695	113,695			30,000			30,000	143,695
Lenoir			327,175	327,175			54,072			54,072	381,247
Lincoln			193,950	193,950							193,950
Macon		18,000	26,775	44,775			50,000			50,000	94,775
Madison			190.550	190,550	285,000					285,000	475,550
Martin			199,030	199,030			20,000			20,000	219,030
McDowell			159,200	159,200	25,000		47,500			72,500	231,700
Mecklenburg			454,520	454,520		1,200,000				1,200,000	1,654,520
Mitchell		4,000	92,700	96,700	900					900	97,600
Montgomery		83,500	196,650	280,150			6,500			6,500	288,650
Moore			194,600	194,600		13,861				13,861	208,461
Nash			222,700	222,700		3,900	4,000			7,900	230,600
New Hanover		237,312	187,500	424,812	24,000	45,000				69,000	493,812
Northampton			164,125	164,125							164,125
Onslow			146,705	146,705							146,705
Orange		50,000	130,675	180,675							180,675
Pamlico			99,985	99,985	135,000		100,000			235,000	334,985
Pasquotank			118,150	118,150							118,150

Pender		17,462	121,115	138,577			2,500			2,500	141,077
Perquimans			74,850	74,850							74,850
Person		65,500	130,900	196,400		13,000				13,000	209,400
Pitt			259,350	259,350							259,350
Polk			83,530	83,530	6,042		85,000			91,042	174,572
Randolph		250	233,600	233,850	100,000					100,000	333,850
Richmond			146,700	146,700							146,700
Robeson			271,200	271,200							270,200
Rockingham			190,600	190,600			80,371			80,371	270,971
Rowan			285,200	285,200	325,000		45,000			370,000	655,200
Rutherford			271,224	271,224	300,000					300,000	571,224
Sampson			109,350	109,350			30,000			30,000	139,350
Scotland			103,150	103,150							103,150
Stanly			229,750	229,750							229,750
Stokes		20,000	121,050	141,050			710			710	141,760
Surry			281,600	281,600							281,600
Swain			60,920	60,920							60,920
Trasylvania			90,600	90,600			247,000			247,000	337,600
Tyrrell		6,328	36,200	42,528	156,500		2,700			159,200	201,728
Union			234,075	234,075							234,075
Vance			147,150	147,150			16,146			16,146	163,296
Wake		400,000	511,575	911,575			290,000			290,000	1,201,575
Warren			107,410	107,410			37,000			37,000	144,410
Washington		10,000	38,420	48,420			5,000			5,000	53,420
Watauga			64,000	64,000							64,000
Wayne			232,000	232,000	555,000		460,000			1,015,000	1,247,000
Wilkes			163,900	163,900					152,000	152,000	315,900
Wilson		31,431	274,550	305,981							305,981
Yadkin			76,910	76,910							76,910
Yancey			72,975	72,975			55,000			55,000	127,975
Total	$ 587,251	$2,503,207	$ 16,567,331[1]	$19,657,789	$5,426,609	$3,433,361	$4,538,341	$ 37,000	$ 875,657	$ 14,310,968	$33,968,757

[1] This indebtedness is owed to the State of North Carolina—$1,344,331 to the Literary fund and $15,223,000 to the State Special Building fund for schools.

TABLE 196—SUMMARY OF BONDED INDEBTEDNESS AND OF CURRENT LIABILITIES OF DISTRICTS AND TOWNSHIPS, JUNE 30, 1928—BY COUNTIES

Counties	For Schools		Total for Schools	For Purposes Other Than Schools		Total for Other Than Schools	Total All Purposes	Amount in Sinking Fund	Current Liabilities For Schools Local Tax and Special taxing Districts		Total Current Liabilities All Purposes	Total Indebtedness Bonded and Current, All Purposes
	Local Tax and Special School Taxing District	Special Charter Districts		Roads	Drainage Sewer, Railroad and Other				Buildings	Current Expenses		
Alamance	$ 68,000	$ 226,810	$ 294,810			$ 0	$ 294,810	$ 0	$ 71,616	$ 4,108	$ 75,724	$ 370,534
Alexander	74,000		74,000			0	74,000	0				74,000
Alleghany			0			0	0	0	No report			
Anson		4,000	4,000			0	4,000		No record in Auditor's office			4,000
Ashe			0			0	0	0				
Avery			0			0	0	0				
Beaufort	53,800	322,000	375,800	$ 50,000		50,000	425,800	23,963		65,000	65,000	490,800
Bertie	71,000		71,000		$ 50,000	50,000	121,000	12,642	7,781		7,781	128,781
Bladen	87,000		87,000	342,500		342,500	429,500	107,242		6,817	6,817	436,317
Brunswick	46,000		46,000	94,000		94,000	140,000	0	No report			140,000
Buncombe		3,020,000	3,020,000		3,775,000[3]	3,775,000	6,795,000	0	No report			6,795,000
Burke	35,000	98,000	133,000	250,000		250,000	383,000	20,570				383,000
Cabarrus		256,000	256,000			0	256,000	0	No report			256,000
Caldwell		317,000	317,000			0	317,000	0				317,000
Camden	64,000		64,000	122,000		122,000	186,000	3,180				186,000
Carteret			0	23,000		23,000	23,000	0	No report			23,000
Caswell		No report							No report			
Catawba		283,000	283,000			0	283,000	0		2,500	2,500	285,500
Chatham	107,000	12,000	119,000			0	119,000	26,995				119,000
Cherokee	3,000	55,000	58,000	460,000	75,000	535,000	593,000	0	No record in Auditor's office			593,000

Chowan	12,000	71,000	83,000	----------	----------	0	83,000	0	----------	----------	----------	83,000
Clay	----------	No report	----------	----------	----------	----------	----------	----------	No report		----------	----------
Cleveland	262,650	200,000	462,650	510,000	96,000	606,000	1,068,650	61,463	22,904	----------	22,904	1,091,554
Columbus	238,000	----------	238,000	----------	----------	0	238,000	14,519	----------	----------	1,584[3]	239,584
Craven	41,000	218,000	259,000	----------	----------	0	259,000	----------	----------	----------	----------	259,000
Cumberland	272,000	419,000	691,000	----------	----------	0	691,000	0	----------	----------	----------	691,000
Currituck	19,600	----------	19,600	----------	----------	0	19,600	3,256	----------	----------	----------	19,600
Dare	----------	----------	0	----------	----------	0	0	0	----------	----------	----------	----------
Davidson	157,500	580,500	738,000	----------	6,750[8]	6,750	744,750	0	----------	----------	----------	744,750
Davie	61,000	37,500	98,500	----------	----------	0	98,500	0	No report	----------	----------	98,500
Duplin	----------	----------	0	35,000	3,000	38,000	38,000	12,322	----------	----------	----------	38,000
Durham	47,000	1,755,130	1,802,130	----------	----------	0	1,802,130	0	----------	90,000	900000	1,892,130
Edgecombe	143,500	696,000	839,500	----------	----------	0	839,500	24,801	----------	----------	----------	839,500
Forsyth	----------	2,308,000	2,308,000	----------	----------	0	2,308,000	0	. 38,000	----------	108,000[4]	2,416,000
Franklin	----------	30,000	30,000	649,500	----------	649,500	679,500	68,393	----------	----------	----------	679,500
Gaston	659,500	856,000	1,515,500	----------	----------	0	1,515,500	0	No report	----	----------	1,515,500
Gates	----------	No report	----------	----------	----------	----------	----------	----------	No report		----------	----------
Graham	25,000	----------	25,000	15,000	----------	15,000	40,000	7,521	----------	----------	----------	40,000
Granville	----------	145,000	145,000	----------	----------	0	145,000	0	----------	----------	----------	145,000
Greene	----------	----------	----------	38,000	----------	38,000	38,000	0	----------	50,000	50,000	88,000
Guilford	----------	2,191,000	2,191,000	----------	----------	0	2,191,000	0	No report		----------	2,191,000
Halifax	19,000	566,500	585,500	----------	----------	0	585,500	0	----------	----------	----------	585,500
Harnett	----------	----------	0	430,000	----------	430,000	430,000	0	No report		----------	430,000
Haywood	261,000	95,000	356,000	28,000	----------	28,000	384,000	0	----------	4,755	4,755	388,755
Henderson	115,000	371,000	486,000	117,000	10,000	127,000	618,000	0	----------	----------	----------	613,000
Hertford	91,000	----------	91,000	----------	----------	0	91,000	19,821	27,334	2,014	29,348	120,348
Hoke	58,500	----------	58,500	----------	----------	0	58,500	13,410	----------	----------	----------	58,500
Hyde	5,000	----------	5,000	----------	----------	0	5,000	0	No report		----------	5,000
Iredell	15,000	517,000	532,000	----------	127,500	127,500	659,500	0	No report		----------	659,500
Jackson	5,250	----------	5,250	66,000	----------	66,000	71,250	595	----------	----------	----------	71,250

TABLE 196—*Continued*

Counties	For Schools: Local Tax and Special School Taxing District	For Schools: Special Charter Districts	Total for Schools	For Purposes Other Than Schools: Roads	For Purposes Other Than Schools: Drainage Sewer, Railroad and Other	Total for Other Than Schools	Total All Purposes	Amount in Sinking Fund	Current Liabilities, For Schools, Local Tax and Special taxing Districts: Buildings	Current Liabilities, For Schools, Local Tax and Special taxing Districts: Current Expenses	Total Current Liabilities All Purposes	Total Indebtedness Bonded and Current, All Purposes
Johnston	$	$ 86,000	$ 86,000	$ 627,000	$	$ 627,000	$ 713,000	$ 114,589	$	$	$	$ 713,000
Jones	81,000		81,000			0	81,000	0	No report			81,000
Lee	179,000	128,000	307,000			0	307,000	0				307,000
Lenoir	152,500	428,000	580,500			0	580,500	0				580,500
Lincoln	75,500		75,500			0	75,500	0				75,500
Macon	63,000		63,000	122,000		122,000	185,000	0				185,000
Madison			0	65,000		65,000	65,000	9,457	No report			65,000
Martin			0	210,000		210,000	210,000	24,800				210,000
McDowell	211,100	132,000	343,100	142,600		142,600	485,700	12,423				485,700
Mecklenburg	74,000	1,938,000	2,012,000			0	2,012,000	0				2,012,000
Mitchell			0	290,000		290,000	290,000	26,035				290,000
Montgomery	484,000		484,000			0	484,000	0	No report			484,000
Moore	123,000	286,500	409,500			0	409,500	10,001				409,500
Nash	210,200	67,500	277,700	230,000		230,000	507,700	20,815	22,262		22,262	529,962
New Hanover		No report										
Northampton			0	225,500		225,500	225,500	0	No record i	n Auditor's	office	225,500
Onslow		No report							No report			
Orange	108,000	72,000	180,000			0	180,000	7,704	No record i	n Auditor's	office	180,000
Pamlico	7,000		7,000			0	7,000	1,801				7,000
Pasquotank		402,000	402,000		48,000[3]	48,000	450,000	0				450,000
Pender	174,000		174,000	30,000		30,000	204,000	5,583	6,000		6,000	210,000
Perquimans			0			0	0	0				
Person		88,000	88,000			0	88,000	0		6,300	6,300	94,300
Pitt		329,900	329,900	296,000		296,000	625,900	73,170				625,900
Polk	48,000	67,000	115,000	38,500		38,500	153,500	0	No report			153,500

Randolph			0	25,000		25,000	25,000	0	No report			25,000
Richmond	85,000	220,000	305,000			0	305,000	0				305,000
Robeson	456,000	*345,000	801,000			0	801,000	0	No report			801,000
Rockingham		409,000	409,000			0	409,000	0	111,300		111,300	520,300
Rowan		920,000	920,000	2,000		2,000	922,000	2,000	No report			922,000
Rutherford	549,000		549,000	83,000		83,000	632,000	22,712				632,000
Sampson		No report										
Scotland	103,150	29,900	133,050	98,000		98,000	231,050	0				231,050
Stanly		156,000	156,000			0	156,000	0				156,000
Stokes	18,000		18,000			0	18,000	0				18,000
Surry	5,000	217,500	222,500	335,000	20,000	355,000	577,500	0				577,500
Swain[4]	50,000		50,000	200,000		200,000	250,000	4,378	No report			250,000
Transylvania		No report							No report			
Tyrrell		No report							No report			
Union	33,000	157,000	190,000			0	190,000	15,733				190,000
Vance	67,000	375,000	442,000			0	442,000	2,776	62,625		62,625	504,625
Wake	210,500	1,919,000	2,129,500	50,000		50,000	2,179,500	81,545				2,179,500
Warren	22,500		22,500	236,000		236,000	258,500	42,028	45,000		45,000	303,500
Washington	23,500	120,000	143,500			0	143,500	1,255	38,620		38,620	182,420
Watauga	27,000		27,000		27,000	27,000	54,000	10,783	No report			54,000
Wayne	97,000	933,500	1,030,500			0	1,030,500	5,100				1,030,500
Wilkes	13,500		13,500		15,000	15,000	28,500	0				28,500
Wilson		1,165,000	1,165,000	95,000		95,000	1,260,000	35,561				1,260,000
Yadkin	33,000	6,000	39,000			0	39,000	5,174	No report			39,000
Yancey		No report							No report			
Total	$ 6,900,750	$26,648,240	$**33,548,990	$ 6,630,600	$ 4,253,250	$10,883,850	$44,432,840	$ 960,116	$ 453,442	$ 231,494	$ 756,520	$45,189,360

*Includes some city Bonds.

**Eight special charter districts not included, because no reports of indebtedness were received.

4Drainage and Sewer.

5Figures are for 1926, as published in Consolidated Report of the State Educational Commission, because of inability to get statement for 1928 from county accountant's office.

TABLE 197—SUMMARY OF TOTAL INDEBTEDNESS (BONDED AND NON-BONDED) OF CITIES AND TOWNS, JUNE 30, 1928, BY COUNTIES*

County	Bonded Indebtedness									Amount in Sinking Fund	Current Liabilitie and Non-Bonde Debt	Total Indebtedness Bonded and Non-Bonded
	Streets and Sidewalks	Water and Sewer	Electric Lights and Power	Fire Department	Public Buildings	Public Improvements	Funding Current Expenses	Railroad and Others	Total Bonded Indebtedness			
Alamance	$ 1,636,000	$ 1,603,000	$ 28,000		$ 70,000	$ 123,500	$	$ 228,000	$ 3,685,000	$ 117,756	$ 105,000	$ 3,793,500
Burlington	1,224,000	1,237,000	28,000		70,000	123,500		188,000	2,870,500	117,756		
Elon College	9,000	28,000							37,000			
Graham	173,000	108,000						40,000	321,000			
Mebane	230,000	230,000							460,000			
Alexander—Taylorsville	163,000	67,000							230,000	2,000		230,000
Alleghany—Sparta (No	Report)											
Anson	350,000		27,000			104,000			481,000	7,110		481,000
Morven			27,000						27,000			
Wadesboro	350,000					104,000			454,000	7,110		
Ashe	2,400								2,400		1,200	3,600
Jefferson	2,400								2,400			
West Jefferson												
Avery	27,500					73,000			100,500			100,500
Banner Elk (Blank	Report Recei	ved)										
Newland	6,500								6,500			
Spruce Pine	21,000					73,000			94,000			
Beaufort	590,000	124,000	58,500		347,000	279,000	58,500		1,457,000	178,327	19,000	1,476,000
Aurora	20,000	20,000							40,000			
Belhaven	31,000	100,000	43,500			9,000	1,500		185,000	9,671		
Pantego		4,000							4,000			
Washington	527,000		15,000		347,000	270,000	57,000		1,216,000	168,656		
Washington Park	12,000								12,000			

Bertie	113,000	95,000	283,500						491,500		29,650	521,150
Aulander	65,000	95,000							160,000			
Colerain			9,500						9,500			
Powellsville			2,000						2,000			
Windsor	48,000		272,000						320,000			
Bladen	3,500	68,500	9,000						81,000			81,000
Bladenboro		60,000							60,000			
Clarkton		8,500							8,500			
Elizabethtown	3,500		9,000						12,500			
Brunswick—Southport	15,000	53,000				35,000		26,842	129,842	1,638	2,400	132,242
Buncombe	4,833,000	4,399,500	144,000	34,000	4,320,000	758,700	84,000	436,000	15,009,200	4,442	6,499,007	21,508,207
Asheville	4,720,000	4,045,000	144,000	34,000	4,281,000	723,700	84,000	436,000	14,467,700			
Biltmore	35,000	81,000			39,000				155,000			
Black Mountain	20,000	150,000				35,000			205,000	2,219		
Weaverville	58,000	123,500							181,500	2,223		
Burke	53,000	363,000	20,000			212,000	9,300		657,300		9,439	666,739
Cabarrus	356,000	325,000			268,000	272,000	18,000		1,239,000	1,500	25,000	1,264,000
Concord	356,000	325,000			268,000	170,000	18,000		1,137,000			
Mount Pleasant						102,000			102,000	1,500		
Caldwell	303,000	275,000				75,000			653,000		26,500	679,500
Granite Falls	79,000								79,000			
Lenoir	224,000	275,000				75,000			574,000			
Camden (No towns reported)												
Carteret	1,276,600	180,000	175,900		18,000		144,000	25,000	1,819,500	52,985	120,751	1,940,251
Beaufort	423,600	75,000	101,900				88,000	10,000	698,500	16,107		
Morehead City	853,000	105,000	74,000		18,000		56,000	15,000	1,121,000	36,878		
Caswell (No towns reported)												

TABLE 197—*Continued*

County	Bonded Indebtedness									Amount in Sinking Fund	Current Liabilities and Non-bonded Debt	Total Indebtedness Bonded and Non-bonded
	Streets and Sidewalks	Water and Sewer	Electric Lights and Power	Fire Department	Public Buildings	Public Improvements	Funding Current Expenses	Railroad and Others	Total Bonded Indebtedness			
Catawba	$ 794,000	$ 829,500	$ 30,500	$ 4,000	$ 408,000	$ 79,000	$ 4,1000	$ 113,000	$ 2,299,000	$ 22,015	$ 190,100	$ 2,489,100
Catawba			13,000						13,000			
Claremont			9,000						9,000			
Conover		49,500							49,500			
Hickory	648,000	466,000			393,000		41,000		1,548,000	22,015		
Maiden	17,000	123,600	3,500						143,500			
Newton	129,000	191,000	5,000	4,000	15,000	79,000			423,000			
West Hickory								113,000	113,000			
Chatham	295,800	415,000			4,000		1,200		716,000	10,000		716,000
Pittsboro	58,000	37,000					1,200		44,000			
Siler City	290,000	378,000			4,000		1,200		672,000	10,000		
Cherokee	165,000	220,000	386,000				6,000		777,000	21,374	11,291	788,291
Andrews	58,000	90,000	386,000				6,000		540,000	21,374		
Murphy	107,000	130,000							237,000			
Chowan—Edenton	118,000	174,000	32,000						167,400			167,400
Clay—Hayesville		25,000							25,000			25,000
Cleveland	481,000	697,000	27,000		215,000	92,000	21,000		1,533,000	15,469	135,192	1,668,192
Kings Mountain	67,000	267,000			117,000	92,000			543,000	14,539		
Lattimore			8,000						8,000	430		
Mooresboro			11,000						11,000	500		
Shelby	414,000	430,000			98,000		21,000		963,000			
Waco			8,000						8,000			

Columbus	**99,500**	**202,000**	**25,000**			**86,000**			**412,500**	**6,310**	**4,121**	**416,621**
Acme Blank report	received											
Chadbourn		40,000							40,000	2,310		
Tabor	9,000		25,000			86,000			120,000			
Whiteville	90,500	162,000							252,500	4,000		
Craven	**221,000**	**234,000**	**70,500**		**181,000**		**646,000**	**48,000**	**1,400,500**	**14,900**	**81,900**	**1,482,400**
Bridgeton	21,000								21,000	2,350		
New Bern	200,000	234,000	45,000		181,000		646,000	48,000	1,354,000	12,550		
Vance Boro			25,500						25,500			
Cumberland	**678,000**	**770,000**	**45,000**			**155,000**	**14,000**	**13,500**	**1,675,500**	**147,032**	**18,000**	**1,693,500**
Fayetteville	678,000	770,000	45,000			155,000	14,000	13,500	1,675,500	147,032		
Hope Mills Blank	report received											
Currituck-No towns	reported											
Dare—Manteo	**10,000**								10,000			10,000
Davidson	**1,258,000**	**2,792,000**			**680,500**	**684,000**			**5,414,500**	**137,888**	**83,168**	**5,497,668**
Denton	15,000								15,000	450		
Lexington	1,095,000	2,222,000			359,000	113,000			3,789,000			
Thomasville	148,000	570,000			321,500	571,000			1,610,500	137,438		
Davie—Mocksville No	report received											
Duplin	**49,000**	**158,300**	**31,500**			**4,000**	**20,000**		**262,800**	**2,393**	**14,806**	**277,606**
Beulahville			8,000						8,000			
Faison			13,500						13,500	1,350		
Wallace		74,000							74,000			
Warsaw	49,000	84,300	10,000			4,000	20,000		167,300	1,043		
Durham—Durham	**3,304,261**	**4,843,470**		**197,000**	**2,015,130**	**614,639**	**234,000**		**11,208,500**	**711,913**	**70,940**	**11,279,440**

TABLE 197—*Continued*

County	Bonded Indebtedness: Streets and Sidewalks	Water and Sewer	Electric Lights and Power	Fire Department	Public Buildings	Public Improvements	Funding Current Expenses	Railroad and Others	Total Bonded Indebtedness	Amount in Sinking Fund	Current Liabilities and Non-bonded Debt	Total Indebtedness Bonded and Non-bonded
Edgecombe	$ 405,000	$ 152,000	$ 152,250	$	$	$	$ 25,000	$ 87,000	$ 821,250	$ 102,820	$ 5,184	$ 826,434
Conetoe	9,000								9,000			
Macclesfield	7,000								7,000			
Parmele			4,000						4,000			
Pinetops								87,000	87,000			
†Princeville			2,250						2,250	100		
Tarboro	396,000	152,000	126,000				25,000		699,000	102,720		
Whitakers			13,000						13,000			
Forsyth	5,955,000	4,657,500	300	85,000	3,495,000	1,583,000	515,000		16,290,800	273,022	10,650	16,301,450
Kernersville	223,000	212,500	300			22,000			457,800			
Winston-Salem	5,732,000	4,445,000		85,000	3,495,000	1,561,000	515,00		15,833,000	273,022		
Franklin	129,000	362,500	26,000			31,500	6,000		555,000	21,064	50,178	605,178
Franklinton	68,000	186,500							254,500			
Louisburg	61,000	176,000	12,000			31,500	6,000		286,500	21,064		
Youngsville			14,000						14,000			
Gaston	1,599,000	2,056,500	24,000		397,000	318,000	29,500		4,424,000	210,966	75,842	4,499,842
Belmont	209,000	54,000							263,000			
Bessemer	32,000	562,000							294,000			
Cherryville	224,000	308,000			20,000		14,500		566,500	36,968		
Dallas	24,000	65,000	14,000				10,000		113,000	7,337		
Gastonia	1,072,000	1,195,000	10,000		361,000	199,000	5,000		2,842,000	165,661		
Lowell	6,000								6,000	1,000		
Mount Holly	32,000	172,500			16,000	119,000			339,500			
Gates—Gatesville		24,000							24,000			24,000

Graham—Robbinsville		25,000							25,000		13,199	38,199
Granville—Oxford	223,000	35,000				328,000	45,000		631,000	45,511	89,268	720,268
Greene	108,000	57,000	99,500						264,500			264,500
Hookerton		41,000	6,000						47,000			
Snow Hill	108,000	16,000	85,000						209,000			
Walstonburg			8,500						8,500			
Guilford	9,188,000	6,695,000	62,000		3,097,000	1,426,000	360,000		20,828,000	663,796	1,239,095	22,067,095
Gibsonville	24,000	114,000							138,000			
Greensboro	5,893,000	3,977,000	25,000		1,649,000	1,426,000	190,000		13,160,000	380,045		
High Point	3,271,000	2,604,000	37,000		1,448,000		170,000		7,530,000	283,751		
Halifax	426,000	644,500	164,000			34,000	53,000		1,321,500	28,523	66,675	1,388,175
Enfield		310,000	48,000						358,000	25,000		
Halifax			35,000						35,000			
Hobgood			8,500						8,500			
Littleton	12,000	123,000							135,000			
Roanoke Rapids		25,000					10,000		35,000	3,523		
Scotland Neck	385,000	80,000	72,500						537,500			
Weldon	29,000	106,500				34,000	43,000		212,500			
Harnett	85,000	513,000	43,000			88,000	25,000	68,750	822,750			822,750
Angier (Blank Report received)												
Dunn	85,000	513,000	43,000			88,000	25,000		754,000			
Haywood												
Lillington								68,750	68,750			
Haywood	757,500	485,000	6,000		95,500	97,500	65,000	7,500	1,514,000	2,904	40,940	1,554,940
Canton	263,000	186,000			95,500	97,500	55,000		697,000			
Clyde	33,000	34,00							67,000			
Hazelwood	59,000	15,000							74,000			
Waynesville	402,500	250,000	6,000				10,000	7,500	676,000	2,904		
Henderson—Hendersonville	1,326,000	1,364,000			598,000	94,000	82,000		3,464,000	1,079,320	166,201	3,630,201

TABLE 197—*Continued*

County	Bonded Indebtedness									Amount in Sinking Fund	Current Liabilities and Non-bonded Debt	Total Indebtedness Bonded and Non-bonded
	Streets and Sidewalks	Water and Sewer	Electric Lights and Power	Fire Department	Public Buildings	Public Improvements	Funding Current Expenses	Railroad and Others	Total Bonded Indebtedness			
Hertford	$ 173,000	$ 24,000	$ 52,000	$	$	$	$	$	$ 249,000	$ 1,332	$	$ 249,000
Ahoskie	157,000	24,000	47,000						228,000			
Murfreesboro	16,000								16,000	1,322		
Winton			5,000						5,000			
Hoke—Raeford	66,000	51,000				22,000			139,000	31,265	12,522	151,522
Hyde—Swan Quarter							4,000		4,000			4,000
Iredell	505,446	756,000	85,000			293,500	255,000	15,000	1,909,946	128,580	378,599	2,288,545
†Mooresville	228,446	305,000	10,000					15,000	558,446			
Statesville	271,000	424,000	75,000			293,500	255,000		1,318,500	128,580		
Troutman	6,000	27,000							33,000			
Jackson	50,000	117,000				220,000			387,000			387,000
Dillsboro		13,000							13,000			
Sylva	50,000	104,000				220,000			374,000			
Johnston	658,000	366,000	130,500		9,000	161,0000	13,000		1,337,500	27,154	43,782	1,381,282
Benson	75,000	147,500	63,500			161,000			447,000			
Clayton	108,000						13,000		121,000			
Four Oaks (Blank Report received)												
Selma	218,000	139,500			9,000				366,500			
Smithfield	257,000	79,000	67,000						403,000	27,154		
Jones	229,549	325,000	13,000		60,000		15,000		642,549	1,100		642,549
Maysville			3,000						3,000	100		
Mooresville	229,549	294,000	10,000		60,000		15,000		608,549			
Pollocksville		31,000							31,000	1,000		

Lee	298,000	429,000					33,000		760,000	2,261	64,631	824,631
Jonesboro		21,000							21,000	2,261		
Sanford	298,000	408,000					33,000		739,000			
Lenoir	234,000	199,000	317,500		87,000	100,000			937,500	194,891		937,500
Kinston	224,000	97,000	295,000		87,000	100,000			803,000	194,341		
LaGrange	10,000	102,000	15,000						127,000			
Pink Hill			7,500						7,500	550		
Lincoln—Lincolnton	170,000	172,000	7,000		185,000		35,000		569,000	40,525	33,000	602,000
Macon		67,000	424,000		10,000	20,000			521,000	4,715	26,972	547,972
Franklin		24,000	315,000		10,000	20,000			369,000	4,715		
Highlands		43,000	109,000						152,000			
Madison	124,000	20,000							144,000	6,000	5,500	149,500
Hot Springs	10,000	20,000							30,000	6,000		
Mars Hill	114,000								114,000			
Martin	96,000	339,000	58,000			13,500			506,500	1,000		506,500
†Everett			5,000						5,000			
Hamilton			15,000						15,000			
Jamesville (Blank Report received)												
Oak City			14,500						14,500			
Parmele			3,500						3,500	1,000		
Robersonville	34,000	96,000	20,000						150,000			
Williamston	62,000	243,000				13,500			318,500			
McDowell	164,000	209,000					82,000		455,000			455,000
Marion	120,000	129,000					82,000		331,000			
Nebo (Blank Report Received)												
Old Fort	44,000	80,000							124,000			
Mecklenburg	3,039,669	3,517,000	46,000	56,000	2,770,000	70,000	695,000		10,193,669	412,659	128,558	10,322,227
Charlotte	2,971,000	3,265,000		56,000	2,770,000	70,000	695,000		9,827,000	373,965		
Cornelius	26,000		8,000						34,000	6,000		
Davidson	41,000	178,000							219,000	1,863		
Huntersville	1,669	74,000	9,000						84,669	1,831		
Matthews			29,000						29,000	29,000		

TABLE 197—*Continued*

County	Bonded Indebtedness									Amount in Sinking Fund	Current Liabilities and Non-bonded Debt	Total Indebtedness
	Streets and Sidewalks	Water and Sewer	Electric Lights and Power	Fire Department	Public Buildings	Public Improvements	Funding Current Expenses	Railroad and Others	Total Bonded Indebtedness			Bonded and Non-bonded
Mitchell—Spruce Pine	$ 19,000	$ 69,000	$	$	$	$	$	$	$ 88,000	$	$	$ 88,000
Montgomery	368,000	345,000				25,000			738,000		147	738,147
†Mount Gilead	109,000	26,000				25,000			160,000			
Star	93,000								93,000			
Troy	166,000	319,000							485,000			
Moore	42,000	326,675				485,000	8,000		816,675	79,454	5,950	867,625
Aberdeen	42,000	76,500							118,500	5,000		
Carthage		60,000							60,000			
Pine Bluff		44,175							44,175			
Southern Pines		111,000				485,000	8,000		604,000	73,695		
Vass		35,000							35,000	759		
Nash	200,000	55,000	106,000				160,000	1,467,000	1,988,000	94,237	83,200	2,071,200
Bailey			20,000						20,000	5,510		
Battleboro			10,000						10,000			
Middlesex			16,000						16,000	1,000		
Nashville	100,000		45,000						145,000			
Rocky Mount							90,000	1,467,000	1,557,000	41,391		
†Rocky Mt. Mills							70,000		70,000			
Sharpsburg			5,000						5,000	1,100		
Spring Hope	100,000	55,000	10,000						165,000	45,236		
New Hanover	1,298,000	749,000				788,000	740,000		3,575,000	47,618	313,604	3,888,604
Wilmington	1,298,000	749,000				788,000	684,000		3,519,000	47,618		
Wrightsville B.							56,000		56,000			
Northampton	27,000					15,000			42,000			42,000
Rich Square	12,000								12,000			
Seaboard						15,000			15,000			
Woodland	15,000								15,000			

Onslow—Jacksonville	5,000	62,000							67,000			67,000
Orange	204,000	185,500	1,428				4,000		394,928	13,881	28,500	423,428
Carboro	25,000	90,500							115,500			
Chapel Hill	134,000	95,000					4,000		233,000	9,381		
Hillsboro	45,000		1,428						46,428	4,500		
Pamlico								35,000	35,000	5,007	500	33,500
Oriental								35,000	35,000	5,007		
Vandemere (Blank	Report Received)											
Pasquotank—Elizabeth City	589,000	590,000			13,000	827,000			2,019,000	31,678	29,356	2,048,356
Pender—Burgaw			10,500						10,500			10,500
Perquimans—Hertford	51,000	150,000							201,000			201,000
Person	156,000	603,000			115,000		50,000		924,000	18,948		924,000
†Person	84,000	298,000					26,000		408,000			
Roxboro	72,000	305,000			115,000		24,000		516,000	18,948		
Pitt	670,500	303,000	146,500	25,000	329,900	245,600	15,000	47,000	1,740,200	108,328		1,740,200
Ayden	242,000					81,600			323,600			
Bethel		85,000	26,000						111,000			
Farmville	137,000	58,000	10,000	25,000				47,000	234,700	20,000		
Fountain			13,500						13,500			
Greenville	262,000	160,000	60,000		329,900	164,000	15,000		990,900	40,664		
Grifton	19,500		5,000						24,500	40,664		
Grimesland			14,000						14,000	1,000		
Winterville	10,000		18,000						28,000	6,000		
Polk	142,000	367,400			21,000	10,000	3,000		543,400	1,838	13,277	556,677
Saluda	80,000	154,400			21,000	10,000	3,000		268,400	1,838		
Tryon	62,000	213,000							275,000			

TABLE 197—*Continued*

County	Bonded Indebtedness									Amount in Sinking Fund	Current Liabilities and Non-bonded Debt	Total Indebtedness Bonded and Non-bonded
	Streets and Sidewalks	Water and Sewer	Electric Lights and Power	Fire Department	Public Buildings	Public Improvements	Funding Current Expenses	Railroad and Others	Total Bonded Indebtedness			
Randolph	$ 261,300	$ 392,000	$ 15,000	$	$ 113,000	$	$	$	$ 781,300	$	$ 7,500	$ 788,800
Asheboro	208,000	272,000	15,000		113,000				608,000			
Franklinville (Blank Report received)												
Liberty	47,000	120,000							167,000			
Randleman	6,300								6,300			
Richmond	539,000	354,000	10,000	8,500	255,000	85,000	51,000		1,302,500		107,878	1,410,378
Ellerbe		72,000							72,000			
Hamlet	263,000	65,000			155,000	60,000	18,000		561,000			
Rockingham	276,000	217,000	10,000	8,500	100,000	25,000	33,000		669,500			
Robeson	546,000	476,500	165,500		231,000	12,500	35,000	183,500	1,650,000	108,032	29,547	1,679,547
East Lumberton (Blank Report received)												
Fairmont	63,000	82,000	56,000						201,000	24,850		
Lumberton	196,000	225,500	60,000		231,000			64,500	777,000	26,048		
Maxton	149,000	70,000					35,000		254,000	45,449		
Orum (Blank Report received)												
Pembroke						12,500			12,500	500		
Red Springs	88,000	59,000	49,500						196,500	3,000		
Rowland	50,000	40,000							90,000			
St. Pauls								119,000	119,000	8,185		
Rockingham	614,000	622,000			250,000		127,000		1,613,000	9,871	26,391	1,639,391
Leaksville	251,000	201,000					97,000		549,000			
Reidsville	363,000	421,000			250,000		30,000		1,064,000	9,871		

Rowan	634,500	1,301,000	50,000		817,000	889,000	233,000		3,924,500	36,340	302,619	4,227,119
China Grove		140,000							140,000			
East Spencer	20,500	37,000			41,000	11,000			109,500	10,070		
Rockwell	18,000								18,000			
Salisbury	427,000	989,000			776,000	662,000	233,000		3,087,000			
Spencer	169,000	135,000	50,000			216,000			570,000	26,270		
Rutherford	1,147,000	498,500	11,500		148,500	316,000	5,000		2,126,500	41,067	65,000	2,191,500
Bostic			2,000						2,000			
Ellenboro			9,500						9,500	318		
Forest City	379,000	259,500			115,500				754,000	37,650		
Rutherfordton	768,000	239,000			33,000		5,000		1,045,000	3,100		
Spindale						316,000			316,000			
Sampson	148,500	203,500					43,500		395,500	7,183	72,520	468,020
Clinton	148,500	120,500					43,500		312,500	7,183		
Roseboro		83,000							83,000			
Scotland	115,000	357,000	21,000				37,500		530,500	12,027	27,144	557,644
Laurinburg	115,000	328,000					37,500		480,500	11,823		
Wagram		29,000	21,000						50,000			
Stanly	355,000	290,000	19,000		229,000	96,000	62,000		1,051,000	93,617	9,997	1,060,997
Albemarle	327,000	290,000	10,000		229,000		62,000		918,000	84,617		
New London			9,000						9,000			
Norwood	28,000					96,000			124,000	9,000		
Stokes—Walnut Cove	49,000	251,000							300,000			300,000
Surry	363,500	698,000	72,000		203,500		40,000	10,000	1,387,000	1,667	69,475	1,456,475
Elkin	109,500	283,000							392,500			
Mt. Airy	254,000	415,000			208,500		40,000	10,000	922,500			
Pilot Mt.			72,000						72,000			
Swain—Bryson City	120,000	105,000	216,000						441,000			441,000
Transylvania—Brevard	25,000	75,000				596,000			696,000	33,769	13,700	709,700

TABLE 197—*Continued*

County	Bonded Indebtedness									Amount in Sinking Fund	Current Liabilities and Non-bonded Debt	Total Indebtedness Bonded and Non-bonded
	Streets and Sidewalks	Water and Sewer	Electric Lights and Power	Fire Department	Public Buildings	Public Improvements	Funding Current Expenses	Railroad and Others	Total Bonded Indebtedness			
Tyrell—Columbia	$ 61,000	$ 25,000	$	$	$	$	$	$	$ 86,000	$	$	$ 86,000
Union	301,000	676,000	25,500			200,000	54,000		1,256,500	31,442	70,400	1,326,900
Marshville	121,000	70,000	18,000						209,000			
Monroe	180,000	606,000				200,000	54,000		1,040,000	31,442		
Wingate			7,500						7,500			
Vance—Henderson	542,000	461,000		12,000			3,000		1,018,000		14,007	1,032,007
Wake	2,932,000	2,890,000	49,300	292,000	19,000	367,922	338,000		6,888,222	256,169	86,211	6,974,433
Apex		165,000	12,000		12,000				189,000			
Cary	12,000	126,000							138,000			
Raleigh	2,758,000	2,129,000		292,000	2,000	367,922	338,003		5,886,922	243,654		
Wake Forest	49,000	254,500	11,000						314,500	8,471		
Wendell	77,000	72,000	15,000		5,000				169,000	1,717		
Zebulon	36,000	143,500	11,300						190,800	2,327		
Warren		26,000			12,000			66,500	104,500			104,500
Macon (Blank Report received)												
Warrenton		26,000			12,000			66,500	104,500			
Washington	286,000	40,000	46,000				15,000		387,000	1,470	2,922	389,922
Plymouth	286,000	40,000	46,000						372,000	1,470		
Roper							15,000		15,000			
Wautauga	120,000	250,000					10,000		380,000	2,000	10,787	390,787
Blowing Rock		150,000							150,000	2,000		
Boone	120,000	100,000					10,000		230,000			

Wayne	**1,135,980**	**761,520**	**25,000**	**18,000**	**15,000**	**148,000**	**120,00**	**0**	**2,223,500**	**137,703**	**750**	**2,224,250**
Fremont	34,500	133,000				7,000			174,500			
Goldsboro	1,005,480	571,520		18,000	15,000	31,000	120,00	0	1,761,000	120,998		
Mt. Olive	96,000	57,000	25,000			110,000			288,00	0 16,705		
Wilkes	**291,000**	**195,000**	**14,000**		**27,000**		**55,000**		**582,000**	**16,000**	**14,000**	**596,000**
North Wilkesboro	251,000	148,000	14,000		27,000		55,000		495,000	16,000		
Ronda	26,000								26,000			
Wilkesboro	14,000	47,000							61,000			
Wilson	**888,999**	**670,384**	**633,493**	**62,262**		**102,753**	**20,000**		**2,377,891**	**78,675**	**110,000**	**2,487,891**
Black Creek			4,000						4,000			
Elm City	52,000		25,000				20,000		97,000	11,023		
Lucama			11,000						11,000			
Stantonburg	43,000	10,500	18,000						71,500	5,091		
Wilson	793,999	659,884	575,493	62,262		102,753			2,194,391	62,561		
Yadkin—Jonesville						**24,000**			**24,000**			**24,000**
Yancey—Burnsville	**41,000**	**173,000**							**214,000**			**214,000**
North Carolina	**$ 58,493,004**	**$ 58,015,649**	**$4,741,171**	**$ 793,762**	**$ 22,129,030**	**$ 13,779,614**	**$5,863,500**	**$ 28,002,292**	**$166,651,022**	**$ 6,002,481**	**$ 11,413,643**	**$178,064,665**

†As of 1926.

*Exclusive of indebtedness for schools. Schools are included in summary of bonded indebtedness of districts and townships, Table 196.

A number of very small towns having some indebtedness outstanding are not included in this table because no report was received from them. Their inclusion would change the totals only slightly.

TABLE 198—SUMMARY OF INDEBTEDNESS OF STATE OF NORTH CAROLINA, BONDED AND NON-BONDED AS OF JUNE 30, 1928

1. BONDED DEBT

Date Issued	Amount Issued	Date of Maturity	Title of Issue	Amount Outstanding	Interest Rate
			GENERAL FUND		
7- 1-09	$ 500,000	7-1-49	State Hospital	$ 500,000	4
7- 1-10	3,430,000	7-1-50	Refunding	3,430,000	4
7- 1-11	250,000	7-1-51	Administration Building	250,000	4
7- 1-11	60,000	7-1-51	School for Feeble Minded	60,000	4
1- 1-13	550,000	1-1-53	Refunding	550,000	4
7- 1-13	1,142,500	7-1-53	Improvements	1,142,500	4
7- 1-18	498,000	--------------	Educational and Charitable (Serial)	398,000	4
7- 1-19	496,500	--------------	Educational and Charitable (Serial)	496,500	4
7- 1-20	74,000	7-1-38	Educational and Charitable (Serial)	74,000	4
2-15-22	4,500,000	21-37-42-47-52	Funding	4,500,000	5
7- 1-21	3,372,000	7-1-51	Educational and Charitable	3,372,000	5
1- 1-22	3,373,000	7-1-62	Educational and Charitable	3,373,000	4½
10- 1-23	3,049,000	10-1-63	Educational and Charitable	3,049,000	4½
10- 1-23	7,100,000	10-1-63	Educational and Charitable	7,100,000	4¾
10- 1-23	500,000	10-1-63	Public Improvement	500,000	4¾
7- 1-25	9,438,531	--------------	General Fund Notes (Serial)	7,588,000	4¼
1- 1-26	5,125,000	1-1-66	Educational and Charitable	5,125,000	4½
--------	$ 43,458,531	--------------	Total—General Fund bonds	$ 41,508,000	------
			HIGHWAY		
7- 1-21	$ 9,000,000	7-1-32 to 7-1-62	Highway Construction (Serial)	$ 9,000,000	4½
7- 1-21	4,552,600	7-1-31-41-51-61	Highway Construction (Serial)	4,552,600	5
1- 1-22	6,000,000	7-1-32 to 7-1-61	Highway Construction (Serial)	6,000,000	4½
1- 1-23	6,250,000	1-1	Highway Construction (Serial)	6,250,000	4½
1- 1-23	5,000,000	1-1-53 to 1-1-62	Highway Construction (Serial)	5,000,000	4½
1- 1-23	3,750,000	1-1-38 to 1-1-52	Highway Construction (Serial)	3,750,000	4¾
1- 1-24	10,000,000	1-1-34 to 63	Highway Construction (Serial)	10,000,000	4½
1- 1-26	5,000,000	1-1-36 to 64	Highway Construction (Serial)	5,000,000	4½
1- 1-25	447,400	1-1-61	Highway Construction	447,000	4½
1- 1-25	15,000,000	--------------	Highway Construction (Serial)	15,000,000	4½
1- 1-26	5,000,000	--------------	Highway Construction (Serial)	5,000,000	4½
1- 1-27	15,000,000	--------------	Highway Construction (Serial)	15,000,000	4¼
1- 1-27	10,000,000	1-1-29 to 38	Highway Construction (Serial)	10,000,000	4
1- 1-28	6,000,000	1-1-30 to 41	Highway Construction (Serial)	6,000,000	4
1- 1-28	10,000,000	1-1-38 to 47	Highway Construction (Serial)	10,000,000	4
--------	$111,000,000	--------------	Total Highway Bonds	$110,999,600	------
			SPECIAL SCHOOL BUILDING		
1- 1-22	$ 5,000,000	1-1-27 to 47	Special School Buidling (Segial)	$ 4,585,000	4½
1- 1-26	5,000,000	1-1-31 to 50	Special School Building (Serial)	5,000,000	4½
1- 1-27	5,000,000	1-1-32 to 51	Special School Building (Serial)	5,000,000	4¼
1- 1-28	1,100,000	1-1-33 to 41	Special School Building (Serial)	1,100,000	4
--------	$ 16,100,000	--------------	Total Special School Building Bonds	$ 15,685,000	------
--------	$170,558,531	--------------	Total Bonded Debt	$168,192,600	------

2. NON-BONDED DEBT

			Notes Issued against Authorizations:		
--------	--------	--------------	Chowan River Bridge	$ 600,000	
--------	--------	--------------	Cape Fear River Bridge	1,250,000	------
--------	--------	--------------	Total anticipation notes	$ 1,850,000	------
--------	--------	--------------	Gross State Debt (Bonded and Non-Bonded)	$170,042,600	------
--------	--------	--------------	Less contingent indebtedness for special Building Fund bonds	15,223,000	------
--------	--------	--------------	Total State Debt (Net, exlcusive of sinking funds)	$154,819,600	------

TABLE 199—SUMMARY OF TOTAL INDEBTEDNESS OF STATE OF NORTH CAROLINA AND ITS SUBDIVISIONS, JUNE 30, 1928

Purpose	Counties	Districts and Townships	Cities and Towns	Total All Sub-divisions	State of North Carolina	Total State and Local
For Schools						
Buildings	$30,726,682	$34,002,432		$ 64,729,114	$ 15,685,000	$ 65,191,114[2]
Funding	7,589,857	231,494		7,821,351		7,821,351
Total for Schools	**$38,316,539**	**$34,233,926**		**$ 72,550,465**	**$ 15,685,000[1]**	**$ 73,012,465[2]**
For Purposes Other Than Schools						
Roads and bridges	$94,057,109	$ 6,702,184		$100,759,293		$100,759,293
Highways					112,849,600	112,849,600
Streets and sidewalks			58,493,004	58,493,004		58,493,004
Water, sewer sanitation		3,829,750	58,015,649	61,845,399		61,845,399
Public Buildings	13,229,361		22,129,030	35,358,391	810,000	36,168,391
Funding and Refunding	14,789,183		5,863,500	20,652,683	8,480,000	29,132,683
Educational and Charitable Institutions					22,987,500	22,987,500
Permanent improvements			13,779,614	13,779,614	1,642,500	15,422,114
General Fund Notes					7,588,000	7,588,000
Electric Power and Light			4,741,171	4,741,171		4,741,171
Railroads	378,918	423,500	2,835,292[4]	3,637,710		3,637,710
Fire Departments			793,762	793,762		793,762
Other and not specified	875,657		11,413,643	12,289,300		12,289,300
Total For Purposes Other Than Schools	**$123,330,228**	**$10,955,434**	**$178,064,665**	**$312,350,327**	**$154,357,600**	**$466,707,927**
Total For All Purposes	**$161,646,767**	**$45,189,360**	**$178,064,665**	**$384,900,792**	**$154,819,600[3]**	**$539,720,392**

[1]Of this amount, $15,223,000 is also shown in **County** indebtedness for schools. It is only a **Contingent** State debt. The counties levy the tax to pay this.

[2]Counting the $15,223,000 shown both as county debt and as state debt only once, and as county indebtedness.

[3]Net after deducting $15,223,000 from special school building fund debt, which is already shown in county indebtedness.

[4]Only part of this for railroads.

TABLES RELATING TO THE DISTRIBUTION OF THE STATE EQUALIZING FUND—1928

TABLE 200—ASSESSED VALUATIONS, 1927, COMPARED WITH VALUATIONS DETERMINED BY BOARD OF EQUALIZATION, 1928—BY COUNTIES

County	Assessed Valuation 1927	Determined Valuation 1928	Per Cent of Increase or Decrease from 1927 Assessed to 1928 Determined Valuation
Alamance	$ 33,035,787	$ 38,035,787	15.1
Alexander	8,773,401	9,973,401	13.6
Alleghany	4,893,131	5,193,131	6.1
Anson	21,560,450	24,502,339	13.6
Ashe	11,951,352	13,551,352	13.3
Avery	6,021,243	6,871,243	14.1
Beaufort	29,661,372	32,222,248	8.6
Bertie	15,042,703	17,360,000	15.4
Bladen	13,980,645	13,369,088	− 4.3
Brunswick	10,059,954	9,934,804	− 1.2
Buncombe	172,987,845	172,987,845	----------
Burke	24,355,099	23,011,286	− 5.5
Cabarrus	45,697,747	45,697,747	----------
Caldwell	22,114,101	23,700,000	7.1
Camden	3,385,841	4,286,836	26.6
Carteret	15,056,621	14,225,366	− 5.5
Caswell	8,522,550	8,993,968	5.5
Catawba	40,566,528	48,029,978	18.3
Chatham	18,537,924	20,791,661	12.1
Cherokee	8,978,208	9,038,250	.6
Chowan	10,106,264	10,106,264	----------
Clay	2,372,297	2,022,297	−14.7
Cleveland	38,069,314	46,069,314	21.0
Columbus	21,469,616	23,300,687	8.5
Craven	28,137,865	29,600,570	5.1
Cumberland	29,928,341	33,313,793	11.3
Currituck	5,088,475	5,380,421	5.7
Dare	2,750,927	2,750,927	----------
Davidson	38,450,414	42,453,509	10.4
Davie	12,689,986	13,868,231	9.2
Duplin	23,011,273	29,481,292	28.1
Durham	95,151,761	95,151,761	----------
Edgecombe	34,241,701	39,972,298	16.7
Forsyth	198,555,211	198,555,211	----------
Franklin	14,799,052	16,481,323	11.3
Gaston	95,994,257	102,411,793	6.6
Gates	7,434,174	7,734,174	4.0
Graham	5,384,387	6,135,000	13.9
Granville	21,101,890	25,034,418	18.6
Greene	12,752,290	13,000,000	1.9
Guilford	192,823,410	192,823,410	----------
Halifax	38,476,368	42,971,386	11.6
Harnett	24,692,199	31,230,315	26.4
Haywood	23,270,022	25,270,022	8.5
Henderson	29,603,419	27,516,419	− 7.0
Hertford	11,391,545	13,412,539	17.7
Hoke	9,971,698	10,414,627	4.4
Hyde	5,185,847	5,039,983	2.8
Iredell	46,208,284	47,550,165	2.9
Jackson	10,644,946	13,225,170	24.2

TABLES RELATING TO THE DISTRIBUTION OF THE STATE EQUALIZING FUND—1928
TABLE 200—*Continued*

County	Assessed Valuation 1927	Determined Valuation 1928	Per Cent of Increase or Decrease from 1927 Assessed to '28 Determined Valuation
Johnston	$ 43,079,931	$ 60,711,080	40.9
Jones	6,610,800	7,264,930	9.8
Lee	14,562,323	15,150,304	4.0
Lenoir	27,189,707	34,295,133	26.1
Lincoln	16,392,037	17,592,037	7.3
Macon	7,315,848	7,225,848	− 1.2
Madison	10,606,877	13,476,837	27.0
Martin	15,941,157	19,138,879	20.0
McDowell	20,365,920	22,998,006	12.9
Mecklenburg	173,054,390	192,219,679	11.0
Mitchell	9,416,250	10,906,190	15.8
Montgomery	15,475,938	14,500,903	− 6.3
Moore	26,775,909	26,775,909	----------
Nash	33,893,373	38,866,779	14.6
New Hanover	60,288,890	64,588,848	7.1
Northampton	14,356,483	17,178,858	19.6
Onslow	10,811,410	12,235,382	13.1
Orange	17,645,194	19,216,612	8.9
Pamlico	5,800,167	5,277,031	− 9.0
Pasquotank	19,144,587	21,603,790	12.8
Pender	10,104,118	11,351,573	12.3
Perquimans	8,235,830	8,958,107	8.7
Person	12,854,486	14,425,904	12.2
Pitt	48,800,242	53,480,190	9.5
Polk	8,110,065	8,860,065	9.2
Randolph	27,446,362	31,446,362	14.5
Richmond	32,241,645	34,779,515	7.8
Robeson	38,363,493	52,427,169	36.6
Rockingham	43,796,970	50,296,970	14.8
Rowan	70,586,577	70,970,369	.5
Rutherford	36,302,627	41,803,627	15.1
Sampson	22,511,324	28,402,018	26.1
Scotland	16,240,264	17,624,018	8.5
Stanly	31,810,997	32,700,162	2.7
Stokes	13,027,780	14,499,261	11.2
Surry	29,877,583	33,449,001	11.9
Swain	12,619,645	12,619,645	----------
Transylvania	11,685,923	10,415,213	−10.8
Tyrrell	3,917,202	3,942,310	.6
Union	22,721,934	33,705,011	48.3
Vance	20,292,993	24,326,869	19.8
Wake	96,921,396	106,562,576	9.9
Warren	13,417,875	14,062,965	4.8
Washington	9,821,982	8,889,257	− 9.4
Watauga	9,135,546	10,035,546	9.8
Wayne	49,012,146	54,338,208	10.8
Wilkes	16,622,286	24,384,632	46.6
Wilson	48,646,915	52,060,813	7.0
Yadkin	9,288,424	10,340,938	11.3
Yancey	7,785,607	10,433,546	34.0
North Carolina	$2,935,867,073	$3,195,860,524	8.88

TABLE 201—APPORTIONMENT OF THE EQUALIZING FUND—1928-1929

County	November Budget 1927–1928 (Salaries and 15 Percent)	Amount Raised by County (40 Cent Rate on Determined Valuation)	Equalizing Fund Apportioned	Per Cent of Certified Budget Received from Equalizing Fund	Cost Per Teacher Allowed	Equalizing Fund Apportioned Per Teacher Allowed
Alamance	$ 203,668.50	$ 152,143.15	$ 51,525.35	25.2	$ 702.30	$ 177.67
Alexander	79,418.86	39,893.60	39,525.26	49.7	625.34	311.22
Alleghany	37,409.52	20,772.52	16,637.00	44.4	566.81	252.07
Anson	141,904.72	98,009.35	43,895.37	30.9	614.30	190.02
Ashe	113,159.24	54,205.40	58,953.84	52.0	598.72	311.92
Avery	. 64,177.89	27,484.97	36,692.92	57.1	661.62	378.27
Beaufort	165,969.41	128,888.99	37,080.42	22.3	616.98	137.84
Bertie	120,132.68	69,440.00	50,692.68	42.1	597.67	252.20
Balden	97,419.35	53,476.35	43,943.00	45.1	550,39	248.26
Brunswick	69,567.62	39,739.21	29,828.21	42.8	535.13	229.44
Buncombe	467,410.84	691,951.38	----------	----------	753.88	----------
Burke	115,898.90	92,045.14	23,853.76	20.5	677.77	139.49
Cabarrus	170,888.24	182,790.98	----------	----------	672.78	----------
Caldwell	135,429.30	94,800.00	40,629.30	30.0	687.45	206.24
Camden	29,239.44	17,147.34	12,092.10	41.3	635.64	262.87
Carteret	95,514.22	56,901.46	38,612.76	40.4	700.10	286.02
Caswell	63,610.27	35,975.87	27,634.40	43.4	517.15	224.66
Catawba	236,376.30	192,119.92	44,256.38	18.7	731.81	137.01
Chatham	115,979.20	83,166.64	32,812.56	28.2	588.72	166.56
Cherokee	80,071.97	36,153.00	43,918.97	54.8	625.56	343.11
Chowan	51,629.55	40,425.05	11,204.50	21.7	622.04	134.99
Clay	24,695.42	8,089.18	16,606.24	67.2	685.98	461.28
Cleveland	232,012.72	184,277.25	47,735.47	20.5	653.55	134.46
Columbus	173,171.16	93,202.74	79,968.42	46.1	605.49	279.60
Craven	131,891.23	118,402.28	13,488.95	10.2	631.05	64.54
Cumberland	184,057.17	133,255.17	50,802.00	27.6	666.87	184.06
Currituck	39,412.62	21,521.68	17,890.94	45.3	743.63	337.56
Dare	33,622.46	11,003.70	22,618.76	67.2	672.44	452.37
Davidson	234,846.68	169,814.03	65,032.65	27.6	724.83	200.71
Davie	77,088.87	55,472.92	21,615.95	28.0	670.33	187.96
Duplin	180,536.32	117,925.17	62,611.15	34.6	631.24	218.92
Durham	270,768.36	380,607.04	----------	----------	773.62	----------
Edgecombe	179,017.53	159,889.19	19,128.34	10.6	655.74	70.06
Forsyth	419,205.72	794,220.84	----------	----------	725.26	----------
Franklin	127,892.58	65,925.29	61,967.29	48.4	603.26	292.29
Gaston	349,076.53	409,647.17	----------	----------	747.48	----------
Gates	57,060.93	30,936.69	26,124.24	45.7	627.04	287.07
Graham	25,378.55	24,540.00	838.55	3.3	667.85	22.06
Granville	123,971.76	100,137.67	23,834.09	19.2	645.68	124.13
Greene	75,872.01	52,000.00	23,872.01	31.4	621.90	195.67
Guilford	556,036.36	771,293.64	----------	----------	768.00	----------
Halifax	188,135.57	171,885.54	16,250.03	8.6	637.74	55.08
Harnett	192,836.12	124,921.26	67,914.86	35.2	649.27	228.66
Haywood	138,836.61	101,080.08	37,756.53	27.1	690.72	187.84
Henderson	132,150.81	110,065.67	22,085.14	16.7	722.13	120.68
Hertford	85,079.21	53,650.15	31.429.06	36.9	599.14	221.33
Hoke	52,336.87	41,658.50	10,678.37	20.4	581.52	118.64
Hyde	48,053.51	20,159.93	27,893.58	58.0	624.07	362.25
Iredell	224,583.73	190,200.66	34,383.07	15.3	672.40	102.94
Jackson	84,775.82	52,900.68	31,875.14	37.5	700.62	263.43

[1] Salaries allowed plus 15 per cent.

TABLE 201—APPORTIONMENT OF THE EQUALIZING FUND—1928—1929

County	November Budget 1927–1928 (Salaries and 15 Percent)	Amount Raised by County (40 Cent Rate on Determined Valuation)	Equalizing Fund Apportioned	Per Cent of Certified Budget Received from Equalizing Fund	Cost Per Teacher Allowed	Equalizing Fund Apportioned Per Teacher Allowed
Johnston	$ 316,970.08	$ 242,844.32	$ 74.125.76	23.3	$ 683.12	$ 159.75
Jones	49,812.16	29,059.72	20,752.44	41.6	607.46	253.07
Lee	83,942.19	60,601.21	23,340.98	27.8	705.39	196.14
Lenoir	149,323.67	137,180.53	12,143.14	8.1	675.67	54.94
Lincoln	111;029.86	70,368.14	40,661.72	36.6	664.84	243.48
Macon	73,398.68	28,903.39	44,495.29	60.6	627.33	380.30
Madison	105,425.51	53,907.34	51,518.17	48.8	650.77	318.01
Martin	108,715.66	76,523.51	32,192.15	29.6	621.23	183.95
McDowell	103,752.10	91,992.02	11,760.08	11.3	725.53	82.23
Mecklenburg	496,517.53	768,878.71	----------	----------	754.58	----------
Mitchell	59,268.22	43,624.76	15,643.46	26.3	651.29	171.90
Montgomery	94,928.64	58,003.61	36,925.03	38.8	663.83	258.21
Moore	133,772.60	107,103.63	26,668.97	19.9	652.54	130.09
Nash	223,024.33	155,467.11	67,557.22	30.2	650.21	196.95
New Hanover	165,524.94	258,355.39	----------	----------	735,66	----------
Northampton	115,141.43	68,715.43	46,426.00	40.3	612.45	246.94
Onslow	84,055.27	48,941.53	35,113.74	41.7	618.05	258.18
Orange	100,285.52	76,866.44	23,419.08	23.3	647.00	151.09
Pamlico	54,408.71	21,108.12	33,300.59	61.2	671.71	411.11
Pasquotank	90,384.68	86,415.16	3,969.52	4.3	706.13	31.01
Pender	83,127.54	45,406.29	37,721.25	45.3	606.77	275.33
Perquimans	58,345.11	35,832.42	22,512.69	38.5	620.69	239.49
Person	90,568.18	57,703.61	32,864.57	36.2	624.60	226.65
Pitt	225,707.91	213,920.76	11,787.15	5.2	648.58	33.87
Polk	66,335.45	35,440.26	30,895.19	46.5	721.03	335.81
Randolph	170,183.28	125,785.44	44,397.84	26.0	630.30	164.43
Richmond	162,247.30	139,118.06	23,129.24	14.2	676.03	96.37
Robeson	281,716.52	209,708.67	72,007.85	25.5	596.85	152.55
Rockingham	242,822.30	201,187.88	41.634.42	17.1	678.27	116.29
Rowan	285,672.42	283,881.47	1,790.95	.6	688.36	4.31
Rutherford	213,856.62	167,214.50	46,642.12	21.8	685.43	149.49
Sampson	195,939.74	113,608.07	82,331.67	42.0	606.62	254.89
Scotland	81,087.44	70,496.07	10,591.37	13.0	614.29	80.23
Stanly	159,958.40	130,800.64	29,157.76	18.2	720.53	131.34
Stokes	110,816.42	57,997.04	52,819.38	47.6	629.63	300.11
Surry	190,891.66	133,796.00	57,095.66	29.9	674.52	201.75
Swain	63,913.46	50,478.58	13,434.88	21.0	639.13	134.34
Transylvania	58,804.63	41,660.85	17,143.78	29.1	725.98	211.65
Tyrrell	31,794.37	15,769.24	16,025.13	50.4	662.38	333.85
Union	223,761.95	134,820.04	88,941.91	39.7	662.01	263.14
Vance	105,082.54	97,307.47	7,775.07	7.3	695.91	51.49
Wake	411,244.29	426,250.30	----------	----------	681.99	----------
Warren	100,110.54	56,251.86	43,858.68	43.8	617.96	270.73
Washington	54,824.92	35,557.02	19,267.90	35.1	630.17	221.47
Watauga	78,899.43	40,142.18	38,757.25	49.1	616.40	302.79
Wayne	230,570.07	217,352.83	13,217.24	5.7	680.14	38.98
Wilkes	186,243.42	97,538.52	88,704.90	47.6	587.51	279.82
Wilson	190,886.74	208,243.25	----------	----------	667.43	------
Yadkin	90,423.47	41,363.75	49,059.72	54.2	632.33	343.07
Yancey	79,965.76	41,734.18	38,231.58	47.8	634.64	303.42
North Carolina	$14,542,762.91	$12,787,442.09	$3,150,000.00	28.5	$ 668.26	$ 185.32

1 Salaries allowed plus 15 percent

TABLE 202—PERCENTAGE OF ASSESSED VALUATION, 1928, IN SPECIAL TAX DISTRICTS FOR SUPPLEMENTING THE SIX MONTHS SCHOOL TERM, AND OF PUPILS ENROLLED IN SPECIAL TAX DISTRICTS, 1927-1928—BY COUNTIES

Counties	Assessed Valuation 1928	Valuation Under No Special Tax 1928	Valuation Under Special Tax 1928	Per Cent of Valuation		Total Enrollment 1927-1928	Enrollment Under No Special Tax 1927-1928	Enrollment Under Special Tax 1927-1928	Per Cent of Enrollment	
				No Special Tax	Special Tax				No Special Tax	Special Tax
Alamance	$ 33,792,943	$ 3,657,327	$ 30,135,616	10.1	89.1	10,731	2,870	7,861	26.7	73.0
Alexander	8,902,385	4,956,906	3,945,479	55.7	44.3	3,797	2,072	1,725	54.5	45.5
Alleghany	4,918,276	4,077,517	840,759	82.9	17.1	2,034	1,538	496	75.6	24.4
Anson	21,078,008	391,211	20,686,797	01.8	98.2	9,692	4,175	5,517	43.1	56.9
Ashe	11,849,096	9,037,701	2,811,395	76.3	23.7	6,894	4,712	2,182	68.3	31.7
Avery	5,644,593	408,493	5,236,100	07.2	92.8	3,550	455	3,095	12.8	87.2
Beaufort	29,260,576	11,174,347	18,086,229	38.2	61.8	9,285	4,656	4,629	50.1	49.9
Bertie	14,855,328	794,751	14,060,577	05.4	94.7	8,179	4,390	3,789	53.7	46.3
Bladen	13,771,414	2,626,851	11,144,563	19.1	80.9	6,367	3,276	3,091	51.5	48.5
Brunswick	9,698,983	4,372,636	5,326,347	45.1	54.9	4,454	3,338	1,116	75.0	25.0
Buncombe	167,804,331	270,020	167,534,311	00.2	99.8	23,788	1,456	22,332	6.1	93.9
Burke	23,728,961	6,263,630	17,465,331	26.4	73.6	6,227	2,337	3,890	37.5	62.5
Cabarrus	45,181,994	23,694,473	21,487,521	52.5	7.45	10,872	3,486	7,386	32.1	67.9
Caldwell	22,035,474	7,925,737	14,109,737	36.0	64.0	6,724	2,204	4,520	32.8	67.2
Camden	3,377,108	294	3,376,814	00.0	99.1	1,649	743	906	45.0	55.0
Carteret	14,631,990	----------	14,631,990	----------	100.0	4,409	----------	4,409	----------	100.0
Caswell	8,746,978	5,465,078	3,281,900	62.5	37.5	5,243	3,415	1,828	65.1	34.9
Catawba	42,579,258	7,902,294	34,676,964	18.6	81.4	11,629	1,271	10,358	10.9	89.1
Chatham	18,229,317	4,845,045	13,384,272	26.6	73.4	6,975	3,964	3,011	43.2	66.8
Cherokee	9,211,788	2,804,020	6,407,768	30.4	69.6	4,563	2,290	2,273	50.2	49.8

Chowan	10,073,056	2,044,385	8,028,221	20.3	79.7	3,232	1,492	1,740	46.2	53.8
Clay	2,337,838	309,944	2,027,894	13.3	86.7	1,482	192	1,290	13.0	87.0
Cleveland	38,403,065	8,960,661	29,442,404	23.3	76.7	14,184	6,159	8,025	43.4	56.6
Columbus	21,431,009	1,260,782	20,170,227	05.9	94.1	10,663	3,115	7,548	29.2	70.8
Craven	27,751,460	1,032,290	26,719,170	03.7	96.3	7,998	1,830	6,168	22.9	77.1
Cumberland	29,445,386	2,655,242	26,790,144	09.2	91.0	11,483	3,811	7,672	33.2	66.8
Currituck	4,967,899	---	4,967,899	---	100.0	1,881	716	1,165	38.1	61.9
Dare	2,576,060	41,932	2,528,128	01.6	98.4	1,380	192	1,188	13.9	86.1
Davidson	40,417,108	3,302,800	37,114,308	07.4	92.6	12,228	2,119	10,109	17.3	84.7
Davie	12,672,329	3,274,504	9,397,825	25.8	74.2	4,038	1,183	2,855	29.3	70.7
Duplin	22,914,437	3,567,387	19,347,050	15.6	84.4	10,667	4,024	6,643	37.7	62.3
Durham	97,418,894	494,260	96,924,634	00.5	99.5	14,777	---	14,777	---	100.0
Edgecombe	34,584,224	2,882,345	31,701,879	08.3	91.7	13,223	5,146	8,077	39.0	61.0
Forsyth	204,837,470	4,885,292	199,952,148	02.4	97.6	22,862	1,563	21,299	6.8	93.2
Franklin	14,818,920	---	14,818,920	---	100.0	8,978	419	8,559	4.7	95.3
Gaston	99,176,017	15,260,397	83,916,620	15.4	84.6	20,439	2,724	17,715	13.3	86.7
Gates	7,388,124	---	7,388,124	---	100.0	3,545	1,540	2,005	43.4	56.6
Graham	7,075,535	10,395	7,065,140	00.2	99.9	1,522	128	1,394	8.4	91.6
Granville	21,420,522	5,705,716	15,714,806	26.6	73.4	7,608	2,822	4,786	37.1	62.9
Greene	12,820,649	1,582,187	11,238,462	12.3	87.7	5,473	2,584	2,889	47.2	52.8
Guilford	197,199,029	---	197,199,029	---	100.0	28,816	---	28,816	---	100.0
Halifax	39,251,495	5,441,123	33,810,372	13.9	86.1	14,608	6,123	7,945	43.6	66.4
Harnett	24,298,220	4,901,451	19,396,799	20.2	79.8	11,617	5,384	6,233	46.3	46.7
Haywood	22,364,708	1,866,182	20,498,526	08.3	91.7	7,534	888	6,646	11.8	88.2
Henderson	27,975,882	---	27,975,882	---	100.0	6,731	---	6,731	---	100.0
Hertford	11,215,985	2,766,124	8,449,861	24.8	75.3	5,653	3,683	1,970	65.2	34.8
Hoke	9,706,266	320,967	9,285,299	3.3	96.7	4,228	2,702	1,521	63.9	36.1
Hyde	5,180,884	856,336	4,324,548	16.5	83.5	2,489	1,178	1,311	47.3	52.7
Iredell	47,546,544	9,435,837	38,110,707	19.9	80.2	12,312	4,568	7,744	37.1	62.9
Jackson	10,687,535	1,032,970	9,654,569	9.7	90.3	4,180	601	3,579	14.4	85.6

TABLE 202—PERCENTAGE OF ASSESSED VALUATION, 1928, IN SPECIAL TAX DISTRICTS FOR SUPPLEMENTING THE SIX MONTHS SCHOOL TERM, AND OF PUPILS ENROLLED IN SPECIAL TAX DISTRICTS, 1927-1928—BY COUNTIES—*Continued*

Counties	Assessed Valuation 1928	Valuation Under No Special Tax 1928	Valuation Under Special Tax 1928	Per Cent of Valuation		Total Enrollment 1927-1928	Enrollment Under No Special Tax 1927-1928	Enrollment Under Special Tax 1927-1928	Per Cent of Enrollment	
				No Special Tax	Special Tax				No Special Tax	Special Tax
Johnston	$ 41,925,884	$ 317,784	$ 41,608,100	00.8	99.2	18,305	6,212	12,093	33.9	66.1
Jones	6,426,376	687,875	5,738,501	10.7	89.3	3,006	1,275	1,731	42.4	57.6
Lee	15,204,068	1,459,467	13,744,601	09.6	90.4	4,879	1,495	3,384	30.6	69.4
Lenoir	27,761,758	6,413,295	21,348,463	23.1	76.9	9,894	2,605	7,289	26.3	73.7
Lincoln	15,750,201	3,123,409	12,626,792	19.8	80.2	5,974	1,721	4,253	28.8	67.2
Macon* (1927)	7,719,239	3,073,104	4,646,135	39.8	60.2	4,048	2,425	1,623	59.9	40.1
Madison (----)	10,409.525	2,521,543	7,887,982	24.2	75.8	5,918	1,963	3,955	33.2	66.8
Martin	16,038,700	2,943,757	13,094,943	18.4	81.7	6,454	3,539	2,915	54.8	45.2
McDowell	20,171,228	405,153	19,766,075	02.0	98.0	5,019	1,023	3,996	20.4	79.6
Mecklenburg	195,603,077	----------	195,603,077	----------	100.0	27,540	3,718*	23,822	13.5	86.5
Mitchell	8,989,895	3,741,856	5,248,039	41.6	58.4	3,355	1,446	1,909	43.1	56.9
Montgomery	18,125,877	1,884,877	16,241,000	10.4	89.6	4,790	2,044	2,746	42.7	57.3
Moore	26,826,819	3,667,641	23,159,178	13.3	86.7	7,693	2,322	5,371	30.2	69.8
Nash	32,907,938	626,659	32,281,279	01.9	98.1	15,186	5,206	9,980	34.3	65.7
New Hanover	59,344,687	----------	59,344,687	----------	100.0	9,229	----------	9,229	----------	'00.0
Northampton	14,437,208	----------	14,437,208	----------	100.0	8,454	4,757	3,697	56.3	43.7
Onslow	12,061,882	6,108,417	5,953,465	50.6	49.4	4,689	2,313	2,376	49.3	50.7
Orange	17,959,501	4,878,584	13,080,917	27.2	72.8	5,499	2,197	3,302	40.0	60.0
Pamlico	5,423,749	----------	5,423,749	----------	100.0	2,679	----------	2,679	----------	100.0
Pasquotank	18,826,773	----------	18,826,773	----------	100.0	5,131	----------	5,131	----------	100.0

Pender	10,463,301	113,960	10,349,341	01.1	98.9	4,859	1,687	3,172	34.7	65.3
Perquimans*	8,040,620	------	8,040,620	------	10.0	3,491	1,722	1,769	49.3	50.7
Person	12,916,139	5,363,216	7,552,923	41.5	58.5	5,962	2,682	3,280	44.9	55.1
Pitt	49,356,275	5,581,695	43,774,580	11.3	88.7	15,878	6,765	9,113	42.6	57.4
Polk	7,941,328	2,213,250	5,728,078	27.9	72.1	2,776	795	1,981	28.6	71.4
Randolph	27,364,031	10,535,349	16,828,682	38.5	61.5	9,329	3,859	5,470	41.4	58.6
Richmond	31,202,479	569,534	30,632,945	01.8	98.2	10,005	2,267	7,738	22.7	77.3
Robeson	38,574,100	967,172	37,606,928	02.5	97.5	18,287	10,254	8,033	56.1	43.9
Rockingham	43,791,176	10,385,676	33,405,500	23.7	76.3	13,104	3,147	9,957	24.8	75.2
Rowan	69,343,613	18,060,437	51,283,176	26.0	74.0	15,293	4,340	10,953	28.4	71.6
Rutherford	35,862,876	8,518,169	27,344,707	23.8	76.3	11,120	3,928	7,192	35.3	64.7
Sampson	21,961,722	3,494,589	18,467,133	15.9	84.1	12,460	4,514	7,946	36.2	63.8
Scotland	15,949,352	1,090,864	14,858,488	06.8	93.2	6,061	2,938	3,123	48.5	51.5
Stanly	32,899,463	17,765,892	15,133,571	54.0	46.0	8,568	2,230	6,338	36.0	74.0
Stokes	12,661,280	7,710,589	5,397,468	58.8	41.2	6,270	3,959	2,311	63.1	36.9
Surry	30,197,823	12,540,695	17,657,128	41.5	58.5	10,464	4,394	6,070	42.0	58.0
Swain* (1927)	12,619,645	1,840,894	10,778,751	14.6	85.4	3,649	886	2,763	24.3	75.7
Transylvania	9,534,075	------	9,534,075	------	100.0	2,816	------	2,816	------	100.0
Tyrrell	3,930,071	2,049,774	1,880,297	52.2	47.9	1,509	754	755	50.00	50.0
Union	22,524,690	2,256,280	20,268,410	10.0	90.0	12,775	5,926	6,849	46.4	53.6
Vance	20,678,000	------	20,678,000	------	100.0	7,024	657	6,367	9.6	90.4
Wake	94,206,820	2,752,051	91,454,769	02.9	97.0	24,893	6,272	18,621	25.2	74.8
Warren	13,448,251	2,014,267	11,433,984	15.0	85.0	7,132	4,065	3,067	57.0	43.0
Washington	7,993,514	------	7,993,514	------	100.0	3,310	926	2,384	28.0	72.0
Watauga	9,196,322	5,598,078	3,598,244	60.9	39.1	4,599	3,191	1,408	69.4	30.6
Wayne	48,132,676	3,369,691	44,672,985	07.0	93.0	14,332	3,353	10,979	23.4	76.6
Wilkes	16,641,485	8,456,492	8,184,993	50.8	49.2	10,080	7,536	2,544	74.8	24.2
Wilson	49,649,041	------	49,649,041	------	100.0	12,747	3,132	9,615	24.6	75.4
Yadkin	9,425,702	6,700,361	2,725,341	71.1	28.9	4,835	3,161	1,674	65.4	34.6
Yancey	7,627,305	3,938,536	3,688,769	51.6	48.4	4,412	2,264	2,148	51.3	48.7
Total	$ 2,963,302,911	$ 370,001,222	$ 2,593,543,470	13.0	87.0	848,135	267,404	580,731	31.5	68.5

*Data furnished by State Department of Education.

TABLE 203—MILEAGE OF EXISTING LOCAL RURAL ROADS*

	Counties	Total Mileage Local Rural Roads	Earth Roads, Non-Surfaced			Total Surfaced Mileage, Local
			Total Non-Surfaced Local Mileage	Unimproved and Partly Graded	Improved to Established Grade & Drained	
1	Alamance	714.0	500.0	300.0	200.0	214.0
2	Alexander	375.0	250.0	50.0	200.0	125.0
3	Alleghany	225.0	200.0	---------	200.0	25.0
4	Anson	900.0	200.0	50.0	150.0	700.0
5	Ashe	524.0	452.5	372.0	80.5	71.5
6	Avery	88.0	88.0	88.0	---------	---------
7	Beaufort	583.2	580.0	300.0	280.0	3.2
8	Bertie	600.0	570.0	200.0	370.0	30.0
9	Bladen	500.0	300.0	200.0	100.0	200.0
10	Brunswick	1,200.0	700.0	500.0	200.0	500.0
11	Buncombe	1,641.5	1,234.1	250.0	984.1	407.4
12	Burke	430.0	215.0	---------	215.0	215.0
13	Cabarrus	700.0	500.0	50.0	450.0	200.0
14	Caldwell	650.0	550.0	---------	550.0	100.0
15	Camden	200 0	195.2	70.2	125.0	4.8
16	Carteret	262.0	202.0	12.0	190.0	60.0
17	Caswell	675.0	300.0	300.0	---------	375.0
18	Catawba	555.0	175.0	135.0	40.0	380.0
19	Chatham	1,040.0	1,040.0	260.0	780.0	---------
20	Cherokee	591.0	591.0	531.0	60.0	---------
21	Chowan	106.5	44.0	---------	44.0	62.5
22	Clay	177.0	177.0	162.0	15.0	---------
23	Cleveland	790.0	340.0	340.0	---------	450.0
24	Columbus	850.0	700.0	500.0	200.0	150.0
25	Craven	500.0	480.0	150.0	330.0	20.0
26	Cumberland	500.0	100.0	---------	100.0	400.0
27	Currituck	150.0	---------	---------	---------	150.0
28	Dare	21.0	21.0	15.0	6.0	---------
29	Davidson	750.0	250.0	---------	250.0	500.0
30	Davie	315.0	200.0	50.0	150.0	115.0
31	Duplin	350.0	---------	---------	---------	350.0
32	Durham	1,182.5	800.0	150.0	650.0	382.5
33	Edgecombe	1,450.0	1,280.0	200.0	1,080.0	170.0
34	Forsyth	1,061.0	703.0	703.0	---------	358.0
35	Franklin	474.0	214.0	214.0	---------	260.0
36	Gaston	600.0	510.0	---------	510.0	90.0
37	Gates	325.0	325.0	200.0	125.0	---------
38	Graham	111.0	111.0	111.0	---------	---------
39	Granville	750.0	500.0	100.0	400.0	250.0
40	Greene	700.0	600.0	300.0	300.0	100.0
41	Guilford	1,100.0	561.0	561.0	---------	539.0
42	Halifax	785.0	315.0	275.0	40.0	470.0
43	Harnett	650.0	325.0	125.0	200.0	325.0
44	Haywood	137.0	111.0	80.0	31.0	26.0
45	Henderson	1,050.0	750.0	---------	750.0	300.0
46	Hertford	350.0	230.0	30.0	200.0	120.0
47	Hoke	155.0	105.0	105.0	---------	50.0
48	Hyde	225.0	225.0	200.0	25.0	---------
49	Iredell	738.0	175.0	---------	175.0	563.0
50	Jackson	330.0	330.0	255.0	75.0	---------
51	Johnston	2,000.0	1,500.0	1,500.0	---------	500.0
52	Jones	150.0	25.0	---------	25.0	125.0
53	Lee	250.0	---------	---------	---------	250.0

(COUNTY AND TOWNSHIP), AS OF DECEMBER 31, 1926—BY COUNTIES.

Surfaced Local Roads, By Types

Sand-Clay and Top-Soil	Treated & Untreated: Gravel, Etc.	Treated & Untreated: Water-bound Macadam	Bituminous Macadam by Penetration	Sheet Asphalt	Bituminous Concrete	Portland Cement Concrete	Vitrified Brick	
200.0						14.0		1
125.0								2
	25.0							3
700.0								4
26.0	45.5							5
								6
						3.2		7
30.0								8
200.0								9
500.0								10
200.0	129.8	4.2	10.3	12.5	2.5	48.1		11
215.0								12
200.0								13
100.0								14
	4.8							15
				16.0		44.0		16
375.0								17
380.0								18
								19
								20
46.5						16.0		21
								22
450.0								23
150.0								24
20.0								25
200.0	200.0							26
145.0	5.0							27
								28
500.0								29
115.0								30
350.0								31
200.0	37.0	90.0	50.0			5.5		32
150.0						20.0		33
340.6		1.3	10.6			5.5		34
260.0								35
		30.0	60.0					36
								37
								38
250.0								39
100.0								40
499.0	10.0	14.0	10.0			6.0		41
70.0	400.0							42
325.0								43
	16.0					10.0		44
150.0	150.0							45
120.0								46
50.0								47
								48
541.0					22.0			49
								50
500.0								51
125.0								52
250.0								53

TABLE 203—MILEAGE OF EXISTING LOCAL RURAL ROADS*

	Counties	Total Mileage Local Rural Roads	Earth Roads, Non-Surfaced			Total Surfaced Mileage, Local
			Total Non-Surfaced Local Mileage	Unimproved and Partly Graded	Improved to Established Grade & Drained	
54	Lenoir	600.0	436.0	50.0	386.0	164.0
55	Lincoln	498.0	322.0	300.0	22.0	176.0
56	McDowell	125.0	50.0	----------	50.0	75.0
57	Macon	672.0	672.0	672.0	----------	----------
58	Madison	741.7	691.7	650.0	41.7	50.0
59	Martin	477.0	477.0	200.0	277.0	----------
60	Mecklenburg	628.3	242.8	122.8	120.0	385.5
61	Mitchell	170.0	125.0	100.0	25.0	45.0
62	Montgomery	875.0	550.0	300.0	250.0	325.0
63	Moore	784.0	234.0	234.0	----------	550.0
64	Nash	1,215.0	728.0	----------	728.0	487.0
65	New Hanover	95.1	27.2	----------	27.2	67.9
66	Northampton	600.0	550.0	150.0	400.0	50.0
67	Onslow	496.0	----------	----------	----------	496.0
68	Orange	325.0	300.0	150.0	150.0	25.0
69	Pamlico	53.0	48.0	28.0	20.0	5.0
70	Pasquotank	288.0	250.0	50.0	200.0	38.0
71	Pender	600.0	600.0	540.0	60.0	----------
72	Perquimans	368.0	343.0	305.0	38.0	25.0
73	Person	638.0	470.0	420.0	50.0	168.0
74	Pitt	2,200.0	2,100.0	1,500.0	600.0	100.0
75	Polk	170.0	170.0	150.0	20.0	----------
76	Randolph	1,295.0	825.0	350.0	475.0	470.0
77	Richmond	750.0	100.0	----------	100.0	650.0
78	Robeson	2,000.0	2,000.0	500.0	1,500.0	----------
79	Rockingham	828.5	300.0	----------	300.0	528.5
80	Rowan	1,000.0	225.0	----------	225.0	775.0
81	Rutherford	700.0	200.0	----------	200.0	500.0
82	Sampson	1,500.0	800.0	300.0	500.0	700.0
83	Scotland	600.0	350.0	----------	350.0	250.0
84	Stanly	380.0	76.0	76.0	----------	304.0
85	Stokes	650.0	350.0	100.0	250.0	300.0
86	Surry	600.0	200.0	50.0	150.0	400.0
87	Swain	320.0	320.0	245.0	75.0	----------
88	Transylvania	280.0	280.0	220.0	60.0	----------
89	Tyrrell	118.0	118.0	25.0	93.0	----------
90	Union	2,000.0	1,830.0	----------	1,830.0	170.0
91	Vance	451.3	350.0	100.0	250.0	101.3
92	Wake	2,700.0	1,500.0	500.0	1,000.0	1,200.0
93	Warren	910.0	800.0	600.0	200.0	110.0
94	Washington	168.0	168.0	----------	168.0	----------
95	Watauga	302.0	302.0	302.0	----------	----------
96	Wayne	1,200.0	780.0	280.0	500.0	420.0
97	Wilkes	1,100.0	800.0	300.0	500.0	300.0
98	Wilson	619.5	450.0	300.0	150.0	169.5
99	Yadkin	433.0	300.0	----------	300.0	133.0
100	Yancey	250.0	230.0	195.0	35.0	20.0
	Total	65,311.0	43,890.5	20,359.0	23,531.0	21,420.6

*Compiled by Bureau of Public Roads, United States Department of Agriculture, from records and reports of county authorities.

(COUNTY AND TOWNSHIP), AS OF DECEMBER 31, 1926—BY COUNTIES.—*Continued*

Surfaced Local Roads, By Types

Sand-Clay and Top-Soil	Treated & Untreated		Bituminous Macadam by Penetration	Sheet Asphalt	Bituminous Concrete	Portland Cement Concrete	Vitrified Brick	
	Gravel, Etc.	Water-bound Macadam						
150.0	14.0							54
176.0								55
	75.0							56
								57
	50.0							58
								59
245.0		57.7	26.1	56.7				60
18.5	26.0					0.5		61
325.0								62
275.0	275.0							63
487.0								64
	27.9	40.0						65
50.0								66
496.0								67
25.0								68
5.0								69
						20.5	17.5	70
								71
				10.0			15.0	72
168.0								73
	68.0					32.0		74
								75
470.0								76
650.0								77
								78
520.0			8.5					79
700.0			75.0					80
500.0								81
700.0								82
250.0								83
290.0	14.0							84
300.0								85
400.0								86
								87
								88
								89
170.0								90
100.0	1.3							91
200.0	1,000.0							92
110.0								93
								94
								95
350.0	70.0							96
274.0	25.0					1.0		97
150.0				9.0		10.5		98
133.0								99
	20.0							100
17,845.6	2,689.3	237.2	250.5	104.2	24.5	236.8	32.5	

CHAPTER XXIII

COMPARATIVE BURDENS OF TAXATION[1]

The act creating the Tax Commission set forth, in authorizing the work to be done by the Commission, the desirability of making a comparative study of taxation in North Carolina and other states. Our own tax structure must of necessity be influenced by that of neighboring and competing states. It is for this reason that the tax situation in states adjoining North Carolina or in competition with our industries was made the subject of investigation, in order to ascertain the comparative burden of taxation therein. This study undertakes to set forth our comparative situation. All the available data were collected and the results of this investigation are set forth below.

GENERAL BURDEN

In comparing the burden of taxation as between political units, it has been customary to use four methods, either singly or in combination. It is recognized that comparison of the absolute volume of taxation itself is a more or less futile effort unless it is reduced to a more understandable basis. There are such wide differences between political units, even in the same country, that use of the absolute figures without attempt to resolve them to a finer basis brings about absurd results. The first method is the most common one, namely, attempting to discount the factor of population. Comparisons are made under this heading on a per capita basis. In other words, a state or other political unit with a given population would be expected to have a smaller tax burden than one twice as large, although the variation between the two would not be directly in proportion to the differences in number of population. Computations on a per capita basis are, however, subject to the serious objection that although they take into consideration the number of people they entirely ignore the quality of the population as well as the economic resources behind it. In other words, a richer community with a given population can afford to carry a heavier load than a poorer community of the same size and is likely to spend more, with perhaps no more sacrifice in one case than in the other. Dependence on per capita figures alone, therefore, would produce misleading results.

The second and third methods of comparison are based on per family and per person gainfully employed computations. In the one case the volume of taxation is divided by the number of families who constitute a social unit: and in the other case the computations are based on the number of persons gainfully employed in the respective communities for which comparisons are made, on the theory that in the last analysis these persons constitute the reservoir from which the public authorities draw their sustenance. The principal advantage derived from the second method is that one tax-paying community with a smaller number of non-productive members is given the

[1]Note: This study of the comparative burdens of taxation, which was made in the latter part of 1927, is one of the Commission's first studies. The tax and indebtedness figures appearing in it are, therefore, one year and at times two years earlier than figures used in other studies in this report. For purposes of comparison, however, these figures should be satisfactory.

same weight as another with a larger number of non-productive members. The outstanding advantages of the third over the first and the second is that the divisor in this case constitutes the vast body of individuals upon whom the burden of taxation finally rests. The shortcoming of all three methods is, however, that they fail to recognize differences in economic ability to bear taxes, in other words, differences in wealth and income.

This shortcoming is so serious that one is led to consider the fourth method as the best of all, namely, the relationship of taxes to the income of the various political units that are under review for comparison. In the ultimate analysis it is income which circumscribes the limits of taxation and determines tax-paying capacity. One should be careful to bear in mind the merits and shortcomings of the various indices of burdensomeness of taxation in studying these data.

A word or two should be said about the character of the data used in this study. There is no central authority in this country that collects *annually* the total of taxes raised by all the political units having the power to raise funds by taxation and expend public moneys. Such figures, however, are collected once in ten years by the U. S. Census Bureau and details are available by states. Between 1902 and 1922, which is the latest year for which such comprehensive data were made available by the U. S. Census Bureau, there were no data. Because data for 1902 are old, we have not attempted to bring the figures into discussion. The figures for 1922 are in themselves rather old, since there has been a continuation in the upward movement in state and local taxation and indebtedness ever since. We have, therefore, attempted to present figures for the fiscal year ended in 1926. The 1922 figures of state and local taxes were related to the income of the people of these various states in 1921, as determined in the careful researches of the National Bureau of Economic Research. The latter organization has not published any figures for later years and we have, therefore, attempted to estimate the income of the various states on the basis of the value of all crops, mineral products, and the amount added by manufacture in the respective states, as ascertained by the various government departments, superimposing these figures on those reported by the National Bureau of Economic Research for 1921. The income of the people of the various states for 1925 was related to the volume of taxation of the respective states in the fiscal year ending in 1926. The details of the index number used in estimating the growth of income of the people of the various states are shown in Table 204.

STATE AND LOCAL TAXES

Relating the taxes collected in 1922 by *state and local governments* to the income of the people of these states, Table 205 shows that, with the exception of West Virginia, North Carolina exceeds any other Southern state in the burden of taxation, but that it is below Ohio and Massachusetts. Among the Southern states, Alabama ranks lowest, with Georgia, Kentucky, and Virginia following. The disparity between North Carolina and South Carolina is a little over 5 per cent. The rank of the states and the burden itself expressed in percentage of income are shown in Figure 51.

In 1926, however, the situation considerably changed, as shown in Table 206. South Carolina tops the list, with West Virginia, Massachusetts, and North

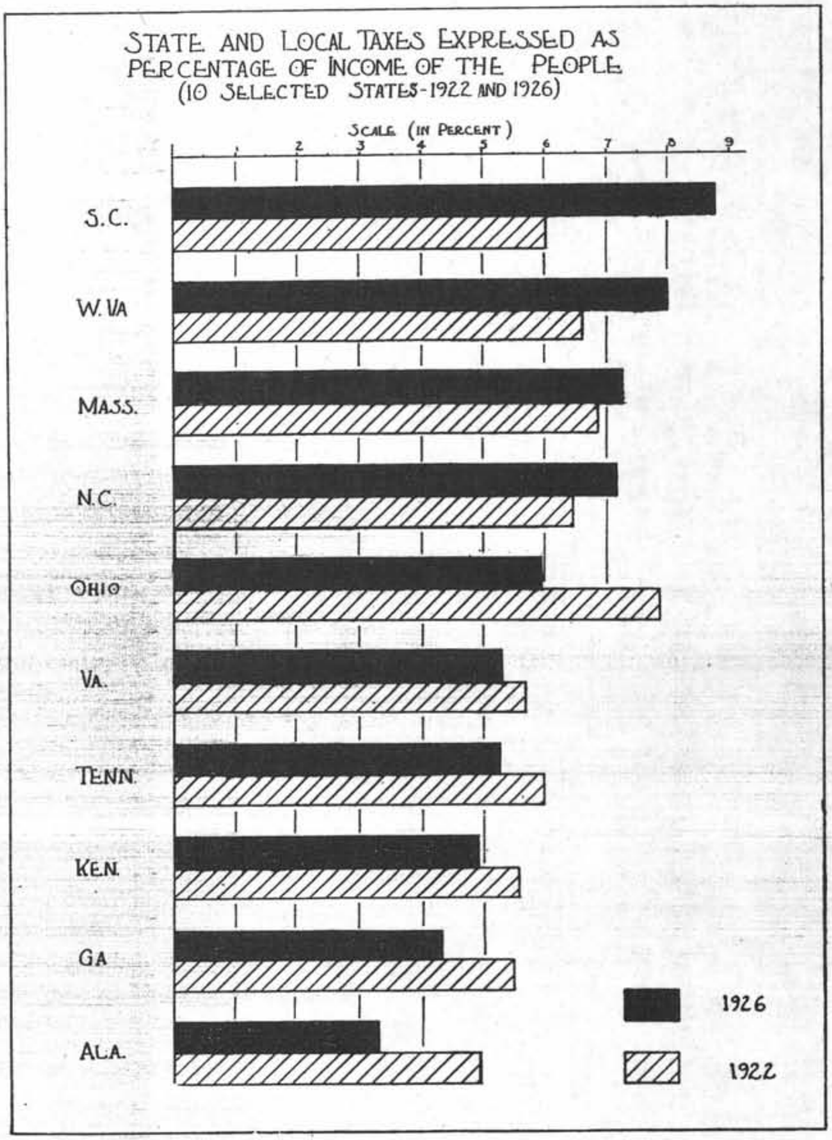

FIGURE 51

Carolina following in order. South Carolina's burden is heavier than North Carolina's by over 21 per cent. Alabama retains the distinction of being the lowest of all the ten states, with Georgia, Kentucky, Virginia, and Tennessee above it in the order indicated. Ohio is about midway between.

What proportion of the total tax burden is represented by imposts levied by the state governments and what proportion represents taxes levied by the local governments to whom the state has delegated the power of taxation and debt incurrence? In every case, local governments are responsible for the major share of the total. The state governments impose for their own exclusive purposes from one-ninth to two-fifths of the total. The details are furnished in Tables 205 and 206.

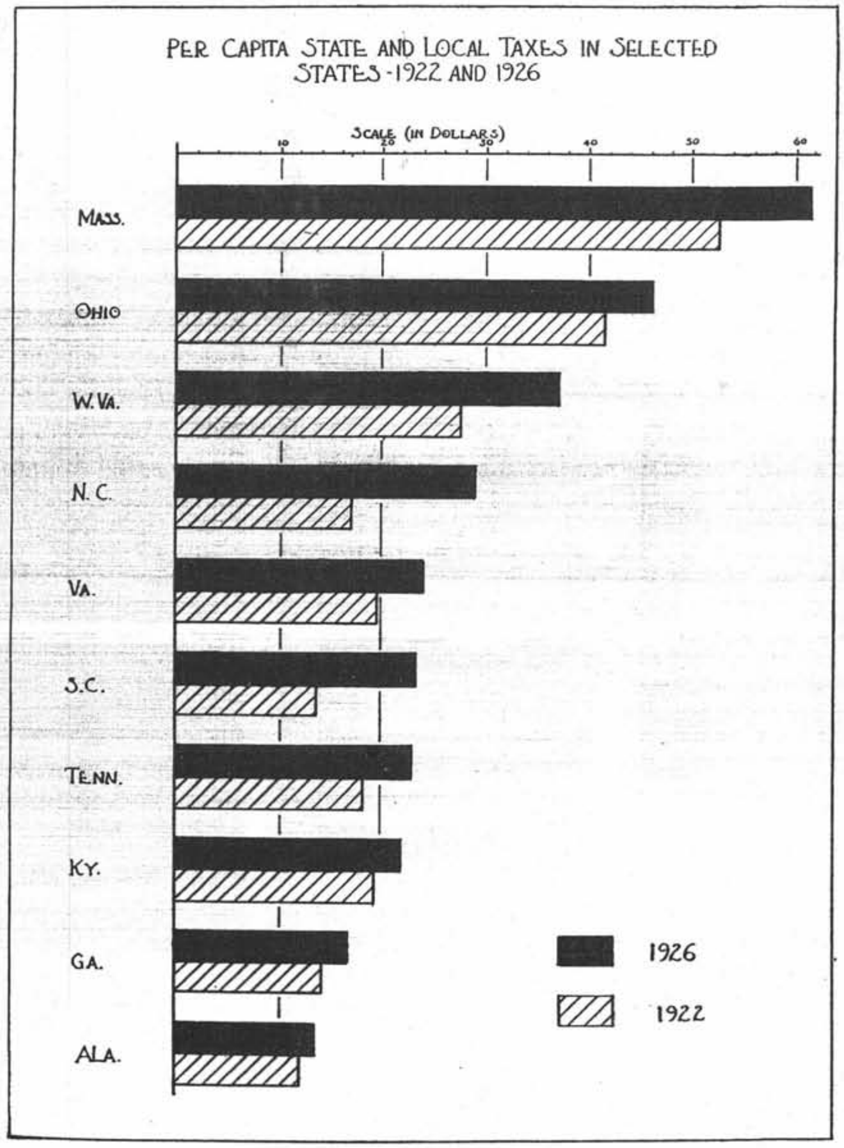

FIGURE 52

In Table 207, the volume of state and local taxation in the various states under review is shown per capita, per family, and per person gainfully employed. Among the Southern states, West Virginia ranks highest in every case. Barring West Virginia for the moment, in the case of the per capita figures, Virginia heads the list in 1922 among the Southern states, whereas in 1926, North Carolina occupies this position. South Carolina manifests the largest percentage of increase in the per capita burden of taxation between 1922 and 1926. Alabama ranks lowest of all the states in both years and shows almost the lowest percentage of increase. The same relationship exists in connection with the family and the gainfully employed computations. Virginia ranks highest, with the exception of West Virginia, among the Southern states in 1922; in 1926 North Carolina usurps this position. In every comparison, Ohio and Massachusetts show higher figures than any of the Southern states, but their percentage of increase is among the lowest. The data are furnished in Table 207, and the data for per capita taxes are shown graphically in Figure 52.

State Taxes and State Expenditures. In taxes collected for state government purposes only, North Carolina, South Carolina, and Georgia show the largest rate of increase in the last few years, as indicated in Table 208. Taking the last five years as the basis of computation, it is found that taxes collected for state government purposes exclusively in North Carolina increased 137 per cent as compared with 97 per cent for South Carolina, 38 per cent for Virginia, 62 per cent for West Virginia, 35 per cent for Kentucky, 66 per cent for Tennessee, 25 per cent for Alabama, 61 per cent for Georgia, and 11 per cent for Massachusetts. Ohio showed a decrease of 16 per cent during this period.

If the volume of taxes collected for state government purposes exclusively is expressed on a per capita basis, Virginia and Massachusetts ranked highest in 1926, with Alabama and Georgia again lowest and North Carolina and West Virginia near the top, as shown in Table 209.

The question now arises, to what purposes have these funds derived from taxation been put? In other words, what factors explain the rise in state taxes? It is more interesting to give answer to this query in per capita terms and for this reason Table 210 was compiled. It shows in detail by general headings the amount spent per capita for various objects. As far as the costs of general departments of the state government are concerned, North Carolina compares favorably with the other states under review. In fact, it is second lowest, with Alabama enjoying the recurring distinction of being lowest. It is in connection with interest on the public debt and with capital expenditures that we find North Carolina exceeding all the other states under review in 1925 and 1926. North Carolina's state debt has been increasing so rapidly that interest charges now constitute about one-ninth of total state government expenditures, compared with much smaller percentages for the other states. West Virginia is the only other state that approaches North Carolina in this respect. North Carolina's expenditures on public debt per capita in 1926 were about nine times as high as South Carolina, six times as high as Virginia, Kentucky, or Tennessee, three and a half times as high as Alabama, four times as high as Georgia, ten times as high as Ohio, and four and a half times as high as Massachusetts. In respect to the capital expendi-

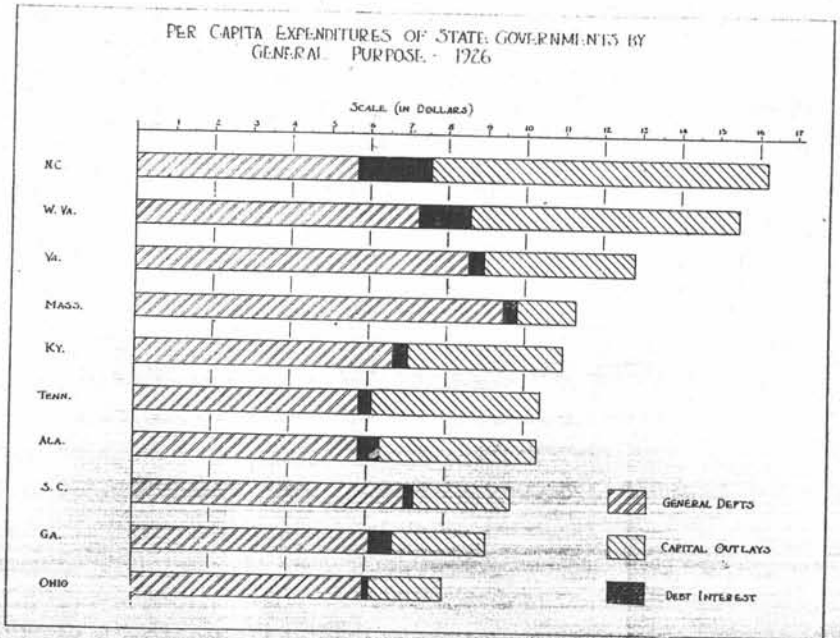

FIGURE 53

tures in 1926, North Carolina showed a per capita figure of about three and a half times that of South Carolina or Georgia, about two and a fifth times that of Virginia or Kentucky, more than twice that of Tennessee or Alabama, more than four and a half times that of Ohio, and about five and a half times that of Massachusetts. Highways constitute the principal item under capital expenditures in the case of North Carolina. In fact approximately seven-eighths of the total capital outlays were for the construction of additional mileage for the state highway system. In 1926, 53 per cent of North Carolina state government's expenditures was represented by capital outlays, compared with smaller amounts for the other states under review, as shown in Table 210. The data for the states under review are shown in Figure 53.

PUBLIC INDEBTEDNESS

In addition to the power to collect funds by taxation, governmental authorities have the power to employ credit. In other words, like individuals, governmental authorities enjoy the right to mortgage their future in order to spend in the present. Public indebtedness represents postponed taxation, since it must be liquidated out of the proceeds of taxation in the future. That public authorities have availed themselves of this privilege on a large scale is a matter of common observation. In this study, however, we are particularly interested in the ten states referred to above and, therefore, confine our chief attention thereto.

Again, it is to be noted that comprehensive data on total public *indebtedness of state and local governments* are not available annually, but only once in ten years, the latest being for 1922. Taking the figures as reported by the Census Bureau, after deducting sinking fund assets and special assessment loans for which the community is later reimbursed, and relating the resultant figures to the tangible wealth of each state, it is found that North Carolina ranks highest among the ten states in 1922, with Kentucky, West Virginia, and Georgia among the lowest. It should be noted, however, that the figures of wealth, as appearing in Table 211, refer to tangible wealth as estimated by the U. S. Census Bureau but do not include the vast amount of intangible property such as securities, notes, mortgages, etc., which forms a large part

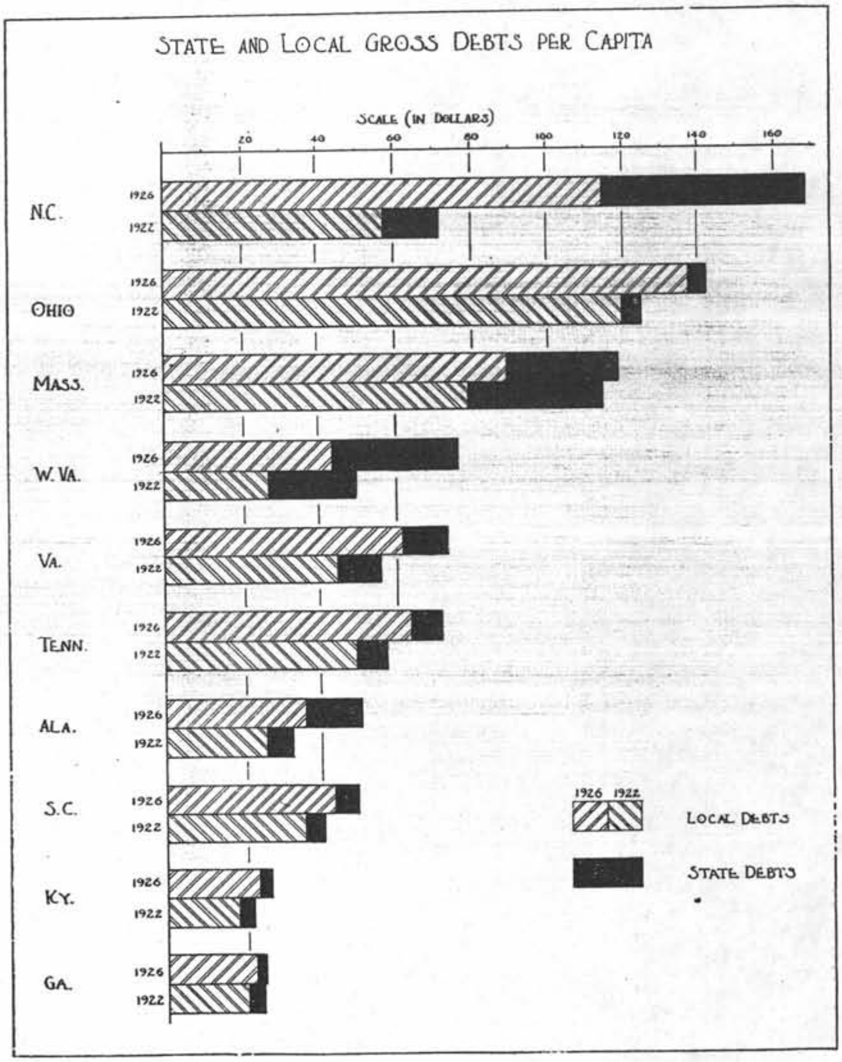

FIGURE 54

of the wealth of communities today and which constitutes wealth from the taxing standpoint as well as from the point of view of owners.

Obviously, data as to public debts referring to 1922 are antiquated because of the rapid rate at which public authorities have been filling the void between taxes and expenditure requirements with public credit. Hence, an attempt has been made in Table 212 to compile the gross indebtedness of state and local governments as of 1926 with estimates made for most of the states since *no official figures were available.* This compilation was reduced to a per capita basis, as shown in Table 212. With respect to total debt per capita, North Carolina ranked highest in 1926 followed by Ohio and Massachusetts, while Georgia and Kentucky were lowest. The disparity between these two groups is considerable. A significant fact is that North Carolina ranked highest in the state debt per capita as well as in the total, although in respect to local debt per capita, it is outdistanced by Ohio.

The total gross debt per capita of North Carolina is about three and one-third times that of South Carolina.

Between 1922 and 1926, Alabama showed the largest percentage of increase in per capita gross debt of state and local governments combined, followed by West Virginia and North Carolina in the order named. Georgia showed the lowest percentage of increase as well as the lowest total per capita debt. These and other data are set forth in Table 212 and also in Figure 54.

The gross and net debt, both in absolute amounts and per capita, of state governments proper are shown in Table 214, together with the purpose of the debt thus incurred as of 1926. A large and rapid increase in the per capita net debt of North Carolina is to be noted during the past ten years, as compared with decreases in recent years in Virginia, Kentucky, Tennessee, Ohio, and Massachusetts. Somewhat less than one-half of the debt of the State of North Carolina consists of bonds for highways.

In Table 215 the new bond issues, retirements, and net increases in state and local government debt are shown for various years since 1922 for the states for which there are no official data annually.

Expenditures and Indebtedness of State Governments, 1927. Since this study was completed, the United States Bureau of the Census has compiled and published its annual summary, *Financial Statistics of State Governments.* This summary shows two comparisons which are of importance and interest in a study of comparative burdens of taxation. The summary shows for all state governments the per capita expenditures according to purpose and also the per capita funded debt. A picture of the per capita expenditures and of the per capita funded debts, 1927, is presented herewith in Figures 55, 56, 57 and 58.

In Figure 55 is shown the per capita expenditures of state governments, 1927, for operation and maintenance of general departments; in Figure 56 the per capita expenditures for operation and maintenance and interest on debt; in Figure 57 the per capita expenditures for all purposes combined. Figure 58 shows the per capita funded debts.

An examination of these figures shows that, so far as expenditures of state governments are concerned, North Carolina shows actually and relatively low public expenditures. From Figure 55 it is seen that we are fourth from the bottom in expenditures for operation and maintenance of general depart-

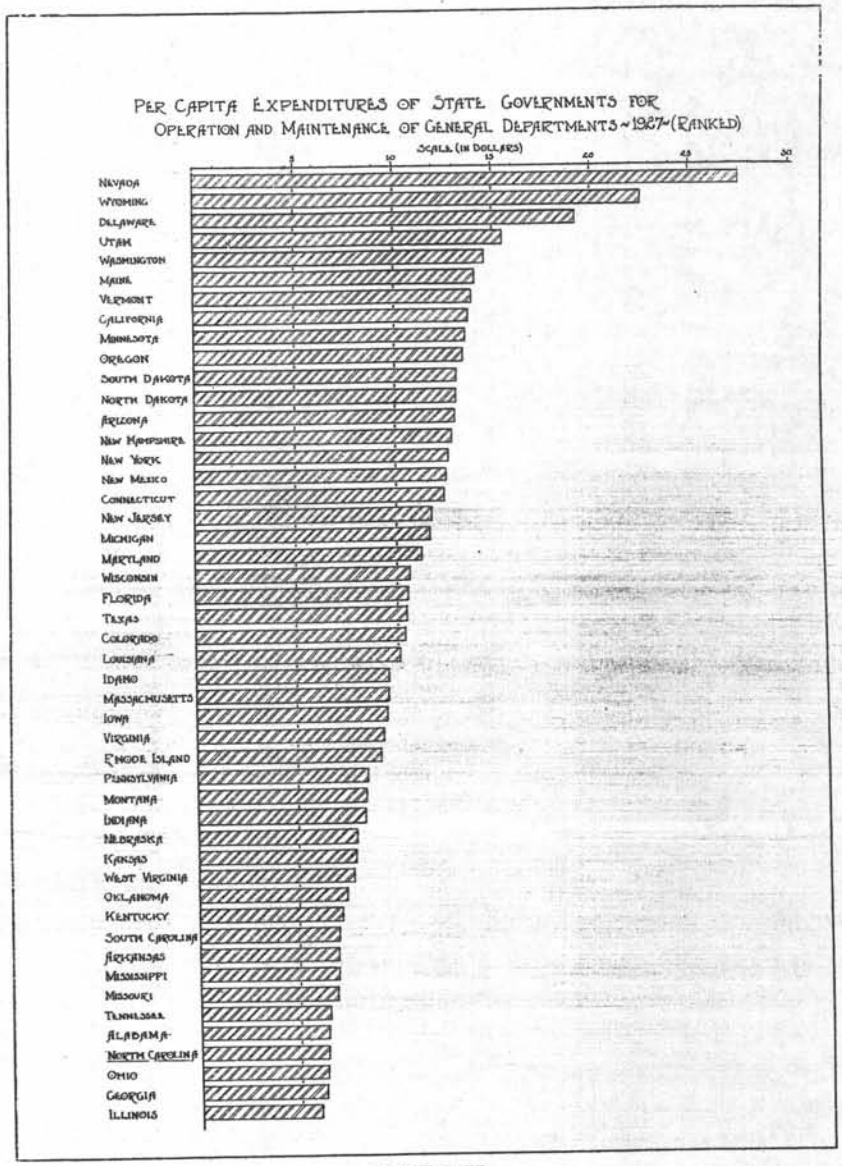

FIGURE 55

ments, with a per capita expenditure of \$6.31. The average per capita expenditure is \$9.53. The lowest was \$6.07 and the highest, \$27.44. It might be added that in these expenditures are included the state appropriations to counties, districts, etc., for public education. All but two of the states in the group with which particular comparisons have been made show larger per capita expenditures for operation and maintenance than does North Carolina.

When the expenditures for debt are added to expenditures for operation and maintenance of general departments, however, North Carolina's ranking is increased from fourth to fourteenth from the bottom. Our expenditure was \$8.44, the average \$10.20. Nevada with an expenditure of \$28.37 ranked highest and Georgia with an expenditure of \$6.30 ranked lowest. Six of the ten states with which this state has been particularly compared show smaller per capita expenditures.

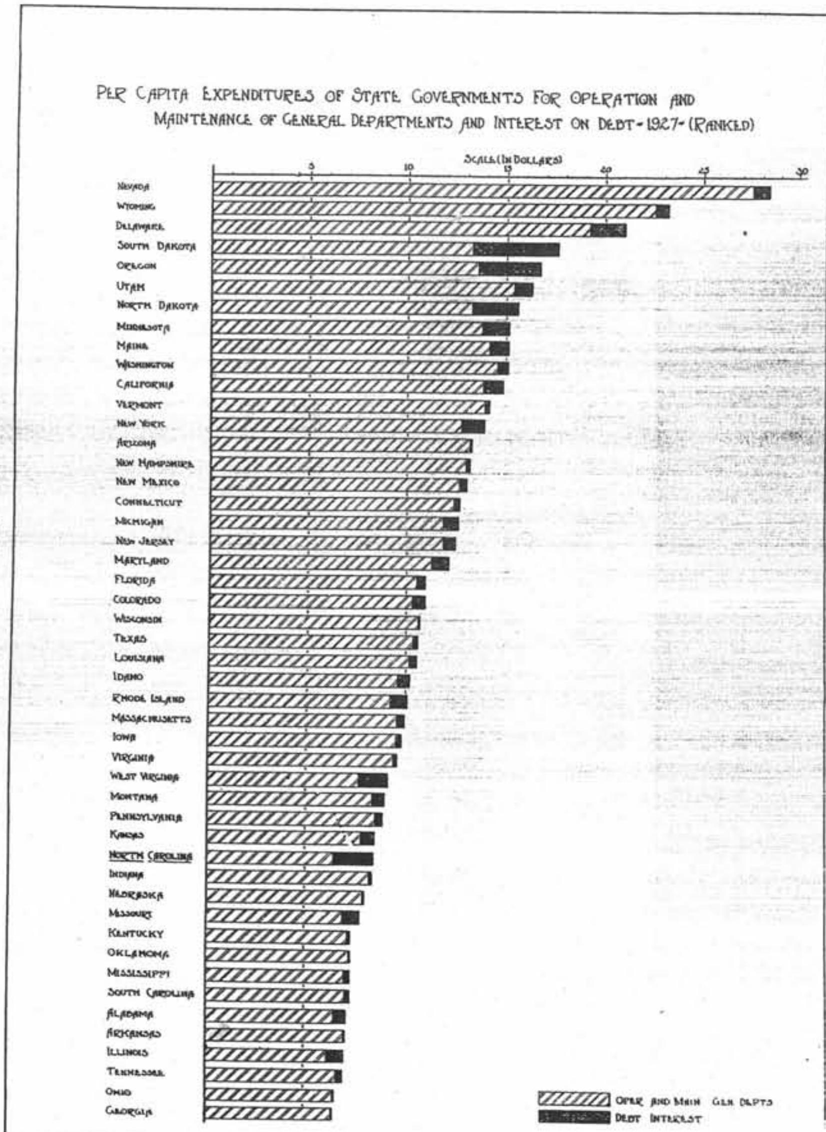

FIGURE 56

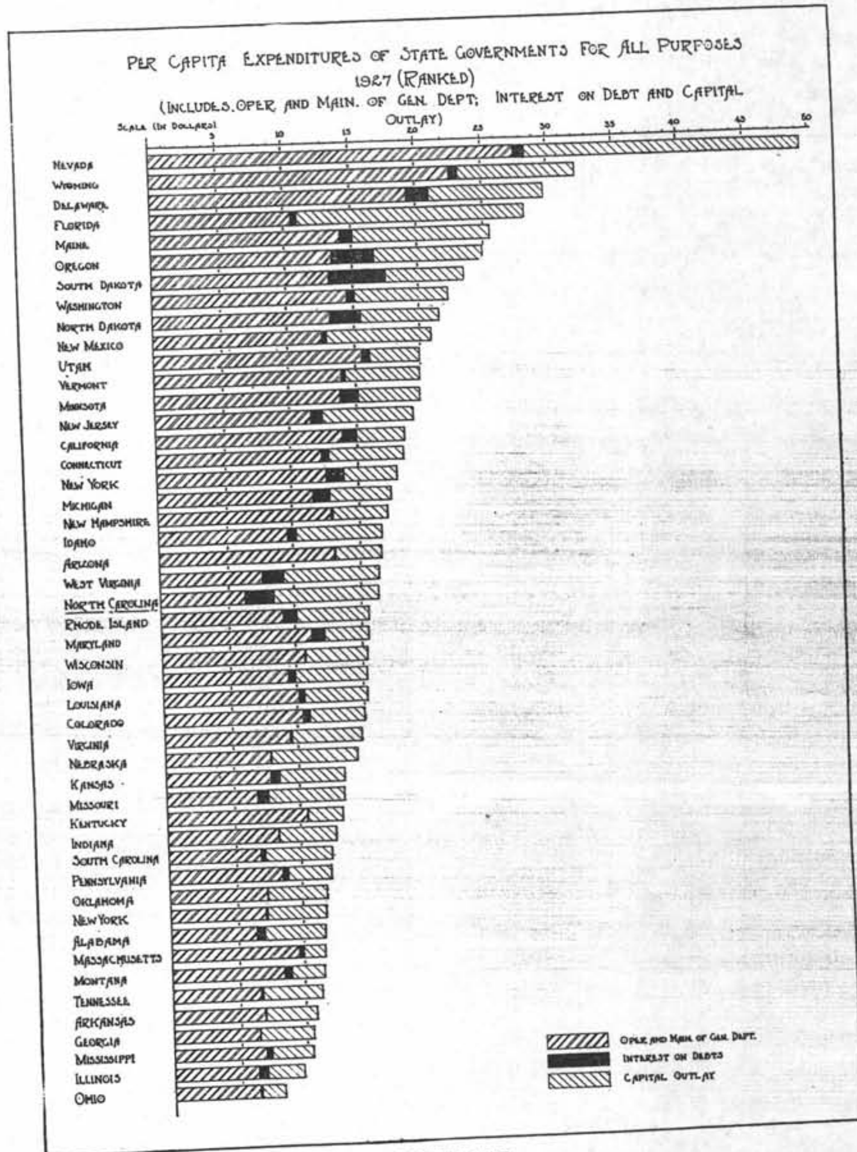

FIGURE 57

In Figure 57 which shows total per capita expenditures of state governments for all puropses—operation, debt, and capital outlay combined—North Carolina has climbed to the twenty-sixth place from the bottom. In total per capita expenditures North Carolina ranks near the average. The total per capita expenditures of the state government was $16.25. The average for all states was $14 70. Nevada again was highest with an expenditure of $49.49, and Ohio was lowest with an expenditure of $8.07.

In Figure 58 which shows the per capita funded debts of state governments North Carolina has climbed almost to the top, only two states, South Dakota and Oregon ranking higher. This state is at the middle of a group of five states which stands pre-eminently above all the others in state indebtedness. The per capita state funded debt is \$53.33. The average for all states is \$12.30. South Dakota, owing \$85.52 per person, has the largest debt. Neither Florida nor Nebraska shows any funded debt.

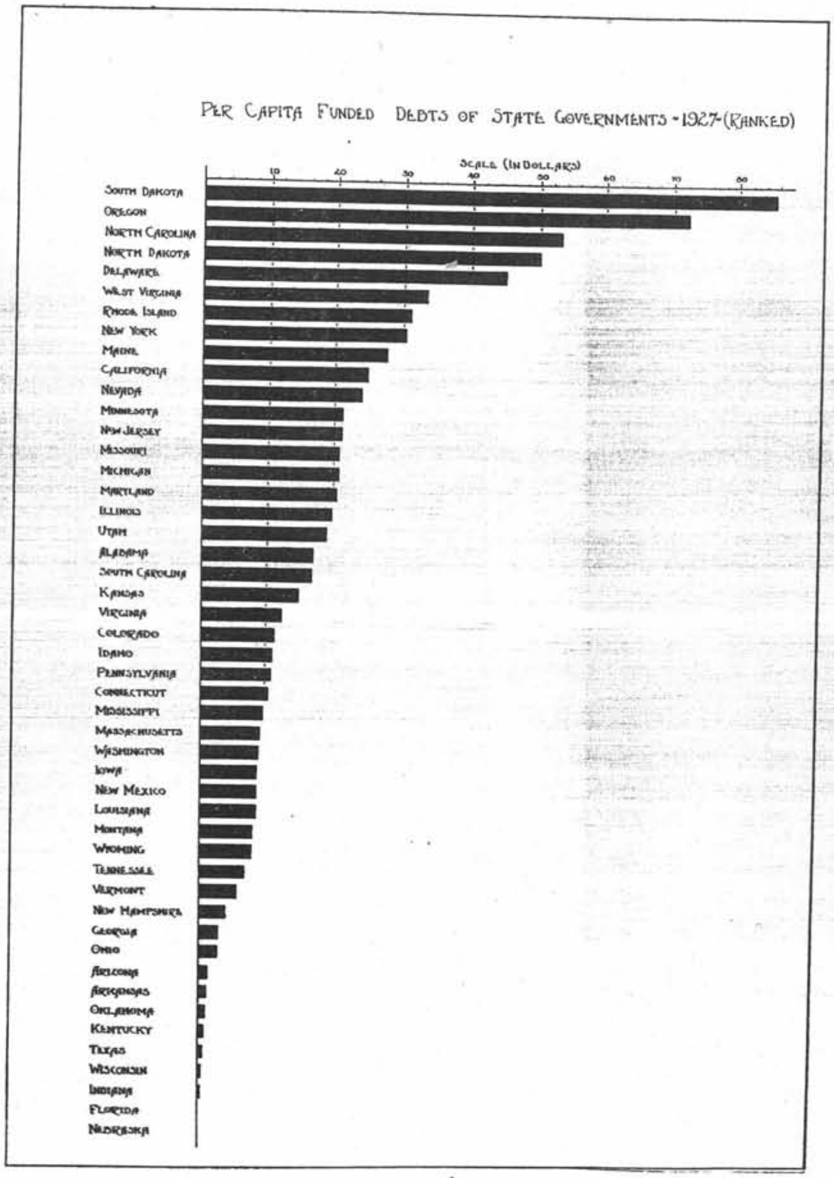

FIGURE 58

COMPARATIVE TAX BURDEN ON BUSINESS CORPORATIONS

Thus far, we have dealt with the problem of comparative tax burdens in a broad, general way. The attempt was made to ascertain the burden of state and local government taxation in North Carolina and neighboring or competing states, taking the respective states in their entirety or as a unit. Obviously, such a comparison serves only a limited purpose because of its comprehensiveness. In this section, an attempt will be made to go one step further and render available a comparison of tax burdens in their effects on the fast growing, and in some cases the predominant, type of industrial ownership, the business corporation.

Before the latter object can be achieved, it is first necessary to assume a concern already engaged in business with a definite financial set-up. This corporation enjoys certain franchises and privileges, has certain assets, and receives certain incomes, rents, interest, etc., all of which are amenable to taxation in the respective states in varying degrees. We must next proceed to make certain suppositions about our hypothetical corporation, in order to reduce the problem of comparison to its simplest terms and avoid complications inherent in the tax laws themselves. First, let us suppose that the corporation is a domestic one, i. e., incorporated in the state that happens to be under consideration, and that its operations are confined wholly to the state. Second, let us suppose that the corporation is engaged in the manufacture of a commodity that has a fairly rapid turnover and uses a raw material which is non-agricultural in character and is derived from sources within the state.

What should be the financial set-up of this corporation? In order to have our hypothetical corporation as close to reality as possible, a study was made of the balance sheets and income statements of 73 leading industrial corporations to ascertain the relative proportions of the various items comprised therein.[1] Taking the five years, 1921-1926, and averaging the results therefor, it was found: (1) that on the asset side, 52 per cent consisted of fixed property (net), 11 per cent cash and marketable securities, 7 per cent accounts and notes receivable, and 16 per cent inventories; (2) that on the liability side, 12 per cent of liabilities consisted of funded debt, 12 per cent preferred stock, 35 per cent common stock, 21 per cent surplus, and 7 per cent current liabilities; and 3) that net income before fixed charges, but after federal, state, and local taxes, constituted 9.19 per cent of total invested capital (funded debt, preferred and common stock, and surplus). On this basis, a manufacturing corporation with assets totaling $1,000,000 would have the following balance sheet set-up:

ASSETS

Real estate, machinery, etc. (of which machinery is $100,000)	$ 520,000
Cash and marketable industrial securities (bank deposits $50,000)	110,000
Accounts receivable	70,000
Inventories (half raw material and half semi-finished or finished product)	165,000
Prepayments, deferred charges, bond discount, etc.	135,000
	$1,000,000

[1]Moody's Analysis of Industrials was principally used in this compilation and in some cases recourse was had to annual reports of the companies issued to stockholders.

LIABILITIES

Funded debt (at 5½%)	$ 120,000
Common stock (4,700 shares of $100 par value)	470,000
Surplus	210,000
Current liabilities	70,000
Reserves and miscellaneous liabilities	130,000
Total	$1,000,000

As to the gross amount of business transacted by this corporation, a sampling of a number of the larger industrial enterprises in various lines indicated that gross receipts averaged about eight times net earnings before interest charges, but this figure appears too high, since the average manufacturing corporation, according to the more comprehensive data published by the Internal Revenue Bureau for 1923 and 1924, showed gross business to be about twelve times net earnings as above stated.[1] Let us, therefore, adopt the multiple of twelve in estimating gross sales.

Figures of the Bureau of Internal Revenue for 1924 also show that manufacturing corporations on the average made a profit of 11% before all taxes and interest on their invested capital. Applying this figure to our corporation, the net income before all taxes and interest may, therefore, be assumed to be $88,000 and after interest $79,340.

Under present market conditions, the common stock of an established industrial corporation showing a steady earning power as above and listed on a leading stock exchange might well sell around $150. For taxation purposes, let us therefore, assume that this figure represents the market value per share of common stock.

Now let us proceed to compute the amount of taxes which this corporation would have to pay in 1926 on the assumption that it is doing business wholly within each one of the states under review, subject to the conditions above enumerated.[2] Income tax computations are made on an accrual basis since payment is usually made in the year following that in which it is earned.

A. NORTH CAROLINA

(1) General property tax: Real estate, machinery, etc., $520,000, assessed in practice at about 65 per cent of true value or at $338,000.[3] Personal property, true value $345,000 and assessed value $224,250, less deduction for bona fide indebtedness, $70,000. Total assessed value $492,250, taxed at average rate of 2.038 per cent for local taxation (no state tax). Tax $10,032.06.

(2) Corporate excess tax: 4,700 shares at $150 or $705,000, less assessed value of real and personal property taxes above, $492,250, or $212,750 at 2.038 per cent. Tax $4,335.85.

(3) State franchise tax: 1/10 of 1% of book value of capital stock and surplus ($680,000). Annual tax $680.

(4) Income tax: Net income after interest, $79,340, net taxable income after deducting other taxes, $64,972.09. Tax at 4½ per cent, $2,923.74.

[1] "Statistics of Income," 1923 and 1924.

[2] The Corporation Trust Company, State and Local Tax Service, was consulted in ascertaining the law and practice regarding the taxation of corporations. In some cases the statutes themselves and their interpretation by the courts were studied. For derivation of rates of general property tax, see Exhibit A.

[3] In 1922, the U. S. Census Bureau ("Estimated National Wealth, 1922," p. 5) stated that the ratio of assessed to true value to be 75.7%. From all the available information, this estimate appears to be too high and cannot be accepted as applicable to 1926. As a result of special inquiries, it was decided to use 65% as more closely approximating the present situation.

…e, machinery, etc., $520,000, assessed … true value, or $130,000.[1] Personal prop- … and assessed value $86,250, less deduction …0,000. Total assessed value, $216,250, taxed at the … of 6.43 per cent for state and local taxation. Tax,

B. SOUTH C…

(1) …te tax on paid-in capital stock ($470,000) at 2 mills per dollar (Acts approved March 1, 1922 and March 20, 1926). Tax $940.

(3) Income tax: Net income after interest $79,340; net taxable income after deducting other taxes, $64,495.12. Tax at 4 per cent, $2,579.80.

C. GEORGIA

(1) General property tax: Real estate and personal property, true value, $865,000; assessed in practice at 35 per cent, or at $302,750.[2] Average rate of general property tax for state and local purposes, 3.04 per cent. Tax, $9,203.60.

(2) Annual license tax on paid-in capital stock. Amount of tax, $200.

D. ALABAMA

(1) General property tax: Money on deposit in Alabama, all solvent credits, raw materials for manufacture from domestic sources and finished products less than one year's manufacture are all exempt. True value of taxable property, $520,000; legal assessment ratio, 60 per cent of true value; assessed value in practice, about 45 per cent of true value, or $234,000.[3] Average rate of taxation for state and local purposes, 1.87 per cent. Tax, $4,375.80.

(2) Corporate excess tax: 4,700 shares at $150, or $705,000, less real and personal property assessed above, $234,000. Balance, $471,000, assessed at legal rate of 60 per cent or $282,600. Average tax rate, 1.87 per cent. Tax, $5,284.62.

(3) Annual franchise tax, $1 per thousand of paid-in capital stock.[4] Tax, $470.

E. KENTUCKY

(1) General property tax: Average ratio of assessed to true value, 80 per cent for real property and 65 per cent for personal property.[5] Bank deposits ($50,000), exempt from local taxation, taxed at 1/10 of 1 per cent, or $50. Machinery ($100,000), raw materials and manufactured products ($165,000), and credits ($130,000), are all exempt from local taxation but are taxed for state purposes at 50 cents per $100: assessed at 65 per cent ($256,750), tax on this property is $1,283.75. Remaining property, $420,000, assessed at 80 per cent or at $336,000; average rate of taxation for state and local purposes, 2.25 per cent; tax, $7,560. Total general property tax, $8,893.75.

[1]State Tax Commission, in letter dated Nov. 3, 1927, states that all property is "supposed to be returned on the basis of 42% of real value. In actual practice this ratio is probably lower. cf. "Financial Statistics of States, 1926," p. 132, and "Estimated National Wealth," op. cit., p. 5 (i. e., 20% in 1922.)

[2]At 25% of true value. cf. "Financial Statistics of States, 1926," p. 132.

[3]Although the Census Bureau reports 60% (full legal value) and the State Tax Commission in its letter dated Nov. 3, 1927, is also inclined toward this ercentage; it is nevertheless believed that in actual practice the ratio is much lower. cf. U. S. Census Bureau, "Estimated National Wealth," p. 5 (47.7% in 1922) and "Financial Statistics of Cities—1926," p. 456 (i. e. 40% for Montgomery.)

[4]To be increased to $2 per thousand in 1928 and thereafter.

[5]State Tax Commission in letter dated Nov. 5, 1927, estimates the ratio at 85%. cf. "Financial Statistics of States, 1926," p. 132.

(2) Annual tax, 70 cents per $1,000 of "asset value" or capital stock. Assumed to be market value, or $705,000. Tax, $493.50.

F. TENNESSEE

(1) General property tax: Assessments at about 60 per cent of true value.[1] Manufactured articles from produce of state exempt in hands of manufacturer ($82,500). True value of tangible property, $602,500; assessed value, $361,500; less $1,000 exemption for personal property. Net taxable property $360,500. Average rate of taxation for state and local purposes, 2.35 per cent. Tax, $8,471.75.

(2) Corporate excess tax: Market value of stock and bonded debt ($825,000) less tangible property assessed including manufactured articles exempt ($360,500). Balance, $464,500, taxed at average rate, 2.35 per cent. Tax, $10,915.75.

(3) Income tax: Net income after interest, $79,340; net taxable income after deducting other taxes, $59,902.50. Tax at 3 per cent, $1,797.08.

(4) Annual tax on authorized capital stock, $50.

G. VIRGINIA

(1) General property tax: Intangibles assessed at 100 per cent of true value; all other property at 40 per cent in practice.[2] Following property taxed for state purposes but exempt locally: Securities ($60,000) at 50 cents per $100; inventories, excess of accounts and bills receivable over payable and cash (total $215,000) at $1 per $100.[3] All other property (including machinery which is taxable locally only and permisibly at a reduced rate), true value $520,000; assessed value $208,000; average rate of state and local taxation, 2.29 per cent, tax, $4,763.20. Total general property tax, $7,213.20.

(2) Income tax: Net income after interest, $79,340; net taxable income after deducting other taxes, $72,001.80. Tax at 3 per cent, $2,160.05.

(3) Registration tax (annual), based on maximum capital stock. Tax, $25.

(4) State franchise tax (annual), based on maximum capital stock. Tax, $100.

H. WEST VIRGINIA

(1) General property tax: Assessments in practice at about 50 per cent of true value.[4] Real estate and personal property, less deduction of debts against credits; true value, $795,000; assessed value, $397,500. Average rate of taxation for state and local purposes, $2,335. Amount of tax, $9,281.63.

(2) Gross sales tax: Gross sales $950,000, less exemption of $10,000; net amount of sales subject to tax, $940,000. Rate 21/100 of 1 per cent. Tax, $1,974.

(3) Annual tax on capital stock ($470,000). Rate, $180 plus 20 cents for each $1,000 above $200,000. Tax, $234.

[1] cf. "Estimated National Wealth," p. 5, viz., 58% in 1922 and 60% in 1912. It is believed that the 100% figure given in "Financial Statistics of States, 1926," p. 132, is correct.

[2] The Department of Taxation in letter dated Nov. 3, 1927, stated that "the average throughout the state is about 42%, which compares with 40.7% in 1922, shown in "Estimated National Wealth, 1922," p. 5, and 40% in 1926, as shown in "Financial Statistics of States, 1926," p. 132.

[3] For 1927 and thereafter, 85 cents per $1.00.

[4] Despite the fact that assessments are revised only once every six years, the State Tax Commission in its letter dated Nov. 3, 1927, claims that 100% assessments prevail. The figure indicated appears reasonable in the light of all the available data.

[1] cf. National Industrial Conference Board, "The Tax Problem in West Virginia," p. 101ff. The 1922 revision has raised the ratio to about 50%.

I. OHIO

(1) General property tax: Assessments in practice at about 60 per cent of true value.[1] True value of taxable property, \$865,000, less deduction of debts of \$70,000, or \$795,000; assessed value, \$477,000. Average rate of tax for state and local purposes, 2.065 per cent. Tax, \$9,850.05.

(2) Franchise tax based on "asset value" of capital stock. Asset value of capital stock presumed to be equivalent of market value, \$705,000. Rate in 1926, 1927, and 1928, ⅛ of 1 per cent (minimum \$25). Tax, \$881.25.

J. MASSACHUSETTS

(1) General property tax: Assessments in practice at about 75 per cent of true value. All property other than real estate and machinery exempt. True value of taxable property, \$520,000; assessed value \$390,000.[2] Average rate of tax, 3.034 per cent. Tax, \$11,832.60.

(2) Corporate excess tax: Market value of capital stock, \$705,000, less real estate and machinery assessed, \$390,000. Rate, \$5 per \$1,000 of value. Tax, \$1,575.

(3) Income tax: Net income after interest, \$79,340; net taxable income after deducting other taxes, \$67,507.40. Tax at 2½ per cent, \$1,687.69.

Summarizing the data above presented, it is found that our hypothetical corporation must pay annually in taxes to state and local governments in the various commonwealths, the following sums:

North Carolina	\$17,971.65
South Carolina	17,424.68
Georgia	9,403.60
Alabama	10,130.42
Kentucky	9,387.25
Tennessee	21,234.58
Virginia	9,498.25
West Virginia	11,489.63
Ohio	10,731.30
Massachusetts	15,055.91

The lowest burden is imposed by Kentucky, but the figures for Virginia and Georgia are so close as to render the burden practically the same in these three cases. In a somewhat higher group are found the state of Alabama, Ohio, and West Virginia; the state and local tax burden in these states is, however, only moderately larger than in the first group, although the difference is by no means slight. The next group contains Massachusetts, North Carolina and South Carolina, where the burden is from one and one-half times to almost twice that in the lowest group. Finally, we reach the top which is occupied by Tennessee alone.

To what extent are the respective state governments themselves responsible for this burden and to what extent do the counties, cities, towns, school and road districts, etc., contribute to the total taxes imposed on corporations, as typified in the above survey? The tabulation following attempts to give the

[1] Despite the fact that assessments are revised only once every six years, the State Tax Commission in its letter dated Nov. 3, 1927, claims that 100% assessments prevail. The figure indicated appears reasonable in the light of all the available data.
[2] i. e. at 75% of true value. cf. letter of Commissioner of Corporations and Taxation, dated Nov. 2, 1927.

proper answer to this important query. It shows that in every case, with the exception of Virginia, the preponderating share of the total is represented by taxes levied by local authorities. In Virginia, the recent changes in the tax law assigned certain classes of property for exclusive taxation by the state, with the result that the local governments have a smaller base for purposes of their own levies. In the other states under review, the state governments receive only a relatively small part of the total taxes paid by our hypothetical corporation, as may be seen from the following table:

DIVISION OF TAX BURDEN ON HYPOTHETICAL CORPORATION AS BETWEEN STATE AND LOCAL GOVERNMENTS

	Imposed by the State	*Imposed by Local Governments*	*Total*	*Per Cent State*	*Per Cent Local*
North Carolina........	$3,604	$14,368	$17,972	20.0	80.0
South Carolina........	4,655	12,770	17,425	26.7	73.3
Georgia	1,714	7,690	9,404	18.2	81.8
Alabama	3,827	6,303	10,130	37.8	62.2
Kentucky	2,835	6,552	9,387	30.2	69.8
Tennessee	3,910	17,325	21,235	18.4	81.6
Virginia	5,255	4,243	9,498	55.3	44.7
West Virginia.........	2,765	8,725	11,490	24.1	75.9
Ohio	1,001	9,730	10,731	9.3	90.7
Massachusetts	3,898	11,158[1]	15,056	25.9	74.1

Explanation of Data and Caveats. Before making use of the above figures for the purpose of arriving at hard and fast conclusions, it appears advisable to explain the nature of the data employed and the method pursued with the hope that this exposition will in itself suggest to the reader's mind the proper caveats to be observed and the limitations which the figures themselves set. As far as the general property and corporate excess taxes are concerned, the liability has been computed on the basis of average assessment conditions and rates prevailing in each state. Now, though an arithmetical average is a representative figure, the likelihood is that the majority of data used in its computation fall either above or below it. *The arithmetical average is the device that one can employ with the least amount of criticism, taking cognizance of the character of the data available respecting the general property tax, but it must not be overlooked that its use serves to render the computed liability rather hypothetical in character.*

The alternative method would have been to take assessment and tax rate conditions in a particular locality in each state, but examination of the limited data available for this purpose discloses such wide variations between localities within the respective commonwealths as to render the selection of any one or even a group of them unrepresentative for the state as a whole.

As to the figures themselves, it must be remembered that it has not been possible to obtain official figures in several cases and resort was had to estimates on the basis of all the available data. For some states, as North Carolina, Virginia, West Virginia, Ohio, and Massachusetts, there are complete data of an official nature, wherewith to compute average rates of taxation; for two others, South Carolina and Tennessee, there are data available for only general property tax levies of the state government and for certain

[1]Exclusive of 5/6 of the state tax on corporate incomes and excess which are returned to the localities by the state.

classes of local governments, while for Georgia, Alabama, and Kentucky, there are no recent data at all regarding local government levies for general property tax purposes. Where there were levies reported for certain groups of local government authorities, the rate of increase ascertained for recent years from these figures was applied to the tax levies of the remaining political subdivisions of the state as reported in 1922 by the United States Census Bureau in its decennial survey of "Wealth, Debt and Taxation." Any error entailed in this method cannot be large. The resulting total levy was then divided by the assessed valuation of all property in 1926 to arrive at the average tax rate. In the case of Georgia, the comptroller shows each year the value of all railroad and public utility property in the state assessed for state and local taxation, and the amount of state and local property taxes levied thereon. Because of the large aggregate valuation involved and the added fact that the properties assessed are located in all parts of the state, the average rate of tax therein ascertained is considered fairly typical for the state as a whole. In the case of Alabama and Kentucky, however, where no figures are collected relating to local government levies of property taxes, the property tax levies for the three leading cities in each state were ascertained for 1922 and 1926; then the *rate* of increase on a *per capita basis* was computed, and this percentage was applied to the per capita levy for the remaining local governments of the state as ascertained for 1922 by the U. S. Census Bureau. The per capita basis of increase was used because it was deemed essential to discount the factor of population growth. The two sets of figures were then combined and the resultant total was divided by the assessed valuation for 1926 to arrive at the average rate for the state as a whole.

The percentage of assessed to true value is based in some cases on the figures of the United States Census Bureau in connection with its annual financial surveys of states and certain cities, and in others on fairly intimate knowledge of internal conditions, or on unpublished investigations of assessment conditions and on inferential and allied data.

Of great importance in determining tax liability is the character of the machinery administering the system and its willingness or ability to carry out the strict letter of the law. In all the states under review, with the exception of Alabama, the law requires full 100 per cent assessment of property usually on the basis of the fair cash consideration which such property would bring in a voluntary sale; in Alabama, it is 60 per cent. Only rarely, however, is property actually assessed at the full legal value or a figure even approximating it. This factor has, therefore, been discounted above in our attempt to arrive at the current basis of assessment. There are, however, other elements in the tax laws of the various states which are just as openly disregarded but which could not be taken into consideration for obvious reasons. *Our computations are based on a strict interpretation of the statute and on the assumption that property is correctly listed in accordance with the law. Those familiar with the administration of the general property tax in this country know only too well, however, the extent of evasion and avoidance, legal and otherwise, which is practiced with or without the connivance of tax officials. It is a well known fact, however, that the degree of evasion or avoidance differs from locality to locality and more particularly from state* *to state. This factor has not, and, of course, cannot be taken into consideration. Its quantitative recognition is, however, of great importance as affecting the amount of tax payable.*

Furthermore, no account is taken of the probability that in one state the statute is interpreted by and to all alike with more severity than in another state. In particular the reader must guard against a too literal acceptance of the figures showing the amount of corporate excess paid in each of the states levying a tax on corporate excess. The difference between the strict interpretation of the statute and the interpretation accepted in administration can very easily change to a marked degree the total amount which would be paid by the corporation in the states levying this tax.

Another consideration to be borne in mind is that no cognizance of ultimate incidence of taxation is taken in the above computations. A fundamental observation which the fiscal science holds as almost axiomatic is that the person who pays a tax does not necessarily bear it finally; he may or may not, depending upon a multitude of factors beyond his control and external to himself. This conclusion applies to legal persons (i. e., corporations) as well as to physical persons. For example, leading students of public finance generally maintain that a property tax on land, so long as it remains unchanged, is not a burden on the new purchaser, since the tax has already been capitalized in the market value of the land and the purchaser has bought it free of tax. Land is a limited resource and its supply cannot be increased. Only subsequent increases in the tax on the land become a burden on the new purchaser. Inasmuch as the last ten years or so have been witnessing an unusually sharp and sustained rise in taxes on land, it would appear, however, that there have been but few holders of land that have escaped the burden of the land tax altogether, except perhaps those who buy and sell land as a business proposition and hold it for only short intervals of time. On the other hand, the tax on buildings may or may not be shifted, depending upon demand and supply. Unlike land, the quantity of building space can be increased at will within broad limits,[1] and whether or not the tax on the building is shifted depends upon the degree of population congestion, demand for space for business purposes, alternative uses, etc.

With respect to the income tax, the generally accepted theory is that it is never shifted, since it is levied on the residuum of income after all expenses have been met and before the tax liability can be computed, and because the marginal producer who has no net income above the exempt minimum of existence pays no tax. There can be no quarrel as to the shiftability of a tax on personal incomes derived from non-business pursuits, such as wages, salaries, income from investments, etc., since there is no other party with whom there is an exchange or economic relationship and to whom the tax can be shifted. A difference of opinion has arisen, however, in connection with the tax on incomes of corporate business enterprises. If the tax on business concerns were graduated, it is possible to see that there would be an unequal amount of tax shifting since the larger corporation in a given line of business would pay a larger tax per unit of product than its smaller competitor. Corporate income taxes, imposed by the federal and state governments, are, however, levied at a flat rate; the only notable exception is that of Wisconsin.

[1]Legislation may at times limit the available space which buildings may provide, such as zoning laws, but generally speaking, the observation here made holds true.

Business men contend that this tax is considered as much an element in determining costs of doing business as any other tax and the fact that net income is the measure of the business franchise tax does not render its shiftability different from a franchise tax based on capital stock or any other basis.

Whatever may be the actual situation respecting the extent to which taxes can be and are shifted, it should be remembered that in the comparative figures presented above, this factor was not taken into consideration, and the reader should bear this reservation in mind in drawing his conclusions from the statistical facts before him.

Finally, no attempt has been made to evaluate the comparative efficiency of taxation or the relative *quid pro quo* received for tax moneys paid over to governmental authorities. Taxation represents nothing else than the transfer of purchasing power from residents of a nation, state, or locality to a central collective authority that has been set up by them to administer these funds. The situation would be quite different if we did not live in a democracy where every citizen possesses the right to vote on policies and decide who shall represent him. In the final analysis, therefore, the amount of taxes raised is not so important as knowledge of whether the funds so derived are efficiently spent and of what quantity and quality of services and benefits the residents of a community receive in return for the purchasing power which they have handed over to the public authorities. Higher taxes in one community than in another may mean better roads, superior educational facilities, better equipped ibraries, better police and fire protection, etc. Into these and similarly difficult questions no attempt has been made to delve, but that this aspect merits attention along with a consideration of the data presented above seems self-evident.

APPENDICES

TO

COMPARATIVE BURDENS OF TAXATION

APPENDIX I

TABLE 204.—INDEX NUMBER OF GROWTH OF INCOME OF THE PEOPLE IN VARIOUS STATES.
(000's omitted)

		1921	1922	1923	1924	1925	1926
	1. Value of all crops	$ 252,376	$ 325,629	$ 434,733	$ 319,864	$ 362,000	$ 361,000
	2. Value of mineral products	5,456	7,268	10,021	9,261	9,504	----
North Carolina	3. Value added by manufacture	285,153	----	435,762	----	499,727	----
	4. Total	$ 542,985	$ ----	$ 880,516	----	$ 871,231	----
	5. Index number (1921=00)	100	----	162.2	----	160.5	----
	1. Value of all crops	$ 143,962	$ 156,279	$ 251,155	$ 174,652	$ 177,000	$ 157,000
	2. Value of mineral products	1,754	2,414	3,550	3,444	3,508	----
South Carolina	3. Value added by manufacture	94,480	----	139,206	----	133,056	----
	4. Total	$ 240,196	----	$ 393,911	----	$ 313,564	----
	5. Index number (1921=100)	100	----	164.0	----	130.5	----
	1. Value of all crops	$ 133,255	$ 172,927	$ 189,732	$ 178,348	$ 176,000	$ 190,000
	2. Value of mineral products	32,811	38,551	48,052	37,962	41,038	----
Virginia	3. Value added by manufacture	184,559	----	242,668	----	274,800	----
	4. Total	$ 350,625	----	$ 480,452	----	$ 491,838	----
	5. Index number (1921=100)	100	----	137.0	----	140.3	----
	1. Value of all crops	$ 58,023	$ 66,354	$ 77,299	$ 67,280	$ 81,000	$ 82,000
	2. Value of mineral products	316,181	358,772	412,867	307,314	333,528	----
West Virginia	3. Value added by manufacture	139,468	----	220,215	----	209,941	----
	4. Total	$ 513,672	----	$ 710,381	----	624,469	----
	5. Index number (1921=100)	100	----	138.3	----	121.6	----
	1. Value of all crops	$ 150,291	$ 219,330	$ 238,776	$ 219,481	$ 210,000	$ 199,000
	2. Value of mineral products	$ 114,405	158,701	148,854	120,511	131,371	----
Kentucky	3. Value added by manufacture	128,504	----	183,963	----	198,828	----
	4. Total	$ 393,200	$ ----	$ 571,593	----	$ 540,199	----
	5. Index number (1921=100)	100	----	145.4	----	137.4	----

Tennessee	1. Value of all crops	$ 154,954	$ 215,948	$ 204,463	$ 220,110	$ 208,000	$ 193,000
	2. Value of mineral products	33,755	35,146	41,554	35,355	38,869	-----
	3. Value added by manufacture	146,912	-----	219,291	-----	243,391	-----
	4. Total	$ 335,621	-----	$ 465,308	-----	$ 490,260	-----
	5. Index number (1921 = 100)	100	-----	138.6	-----	146.1	-----
Alabama	1. Value of all crops	$ 147,293	$ 228,035	$ 218,572	$ 224,944	$ 248,000	$ 192,000
	2. Value of mineral products	52,269	61,723	82,496	77,316	77,139	-----
	3. Value added by manufacture	116,136	-----	217,802	-----	227,140	-----
	4. Total	$ 315,698	-----	$ 518,870	-----	$ 552,279	-----
	5. Index number (1921 = 100)	100	-----	164.4	-----	174.9	-----
Georgia	1. Value of all crops	$ 172,496	$ 209,471	$ 236,106	$ 257,632	$ 248,000	$ 233,000
	2. Value of mineral products	8,650	11,120	14,300	14,947	16,504	-----
	3. Value added by manufacture	137,271	-----	222,590	-----	249,501	-----
	4. Total	$ 318,417	-----	$ 472,996	-----	$ 514,005	-----
	5. Index number (1921 = 100)	100	-----	148.5	-----	161.4	-----
Ohio	1. Value of all crops	$ 212,278	$ 281,699	$ 329,146	$ 314,799	$ 332,000	$ 330,000
	2. Value of mineral products	223,534	236,809	287,869	249,050	247,507	-----
	3. Value added by manufacture	1,375,777	-----	2,231,409	-----	2,317,836	-----
	4. Total	$ 1,811,589	-----	$ 2,848,424	-----	$ 2,897,343	-----
	5. Index number (1921 = 100)	100	-----	157.2	-----	159.9	-----
Mass.	1. Value of all crops	$ 49,566	$ 43,432	$ 56,709	$ 43,947	$ 52,000	$ 49,000
	2. Value of mineral products	9,835	11,005	14,781	15,726	16,832	-----
	3. Value added by manufacture	1,403,583	-----	1,730,617	-----	1,631,974	-----
	4. Total	$ 1,462,984	-----	$ 1,802,107	$ -----	$ 1,700,806	-----
	5. Index number (1921 = 100)	100	-----	123.2	-----	116.3	-----

Sources: Agricultural Yearbooks, 1922-1926; and Crops and Markets, July 1927, p. 251. Mineral Resources of the U. S., 1920, 1923 and 1925 (preliminary). Census of Manufactures, 1923, and Census of Manufactures, 1925, preliminary, mimeographed.

TABLE 205—STATE AND LOCAL TAXES RELATED TO THE INCOME OF THE PEOPLE IN CERTAIN STATES, 1922
(000's omitted)

	State Government Taxes	Local Government Taxes	Total State and Local Taxes	Income of the People of the State 1921	Ratio of State and Local Taxes to Income
North Carolina	$ 9,933	$ 36,229	$ 46,162	$ 720,503	6.406%
South Carolina	6,999	16,421	23,420	387,732	6.040%
Virginia	18,288	28,330	46,618	814,687	5.722%
West Virginia	9,600	32,694	42,294	637,090	6.639%
Kentucky	15,376	31,233	46,609	829,510	5.619%
Tennessee	10,121	32,791	42,912	733,597	5.850%
Alabama	10,305	18,924	29,229	597,643	4.890%
Georgia	10,869	30,668	41,537	759,668	5.468%
Ohio	41,040	209,979	251,019	3,232,299	7.766%
Massachusetts	38,098	171,014	209,112	3,084,579	6.779%

Sources: State and local taxes, from U. S. Census Bureau, "Taxes Collected, 1922," after deducting special assessments.

Income figures, from National Bureau of Economic Research, "Income in the various States," New York, 1925.

TABLE 206—STATE AND LOCAL TAXES RELATED TO THE INCOME OF THE PEOPLE IN CERTAIN STATES, 1926
(000's omitted)

	State Government Taxes[8]	Local Government Taxes[1]	Total State and Local Taxes	Estimated Income of the People of the State 1925[9]	Percentage Ratio of State and Local Taxes to Income	Percentage of Total State Taxes	Percentage of Total Local Taxes
North Carolina	$23,659	$ 58,765[2]	$ 82,424	$ 1,156,400	7.13	28.7	71.3
South Carolina	13,813	29,272[3]	43,085	506,000	8.66	32.1	67.9
Virginia	25,223	35,168	60,391	1,143,000	5.28	41.8	58.2
West Virginia	15,532	46,525	62,057	774,700	8.01	25.0	75.0
Kentucky	20,782	34,979[4]	55,761	1,139,700	4.89	37.3	62.7
Tennessee	16,816	40,171[5]	56,987	1,071,800	5.32	29.5	70.5
Alabama	12,867	21,289[6]	34,156	1,045,300	3.27	37.7	62.3
Georgia	17,445	34,926[7]	52,371	1,226,100	4.27	33.3	66.7
Ohio	34,653	270,153[8]	304,806	5,168,400	5.90	11.4	88.6
Massachusetts	42,332	216,094[8]	258,426	3,587,400	7.24	16.4	83.6

[1] The method followed in most cases in obtaining total taxes of local authorities was to take the the total property taxes levied in 1925 (collectible in fiscal year 1925-1926) for the exclusive use of local governments, as officially reported, and to add thereto actual or estimated receipts from other sources, such as taxes distributed by the state to local authorities, licenses, etc. Wherever complete data as to local licenses were lacking, reliance was placed on the figures reported in 1922 by the U. S. Census Bureau and adjustments were made therein on the basis of the relative change in licenses per capita collected by the larger cities since then. Variations from this general method are separately noted in appropriate footnotes and details are given in Exhibits A and B.

[2] Figures for 1926 are used, as shown in Consolidated Report of the State Educational Commission with the addition of the 1925 collections under Schedules B and C.

[3] Property taxes for local authorities other than counties and school districts were estimated on the basis of the rate increase of the latter since 1922.

[4] Property taxes for local authorities in these states were estimated by applying the *rate* of increase in *per capita* levies of the leading cities to the 1922 data as reported by the U. S. Bureau of the Census.

[5] Property taxes for local authorities other than counties were estimated on the basis of the percentage increase since 1922 shown by counties.

[6] Local property tax levy was estimated by applying the average rate of local taxes on all public utility property, as reported by the Comptroller, to the assessed valuation of all property for local tax purposes.

[7] Including taxes distributed by the state to local governments.

[8] "Financial Statistics of States, 1926," U. S. Census Bureau, p. 72ff—total taxes and licenses exclusive of special assessments.

[9] See Table I for derivation of these figures.

TABLE 207—TOTAL STATE AND LOCAL TAXES, 1922 AND 1926, COMPARED

A. PER CAPITA

	1922	1926	Percentage Increase
North Carolina	$ 17.31	$ 28.84	66.6
South Carolina	13.50	23.60	74.8
Virginia	19.55	23.97	22.6
West Virginia	27.50	37.18	35.2
Kentucky	18.99	22.09	16.3
Tennessee	17.99	23.09	28.4
Alabama	12.12	13.52	11.6
Georgia	13.92	16.68	27.0
Ohio	41.41	46.18	11.5
Massachusetts	52.40	61.57	17.5

B. PER FAMILY (1920 CENSUS)

	1922	1926	Percentage Increase
North Carolina	$ 89.92	$ 160.55	78.6
South Carolina	67.08	123.41	83.9
Virginia	96.45	124.94	29.6
West Virginia	136.39	200.12	46.7
Kentucky	85.32	102.07	19.6
Tennessee	82.66	109.78	32.8
Alabama	57.45	67.13	16.9
Georgia	66.09	83.32	26.1
Ohio	177.52	215.55	21.4
Massachusetts	239.04	295.41	23.6

C. PER PERSON GAINFULLY EMPLOYED (1920 CENSUS)

	1922	1926	Percentage Increase
North Carolina	$ 51.53	$ 92.01	78.6
South Carolina	34.73	63.90	84.0
Virginia	55.93	72.45	29.6
West Virginia	86.12	126.36	46.7
Kentucky	54.76	65.51	19.6
Tennessee	51.70	68.65	32.8
Alabama	32.18	37.61	16.9
Georgia	36.79	46.38	26.1
Ohio	109.07	132.44	21.4
Massachusetts	120.99	149.52	23.6

GENERAL NOTE: In computing the above, estimates for 1922 and 1926 were made on the following basis: (1) *population*—mid-year estimates contained in U. S. Census Bureau's "Financial Statistics of States" for the respective years; (2) *families*—interpolated on the basis of the increase in the Census figures for 1910 and 1920; (3) *gainfully employed*—same basis as (2).

TABLE 208—TAXES COLLECTED FOR STATE GOVERNMENT PURPOSES[1] ONLY, 1922-1926 (000's omitted)

	1926	1925	1924	1923	1922
North Carolina	$ 23,659	$ 19,281	$ 14,005	$ 12,779	$ 9,933
South Carolina	13,813	13,623	9,029	8,176	6,999
Virginia	25,223	23,518	21,344	20,227	18,288
West Virginia	15,532	13,899	13,030	11,493	9,600
Kentucky	20,782	18,547	15,038	16,569	15,376
Tennessee	16,816	14,349	13,303	10,654	10,121
Alabama	12,867	12,091	11,399	10,478	10,305
Georgia	17,445	15,175	13,510	11,416	10,869
Ohio	34.653	31,648	36,766	39,767	41,040
Massachusetts	42,332	37,959	37,553	39,029	38,098

[1] Annual reports of the U. S. Census Bureau on "Financial Statistics of States". Excludes special assessments.

TABLE 209—PER CAPITA TAXES COLLECTED FOR STATE GOVERNMENT PURPOSES 1922-1926[1]

	1926	1925	1924	1923	1922
North Carolina	$ 8.34	$ 7.04	$ 5.15	$ 4.76	$ 3.75
South Carolina	7.56	7.65	5.13	4.68	4.05
Virginia	10.07	9.64	8.82	8.46	7.72
West Virginia	9.38	8.74	8.33	7.48	6.34
Kentucky	8.26	7.47	6.08	6.75	6.30
Tennessee	6.83	5.94	5.54	4.47	4.27
Alabama	5.11	4.91	4.68	4.33	4.30
Georgia	5.55	4.96	4.45	3.81	3.67
Ohio	5.30	5.05	5.97	6.56	6.88
Massachusetts	10.09	9.17	9.16	9.69	9.58

[1] Sources: Sames as Table 5.

TABLE 210—PER CAPITA EXPENDITURES OF STATE GOVERNMENTS, CLASSIFIED BY PURPOSE, 1916, 1925 and 1926.[1]

		North Carolina	South Carolina	Virginia	West Virginia	Kentucky	Tennessee	Alabama	Georgia	Ohio	Mass.
A. Operation and maintenance of general departments:											
1. General government	1926	$ 0.40	$ 0.59	$ 0.88	$ 0.79	$ 1.20	$ 0.43	$ 0.53	$ 0.37	$ 0.44	$ 1.13
	1925	0.53	0.55	0.75	0.90	1.18	0.46	0.48	0.36	0.45	1.09
	1916	0.19	0.27	0.36	0.35	0.79	0.31	0.36	0.15	0.37	0.66
2. Protection to persons and property	1926	0.29	0.25	0.39	0.71	0.22	0.20	0.29	0.21	0.38	0.70
	1925	0.25	0.28	0.38	0.65	0.22	0.18	0.27	0.19	0.40	0.70
	1916	0.09	0.09	0.11	0,25	0.17	0,12	0.07	0.09	0.31	0.46
3. Development and conservation of natural resources	1926	0.40	0.42	0.37	0.37	0.37	0.25	0.31	0.27	0.34	0.24
	1925	0.34	0.43	0.37	0.37	0.35	0.22	0.28	0.30	0.32	0.25
	1916	0.12	0.08	0.08	0.11	0.15	0.11	0.06	0.06	0.17	0.24
4. Conservation of health and sanitation	1926	0.26	0.14	0.29	0.27	0.09	0.11	0.19	0.08	0.09	0.43
	1925	0.29	0.15	0.35	0.23	0.09	0.08	0.20	0.09	0.09	0.43
	1916	0.06	0.03	0.09	0.08	0.03	0.02	0.01	0.03	0.06	0.28
5. Highways	1926	1.04	1.32	1.37	1.29	1.01	1.51	0.29	0.75	1.63	1.66
	1925	1.21	1.19	1.02	1.10	1.20	1.28	0.24	0.60	0.97	1.42
	1916	0.01	-----	0.19	0.01	0.18	-----	0.07	0.04	0.16	0.35
6. Charities, hospitals and correction	1926	0.87	0.79	1.23	1.07	0.91	0.84	1.00	0.48	1.27	3.25
	1925	1.11	0.74	1.08	0.94	0.87	0.91	0.97	0.46	1.12	3.18
	1916	0.40	0.29	0.62	0.62	0.66	0.47	0.69	0.28	0.83	2.09
7. Education	1926	2.04	3.01	3.54	2.68	2.73	2.13	2.46	2.43	1.44	1.17
	1925	1.91	2.86	3.60	2.64	2.52	1.92	2.39	2.16	1.53	1.17
	1916	0.65	0.64	1.59	1.18	1.90	0.74	1.36	1.08	1.05	0.58
8. Recreation	1926	0.01	-----	0.01	-----	-----	-----	0.01	-----	0.01	0.14
	1925	-----	-----	-----	-----	0.01	-----	0.01	-----	0.01	0.10
	1916	0.01	-----	0.01	-----	-----	-----	-----	-----	-----	0.03
9. Miscellaneous	1926	0.43	0.46	0.50	0.08	0.17	0.35	0.58	1.59	0.28	0.64
	1925	0.45	0.47	0.51	0.09	0.14	0.32	0.67	0.53	0.27	0.97
	1916	0.23	0.19	0.33	0.05	0.19	0.40	0.47	0.39	0.14	0.47
Total, general departments	1926	5.75	6,98	8.58	7.25	6.71	5.82	5.66	6.20	5.88	9.37
	1925	6.09	6.68	8.07	6.91	6.56	5.39	5.50	4.67	5.16	9.30
	1916	1.75	1.60	3.37	2.66	4.08	2.18	3.10	2.11	3.07	5.17
B. Operation and maintenance of public service enterprises	1926	0.01	-----	-----	-----	-----	-----	0.01	-----	0.02	0.04
	1925	0.01	-----	-----	-----	-----	-----	-----	-----	0.02	0.04
	1916	-----	-----	-----	-----	-----	-----	-----	-----	0.02	0.03

TABLE 210—Continued

		North Carolina	South Carolina	Virginia	West Virginia	Kentucky	Tennessee	Alabama	Georgia	Ohio	Mass.
C. Interest on public debt	1926	$ 1.84	$ 0.20	$ 0.31	$ 1.38	$ 0.33	$ 0.32	$ 0.50	$ 0.44	$ 0.18	$ 0.40
	1925	1.61	0.19	0.31	1.14	0.25	0.33	0.45	0.08	0.21	0.42
	1916	0.18	0.17	0.37	0.01	0.13	0.30	0.31	0.10	0.06	0.47
D. Capital Expenditures: Roads and highway structures	1926	7.43	1.96	3.53	6.23	3.65	3.77	3.07	2.21	1.02	0.94
	1925	7.99	1.98	4.76	5.90	3.80	3.52	3.71	2.06	1.38	0.91
	1916	—	—	—	—	—	—	—	—	0.40	0.37
Schools	1926	0.81	0.15	0.28	0.52	0.29	0.20	0.25	0.10	0.43	0.09
	1925	1.15	0.20	0.27	0.60	0.38	0.18	0.34	0.07	0.45	0.07
	1916	0.05	0.05	0.13	0.23	—	—	0.09	0.02	0.14	0.17
Other capital expenditures	—	0.33	0.41	0.16	0.37	0.04	0.30	0.80	0.16	0.42	0.47
	1925	0.45	0.15	0.13	0.90	0.06	0.28	0.59	0.07	0.35	0.41
	1916	0.06	0.11	0.07	0.14	0.03	0.06	0.02	0.01	0.14	0.83
Total capital expenditures	1926	8.57	2.52	3.97	7.12	3.98	4.27	4.12	2.47	1.87	1.50
	1925	9.59	2.33	5.16	7.42	4.24	3.98	4.64	2.20	2.18	1.39
	1916	0.11	0.16	0.20	0.37	0.03	0.06	0.11	0.03	0.68	1.37
Grand total, state government expenditures	1926	16.17	9.70	12.86	15.75	11.02	10.41	10.29	9.11	7.95	11.31
	1925	17.30	9.20	13.54	15.47	11.05	9.70	10.59	6.95	7.57	11.15
	1916	2.04	1.94	3.94	3.03	4.24	2.55	3.52	2.25	3.83	7.03
Percentage distribution of state government expenditures:											
A. Operation and maintenance of general departments	1926	35.6%	72.0%	66.7%	46.1%	60.9%	56.5%	55.0%	68.1%	74.0%	82.8%
	1925	35.2	72.6	59.7	44.7	59.4	55.6	51.9	67.2	68.2	83.5
	1916	86.0	87.8	85.6	87.5	96.3	85.7	88.0	94.0	80.1	73.5
B. Operation and maintenance of public service enterprises	1926	—	—	—	—	—	—	0.1%	—	0.2%	0.3%
	1925	0.1	—	—	—	—	—	—	—	0.2	0.4
	1916	—	—	—	—	—	—	—	—	0.5	0.5
C. Interest on public debt	1926	11.4%	2.1%	2.4%	8.8%	3.0%	3.1%	4.9%	4.8%	2.3%	3.6%
	1925	9.3	2.0	2.3	7.3	2.3	3.4	4.3	1.1	2.8	3.8
	1916	8.7	8.8	9.4	0.2	3.0	11.9	8.9	4.6	1.6	6.6
D. Capital expenditures	1926	53.0%	25.9%	30.8%	45.2%	36.1%	40.5%	40.0%	27.1%	23.5%	13.3%
	1925	55.4	25.4	38.0	48.0	38.3	41.0	43.8	31.6	28.8	12.3
	1916	5.3	8.5	5.0	12.3	0.7	2.4	3.1	1.3	17.8	19.4

[1] Annual reports of the U. S. Census Bureau on "Financial Statistics of States". Many of the figures were regrouped and for some items, such as capital expenditures, the per capita figures were computed by the writer on the basis of the population estimates and total amounts given in these reports.

TABLE 211—STATE AND LOCAL GOVERMNENT DEBTS AND WEALTH, 1922[1]
(000's omitted)

	State and Local Debts (Net)[2]	State Wealth	Debt as Percent of Wealth
North Carolina	$ 171,099	$ 4,543,110	3.77
South Carolina	60,654	2,404,845	2.52
Virginia	118,756	4,891,570	2.43
West Virginia	68,390	4,677,919	1.46
Kentucky	49,005	3,582,391	1.37
Tennessee	127,746	4,228,251	3.02
Alabama	68,789	3,002,043	2.29
Georgia	62,674	3,896,759	1.61
Ohio	547,400	18,489,552	2.96
Massachusetts	328,780	12,980,839	2.53

1 Sources: U. S. Census Bureau, "Wealth Debt and Taxation, 1922," "Public Debt".

2 Gross debt, less sinking fund assets and special assessment.

TABLE 212—TOTAL GROSS INDEBTEDNESS OF STATE AND LOCAL GOVERNMENTS, 1926

	Total Debt of State Governments[7] (thousands)	Total Debt of Local Governments[1] (thousands)	Aggregate Debt (thousands)	State Debt per Capita	Local Debt per Capita	Total Debt per Capita
North Carolina	$ 156,278	$ 325,882[6]	$ 482,160	$ 54.68	$ 114.03	$ 168.71
South Carolina	10,176	81,000[2]	91,176	5.57	44.36	49.93
Virginia	27,815	156,000[2]	183,815	11.04	61.93	72.97
West Virginia	54,465	72,464[3]	126,929	32.63	43.42	76.05
Kentucky	9,438	62,000[2]	71,438	3.74	24.56	28.30
Tennessee	18,462	158,000[2]	176,462	7.48	64.02	71.50
Alabama	35,136	94,000[2]	129,136	13.91	37.21	51.12
Georgia	9,535	71,000[2]	80,535	3.04	22.62	25.66
Ohio	23,717	912,624[8]	936,341	3.59	138.28	141.87
Massachusetts	125,487[4]	370,000[5]	495,487	29.90[4]	88.24	118.14

1 Unless otherwise indicated, figures in this column are those officially reported.

2 Estimated by taking the new bond issues of state and local governments from 1923 to 1926, as reported by the Commercial and Financial Chronicle (with allowance for civil divisions not covered therein), adding this figure to the gross debt reported by the U. S. Census Bureau in 1922 and deducting from the resultant total the increase in gross state debt between 1922 and 1926. See Exhibits C. and D.

3 Bonded debt only. In 1922, floating debt totaled only $666,000 or only 1.4% of total local gross debt ($0.43 per capita.) Telegram from State Accountant, dated October 28, 1927.

4 Includes contingent debt of municipalities.

5 Estimated by taking the net debt as officially reported ($274,959,584) and adding thereto the difference between gross and net debt as of the end of 1925 and also the floating or temporary debt as of the same date. Letter of State Tax Commission, dated October 31, 1927, telegram from U. S. Census Bureau dated November 11, 1927 and 20th Annual Report of Statistics of Municipal Finances, pp. 266ff. and p. IV.

6 Report of the State Educational Commission, Part IV, Table XV.

7 U. S. Census Bureau, "Financial Statistics of States, 1926," Table 18.

8 Annual Report of State Auditor, 1926.

TABLE 213—COMPARISON OF PER CAPITA GROSS DEBTS, 1922 AND 1296.

	Per Capita Debt of State Governments			Per Capita Debt of Local Governments			Per Capita Total Debt		
	1922	1926	Percentage increase	1922	1926	Percentage increase	1922	1926	Percentage increase
North Carolina	$ 13.02	$ 54.68	320.0%	$ 57.77	$ 114.03	97.4%	$ 70.79	$ 168.71	38.3%
South Carolina	5.23	5.57	6.5	35.43	44.36	25.2	40.66	49.93	22.8
Virginia	9.56	11.04	15.5	46.83	61.93	32.2	56.39	72.97	29.4
West Virginia	16.64	32.63	96.1	32.23	43.42	34.7	48.87	76.05	55.6
Kentucky	3.12	3.74	19.9	19.22	24.56	27.8	22.34	28.30	26.7
Tennessee	8.03	7.48	6.8 [1]	50.20	64.02	27.5	58.23	71.50	22.8
Alabama	6.32	13.91	120.0	26.00	37.21	43.1	32.32	51.12	58.2
Georgia	1.85	3.04	64.3	22.10	22.62	2.4	23.95	25.66	7.1
Ohio	5.17	3.59	30.6 [1]	119.65	138.28	15.6	124.82	141.87	13.7
Massachusetts	33.43	29.90	10.6 [1]	80.58	88.24	9.5	114.01	118.14	3.6

[1] Decrease.

TABLE 214—GROSS AND NET DEBT OF STATE GOVERNMENTS AND PURPOSE FOR WHICH INCURRED, 1916-1926. [5]

GROSS DEBT (000's omitted)

	North Carolina	South Carolina	Virginia	West Virginia	Kentucky	Tennessee	Alabama	Georgia	Ohio	Mass. [1]
1916	$ 9,629	$ 6,999	$ 24,493	$ 2,357	$ 6,870	$ 16,050	$ 15,575	$ 6,449	$ 9,411	$ 126,546[1]
1919	10,090	7,526	23,597	19,670	6,286	17,988	15,352	6,081	24,955	133,089[1]
1922	34,713	9,079	22,800	25,590	7,755	19,142	15,233	5,523	30,961	133,416[1]
1925	118,156	10,734	28,807	42,942	14,037	17,893	28,930	5,775	24,970	126,768[1]
1926	156,278	10,176	27,815	54,465	9,438	18,462	35,136	9,535	23,717	125,487[1]

NET DEBT (000's omitted)

	North Carolina	South Carolina	Virginia	West Virginia	Kentucky	Tennessee	Alabama	Georgia	Ohio	Mass. [1]
1916	$ 8,884	$ 5,387	$ 23,772	------------	$ 2,607	$ 15,864	$ 13,564	$ 6,322	$ 5,341	$ 86,043[1]
1919	9,604	5,393	22,516	13,500	2,510	16,795	13,337	5,922	5,413	85,060[1]
1922	34,713	8,729	21,756	24,181	7,745	19,142	15,233	5,419	30,143	76,996[1]
1925	91,646	5,281	26,211	38,408	2,457	17,077	28,280	5,633	24,187	25,211[2]
1926	119,163	5,886	25,204	47,725	2,305	17,417	34,439	9,370	20,761	23,868[2]

NET DEBT PER CAPITA

	North Carolina	South Carolina	Virginia	West Virginia	Kentucky	Tennessee	Alabama	Georgia	Ohio	Mass. [1]
1916	$ 3.75	$ 3.35	$ 10.98	------------	$ 1.10	$ 6.98	$ 5.91	$ 2.24	$ 1.04	$ 23.52[1]
1919	3.90	3.25	10.10	9.29	1.04	7.24	5.59	2.02	1.02	22.22[1]
1922	13.11	5.05	9.19	15.97	3.17	8.08	6.36	1.82	5.05	19.38[1]
1925	33.44	2.97	10.76	24.18	0.99	7.07	11.49	1.84	3.86	6.08[2]
1926	42.03	3.22	10.07	28.85	0.92	7.09	13.67	2.99	3.18	5.69[2]

PURPOSE OF DEBT, 1926 (000's omitted)

Government buildings	$ 1,393	$ 391	$------	$------	$------	$ 1,390	$------	$ 55	$------	$ 1,390
Highways	70,000	100	6,580	47,000	------	------	17,800	------	------	12,947
Institutions	660	------	------	------	------	690	------	------	------	8,135
Schools	10,200	------	748	29	30	1,842	62	14	------	------
Refunding	9,988	4,737	17,907	------	------	10,968	8,557	------	------	------
Funding	4,500	138	------	------	------	------	------	------	------	------
Miscellaneous	27,350	688	2,054	7,436	$ 2,487	2,527	8,020	9,405	21,687[3]	103,015[4]
Total	$ 124,091	$ 6,054	$ 27,289	$ 54,465	$ 2,517	$ 17,417	$ 34,439	$ 9,474	$ 21,687	$ 125,487
Add, current debt	32,187	4,122	526	------	6,921	1,045	697	61	2,030	------
Total gross debt, as above	$ 156,278	$ 10,176	$ 27,815	$ 54,465	$ 9,438	$ 18,462	$ 35,136	$ 9,535	$ 23,717	$ 125,487

1 Includes contingent debt.
2 Excludes contingent debt.
3 Of which $16,250,000 for soldiers' home.
4 Of which $17,972,000 for parks and $58,503,800 contingent debt.
5 U. S. Census Bureau, "Financial Statistics of States," 1916, 1919, 1922, 1925 and 1926.

TABLE 215—NEW BONDS ISSUED IN CERTAIN STATES, 1923-1926[1]
(000's omitted)

		Gross amount of new bonds issued by state governments	Gross amount of new bonds issued by local governments	Total gross amount of new bonds	Net bonds issued after deducting refunding	Retirements (total)	Net increase in state and local government debt
South Carolina	1923	$	$ 9,445	$ 9,445	$ 9,355	$ 3,681	$ 5,674
	1924		9,891	9,891	9,891	3,192	6,699
	1925		9,036	9,036	8,969	4,339	4,630
	1926		9,351	9,351	9,320	6,117	3,203
Georgia	1923		6,228	6,228	6,130	4,959	1,171
	1924		4,971	4,971	4,971	5,021	50[2]
	1925		4,581	4,581	4,493	4,951	458[2]
	1926	3,579	9,779	13,358	13,130	5,397	7,733
Virginia	1923		18,303	18,303	17,920	3,605	14,315
	1924		13,346	13,346	12,711	2,025	10,686
	1925		12,464	12,464	11,697	1,051	10,646
	1926	6,500	8,079	14,579	14,339	1,412	12,927
Tennessee	1923	867	12,257	13,124	11,757	4,572	7,185
	1924		12,155	12,155	11,980	3,193	8,787
	1925	650	14,229	14,879	14,653	2,957	11,696
	1926		14,904	14,904	13,882	4,849	9,033
Alabama	1923	3,293	4,383	7,676	7,566	256	7,310
	1924	8,000	7,346	15,346	15,011	2,316	12,695
	1925	7,900	9,953	17,853	17,784	435	17,349
	1926	6,100	7,604	13,704	13,483	299	13,184
Kentucky	1923		5,105	5,105	4,008	1,819	2,189
	1924		3,423	3,423	3,067	483	2,584
	1925		5,556	4,556	4,543	541	4,002
	1926		8,658	8,658	8,658	1,065	7,593

[1] Source: Commercial and Financial Chronicle, New York City. Data covers local governments with a gross indebtedness in excess of $25,000.
[2] Net decreases.

APPENDIX II

EXHIBIT A

Estimates of Local Government Property Tax Levies
(figures in thousands)

1. SOUTH CAROLINA:

Local property tax levies, 1922[1]. (000's)	Counties	$5,944
	Schools	6,592
	Others	5,080
	Total	$17,616

Counties and schools, 1922	$12,536[2]	
1926	17,861[2]	
Increase	$ 5,325	
Percentage		42.5%
Apply 42.5% to "others" (5080)	7,239	
Add, counties and schools as above	17,861	
Add, state levy[2]	2,231	
Total property tax levy	27,331	
Of which local governments levy	25,100	
Total general property tax valuation	424,864[3]	
Average rate (27331 ÷ 424,864) per $100	6.43%	

2. GEORGIA:

Public service corporations in the state[4]	Assessed valuation	$195,343
	Local property tax	4,960
	Rate per $100, local	2.54

Valuation of property in the state, exclusive of public service corporations [3] and [4]	$1,067,542
Total local property taxes thereon at $2.54 per $100	27,116
Add, local taxes on public service corporations as above	4,960
Add, total state levy on property[3]	6,314
Total general property tax levy	$ 38,390
Of which local government levy	32,076
Average rate of property tax, state and local, per $100	3.03

3. TENNESSEE:

County tax levy, 1922[1]	$ 17,110	
Other local levies, 1922	11,786	
Total	$ 28,896	
County tax levy, 1926[5]	21,480	
Percentage increase	25.5%	
Apply 25.5% increase to "other local levies" in 1922, or		$ 14,791
Add, county levy as above		21,480
Add, state levy[3]		4,311
Total property tax levy		40,582
Of which for local purposes		36,271

[1] U. S. Census Bureau, Wealth, Debt and Taxation, 1922. "Assessed valuation and Tax Levies," Tables 7 and 9.

[2] Twelfth Annual Report of South Carolina Tax Commission ,1926, pp. 13-14.

[3] U. S. Census Bureau, "Financial Statistics of State, 1926," Table 21.

[4] Annual Report of the Comptroller, 1926, .p 397.

[5] Department of Finance and Taxation. Report dated January, 1, 1927, Table No. 2.

EXHIBIT A—*Continued*

3. TENNESSEE—*Concluded*

Total valuation, 1926[5]	$1,724,358
Total property levy, as above	40,582
Average rate per $100	2.35

4. VIRGINIA:

Local property tax levy[6]	$ 31,991	
State tax levy[3]	3,931	
Total levy	$ 35,922	
Assessed valuation of all property[3]		$1,572,473
Average rate of property tax per $100		2.29

5. ALABAMA:

Total property tax levy for local purposes in 1922 for:	
Birmingham	$ 3,820
Mobile	1,261
Montgomery	830
Total[7]	$ 5,911 or $19.89 per capita
Total property tax in 1926[7]:	
Birmingham	$ 5,694
Mobile	1,337
Montgomery	904
Total[7]	$ 7,935 or $24.57 per capita

Percentage increase in per capita levies of the three cities	24%
Property tax levy for local purposes in 1922	$ 16,551
Property tax levies of above three cities	5,911
Balance, property tax levy of rest of state	$ 10,640
Increased by 24%, i. e. 1926 levy	13,194
Add, three cities as above	7,935
Add, state levy[3]	6,963
Total property tax levy, 1926	$ 28,092
Assessed valuation of all property, 1926	$1,500,187[3]
Average rate of property tax in 1926 per $100	$1.87

6. KENTUCKY:

Total property tax levy for local purposes in 1922 for:	
Covington	$ 1,172
Lexington	1,305
Louisville	6,611
Total[7]	$ 9,088 or $26.94 per capita
Total property tax levy for local purposes in 1926:	
Covington	$ 1,383
Lexington	1,648
Louisville	9,155
Total	$ 12,186 or $29.31 per capita

[6] Letter of State Accountant, dated October 20, 1927.

[7] U. S. Census Bureau, "Financial Statistics of Cities," 1922 and 1926, Table 23.

EXHIBIT A—*Continued*

6. KENTUCKY—*Concluded*

Percentage increase in per capita levies of three cities	9%
Property tax levy for local purposes in 1922[1]	$ 28,707
Property tax levy of above three cities in 1922	9,088
Property tax levy of rest of state in 1922	$ 19,619
1922 levy of rest of state increased by 9%—for 1926	21,385
Add, levy of three cities in 1926 as above	12,186
Add, state levy in 1926[3]	4,501
Total property tax levy in 1926	$ 38,072
Assessed valuation of property in 1926	$1,693,048[3]
Average rate of property tax in 1926 per $100	$2.25

OFFICIAL PROPERTY TAX LEVIES

7. NORTH CAROLINA—(no state tax on property):

Total value of all property, 1926	$2,798,294[8]
Local property tax levies, 1926	57,013[8]
Average rate of property tax per $100	2.038%

8. OHIO:

Total taxes levied in 1926[9]	State	$ 3,335
	Local	272,286
	Total	$ 275,621
Total value of all property		$13,350,444
Average rate of property tax per $100		2.065%

9. WEST VIRGINIA:

Total taxes levied in 1926[10]	State	$ 2,982
	Local	46,755
	Total	$ 49,737
Total value of all property		$2,130,256
Average rate of property tax per $100		2.335%

10. MASSACHUSETTS:

Total taxes levied on property in 1926[11]	State	$ 12,000
	Local	197,560
	Total	$ 209,560
Total value of all property		$6,905,038
Average rate of property tax per $100		3.034%

[8] Letter addressed by Executive Secretary of the Tax Commission to L. R. Gottlieb, dated October 13, 1927.

[9] State Tax Commission, "Tax Duplicate of 1926", issued June 15, 1927.

[10] State Tax Commission, "Total Assessed Valuation in State for the Years 1925 and 1926, etc."

[11] Annual Report of Commissioner of Corporations and Taxation, Year ended November 30, 1926, P. D. No. 16, p. 85.

EXHIBIT B

Estimate of Local Taxes Collected in 1926

(figures in thousands)

1. NORTH CAROLINA:

Taxes assessed[1]	$ 57,013
Polls for school, etc	729
School-tax for dogs[1]	170
Miscellaneous local licenses[2]	853
Total	$ 58,765

2. SOUTH CAROLINA:

Local taxes assessed[3]	$ 27,331
Polls[2]	255
Dogs[2]	37
Road taxes[2]	349
Miscellaneous local licenses[2] (est.)	1,300
Total	$ 29,272

3. VIRGINIA:

Local taxes assessed[3]	$ 31,991
Polls[2]	277
Miscellaneous licenses[2] (est.)	2,900
Total	$ 35,168

4. WEST VIRGINIA:

Local taxes assessed in 1925[4]	$ 45,775
Polls[2]	350
Miscellaneous licenses[2]	400
Total	$ 46,525

5. KENTUCKY:

Levy for local govs. other than 3 cities mentioned in Exhibit A[3]	$ 21,385
Polls and licenses (excl. 3 cities)[2]	1,397
Taxes and licenses collected by 3 cities in 1926[5]	12,197
Total	$ 34,979

6. TENNESSEE:

Local tax levy[3]	$ 36,271
Polls[2]	700
Miscellaneous licenses[2]	3,200
Total	$ 40,171

7. ALABAMA:

Levy for local govs. other than 3 cities mentioned in Exhibit A[3]	$ 13,194
Polls and licenses (excl. 3 cities)[2]	1,688
Taxes and licenses collected by the 3 cities in 1926[5]	6,407
Total	$ 21,289

8. GEORGIA

Local taxes assessed[3]	$ 32,076
Polls[2]	550
Miscellaneous licenses[2] (est.)	2,300
Total	34,926

9. OHIO:

Local taxes assessed[4]	$ 258,276
Inheritance tax, share of local govs.[6]	1,984
Cigarette tax, share of local govs.[6]	220
Auto license tax, share of local govs.[6]	2,619
Gasoline tax, share of local govs.[6]	6,054
Miscellaneous licenses[2] (est.)	1,000
Total	$ 270,153

10. MASSACHUSETTS:

Local taxes assessed[4]	$ 174,694
State taxes distributed to local governments[4]	35,400
Miscellaneous licenses[2] (est.)	1,000
Total	$ 216,094

[1] Letter of Tax Commission to L. R. Gottlieb, dated October 13, 1927. [2] Estimated on the basis of figures for this item shown in U. S. Census Bureau, Wealth, Debt and Taxation, 1922, "Taxes Collected," Table——. [3] See Exhibit A. [4] Same source as that shown for 1926 in Exhibit A.
[5] "Financial Statistics of Cities," 1926. Figures given to writer by the U. S. Census Bureau before publication of volumes in letter dated October 28, 1927. [6] Annual Reports of State Auditor and State Tax Commissioner.

EXHIBIT C

New Debts Incurred and Indebetedness Retired, 1923-1926, for Specified States[1]
(000's omitted)

1926

	New Bonds (gross) State	New Bonds (gross) Local	New Bonds (gross) Total	Net Bonds Issued After Deducting Refunding Items	Retirement
North Carolina	$ 10,000	$ 34,139	$ 44,139	$ 43,849	$ 6,179
South Carolina	----------	9,351	9,351	9,320	6,117
Georgia	3,579	9,779	13,358	13,130	5,397
Virginia	6,500	8,079	14,579	14,339	1,412
West Virginia	6,000	5,367	11,367	10,935	1,579
Tennessee	----------	14,904	14,904	13,882	4,849
Alabama	6,100	7,604	13,704	13,483	299
Kentucky	----------	8,658	8,658	8,658	1,065
Ohio	----------	64,257	64,257	63,999	46,362
Massachusetts	675	29,955	30,630	30,530	22,182

1925

	New Bonds (gross) State	New Bonds (gross) Local	New Bonds (gross) Total	Net Bonds Issued After Deducting Refunding Items	Retirement
North Carolina	$ 29,125	$ 26,524	$ 59,649	$ 59,404	$ 5,080
South Carolina	----------	9,036	9,036	8,869	4,339
Georgia	----------	4,581	4,581	4,493	4,951
Virginia	----------	12,464	12,464	11,697	1,051
West Virginia	11,000	10,132	21,132	20,938	1,906
Tennessee	650	14,229	14,879	14,653	2,957
Alabama	7,900	9,953	17,853	17,784	435
Kentucky	----------	4,556	4,556	4,543	541
Ohio	----------	75,268	75,268	74,506	35,271
Massachusetts	2,923	26,729	29,652	28,652	22,836

1924

	New Bonds (gross) State	New Bonds (gross) Local	New Bonds (gross) Total	Net Bonds Issued After Deducting Refunding Items	Retirement
North Carolina	$ 25,000	$ 33,404	$ 58,404	$ 57,959	$ 2,854
South Carolina	----------	9,891	9,891	9,891	3,192
Georgia	----------	4,971	4,971	4,971	3,021
Virginia	----------	13,346	13,346	12,711	2,025
West Virginia	8,000	8,347	16,347	16,347	869
Tennessee	----------	12,155	12,155	11,980	3,193
Alabama	8,000	7,346	15,346	15,011	2,316
Kentucky	----------	3,423	3,423	3,067	483
Ohio	----------	86,191	86,191	85,746	33,108
Massachusetts	1,096	34,514	35,610	35,610	28,066

1923

	New Bonds (gross) State	New Bonds (gross) Local	New Bonds (gross) Total	Net Bonds Issued After Deducting Refunding Items	Retirement
North Carolina	$ 35,723	$ 28,672	$ 64,395	$ 63,977	$ 2,450
South Carolina	----------	9,445	9,445	9,355	3,681
Georgia	----------	6,228	6,228	6,130	4,959
Virginia	----------	18,303	18,303	17,920	3,605
West Virginia	7,000	4,974	11,974	11,974	1,034
Tennessee	867	12,257	13,124	11,757	4,572
Alabama	3,293	4,383	7,676	7,566	256
Kentucky	----------	5,105	5,105	4,008	1,819
Ohio	----------	79,920	79,920	78,773	24,394
Massachusetts	880	27,709	28,589	28,289	27,180

[1] Source: Municipal Compendium sections of the Commercial and Financial Chronicle, (New York City.)

EXHIBIT D

Estimated gross debt of local governments for which no official data are available
(figures in thousands)

1. ALABAMA:

Gross debt, local in 1922[1]	$ 62,712	State debt, 1926[3]	$ 35,136
Increase, 1923-1926[2]	50,538	State debt, 1922[1]	15,233
Total	$ 113,250	Difference	$ 19,903
Deduct increase in state debt	19,903		
Balance, local gross	$ 93,347		

2. SOUTH CAROLINA:

Gross debt, local in 1922[1]	$ 61,460	State debt, 1926[3]	$ 10,176
Increase, 1923-1926[2]	20,206	State debt, 1922[1]	9,079
Total	$ 81,666	Difference	$ 1,097
Deduct increase in state debt	1,097		
Balance, local, gross	$ 80,569		

3. VIRGINIA:

Gross debt, local in 1922[1]	$ 111,680	State debt, 1926[3]	$ 27,815
Increase, 1923-1926[2]	48,574	State debt, 1922[1]	22,800
Total	$ 160,254	Difference	$ 5,015
Deduct increase in state debt	5,015		
Balance, local gross	$ 155,239		

4. KENTUCKY:

Gross debt, local in 1922[1]	$ 47,091	State debt, 1926[3]	$ 9,438
Increase, 1923-1926[2]	16,368	State debt, 1922[1]	7,755
Total	$ 63,459	Difference	$ 1,683
Deduct increase in state debt	1,683		
Balance, local, gross	$ 61,776		

5. GEORGIA:

Gross debt, local in 1922[1]	$ 65,882	State debt, 1926[3]	$ 9,535
Increase in 1923-1926[2]	8,396	State debt, 1922[1]	5,523
Total	$ 74,278	Difference	$ 4,012
Deduct increase in state debt	4,012		
Balance, local, gross	$ 70,266		

6. TENNESSEE:

Gross debt, local in 1922[1]	$ 119,744	State debt 1926[3]	$ 18,462
Increase, 1923-1926[2]	36,701	State debt, 1922[1]	19,142
Total	$ 156,445	Difference decrease	$ 680
Decrease in state debt	680		
Local debt, gross	$ 157,125		

[1] U. S. Census Bureau, "Public Debt, 1922," Table 4. [2] Exhibit C. [3] U. S. Census Bureau, "Financial Statistics of States," 1926, Table 18.

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