

and received a license not to be bothered at so many times and seasons, but to make their accounting once for all, for all income not covered by the license. If the payers at the source had been allowed to make only those payments on which it was able to report the names of the payees, the certificates of ownership might all have been gathered at one place, and all the intermediaries might have been saved the bother of the stationery and the filling of the blanks.

It really seems as though the effort had been to extract the minimum of tax with the maximum of squawking. The amount of the tax is insultingly small compared with the bother of paying it. A married couple with \$20,000 income need pay but \$160, but the law requires acts which could not be bought in some cases for any money, and could not be bought in any case for the amount of the tax. The head of a family might have \$100,000 of 4 per cent. bonds and not be taxable, but he would be bothered just the same. Thousands of holders of a bond or two have the tax taken from them, and then returned to them, after time and trouble too great for the small sum recovered. The infinitesimal calculus only can justify ordinary income taxpayers in bothering about it, except for the bother which they must undergo whether they are taxpayers or not.

POPULARIZING THE INCOME TAX.

The officials at Washington blandly assure those struggling with the income tax law and regulations that they will like it when they get used to it. Just so it is said that eels who grow a second skin come back to be skinned again. This is a fair precedent, because the income tax nuisance is a recurring one. There would not be a tithe of the present irritation if the same tax could be paid once a year and done with it. But coupons and salaries are to be clipped in a new sense. Each time a taxpayer takes a \$25 coupon from a taxable bond he loses 25 cents, and is reminded of it when he makes his annual settlement, and gets it back again—perhaps. The same is true of weekly or monthly salary payments. In both cases the levy is on the net income, and the collection is on the gross income. The collection is nominally from "the source"—which the law does not define—but the taxpayer who gets less than the face of his coupon or envelope somehow has the idea that he pays, rather than the source. The payments are required as the income is received, and so the payments must be made before the tax is due, sometimes more than a year sooner.

The equity and equality of taxing all incomes alike were the pleas for the enactment. But the law is grossly discriminatory. Incomes of the same amount are not taxed alike. Some bondholders are taxed and others are not taxed. The bonds are classified as well as the bondholders, and some bonds are taxed while others are not. Interest is taxable, but not dividends. This seems to be a discrimination in favor of the stockholder who receives his dividend unclipped, but is really a discrimination against him in some cases. For example, the tax on bonds guaranteed tax free ranks ahead of dividends, for the tax must be paid before the dividend can be declared. There is here discrimination between classes of securities and classes of taxpayers, and equality and equity are not in the law.

It is a pity that the law should be made obnoxious for its own faults, for reasons independent of the income tax itself either in amount or incidence. It would have been so easy to follow the examples of which there are so many. And it would seem that ingenuity might have sufficed even to make the present law less annoying. If coupon holders had been required to put a tax stamp on the coupon it could have passed through the banking routine freely at its face, and the tax would have been collected infallibly. If the law's idea of licensing tax collectors had been applied to taxpayers,