

OUR REVENUE LAW

The Independent Has an Amendment to Suggest Regarding Non-Productive Personal Property

The constitution of Nebraska provides that—

"The legislature shall provide such revenue as may be needful, by levying a tax by valuation, so that every person and corporation shall pay a tax in proportion to the value of his, her or its property and franchises, the value to be ascertained in such manner as the legislature shall direct." (Sec. 1, Art. IX., Const. of Neb.)

This, unless it shall be amended in the future, effectually ties the state down to what is known as the general property tax. Nothing is exempt theoretically except the classes of property enumerated in section 2, which need not be mentioned here. In theory all property, movable and immovable, tangible and intangible, real and personal, is subject to taxation in proportion to value. In practice a great deal of movable or intangible property escapes altogether, and a large amount is notoriously under-valued as compared to other like property.

The constitution requires taxes to be levied proportionally and on values. In other words, an ad valorem tax. Whether property be taxed on full value or a fraction of that does not matter so there is uniformity. In practice perhaps no property whatever is assessed at full or fair value, although the statute requires it. But there is a higher law than the mere enactments of legislatures, and no amount of penalties and fines and imprisonment of assessing officers will ever secure a full compliance of the law as it now stands or as it may be amended, so long as the system prevails of levying state and county taxes upon all the property in the state. A separation is essential to more equitable taxation, so that land will pay none but local taxes, and state government be maintained by revenues raised in some other way, say by railroad taxes, etc.

But we are tied to our present system for perhaps years to come and must make the best of it.

The framers of our revenue law were men (at least there was one of them) who believed the taxation of personal property to be a grand farce—but they were obliged to comply with the constitution. In their endeavors to make the provisions for assessing personal property so thorough as to let nothing escape, they arranged a schedule of some 36 items of personality. Experience has shown that seven of these items ought to be made into two, and, as to one of the items, the valuation ascertained in a manner radically different from that which now obtains.

The Independent would divide Item 34, "the value of household or office furniture and property," so that office furniture and property would stand as an item by itself. Then six other items would be consolidated with and be classed as household furniture and property. These six items are: Watches and clocks, sewing and knitting machines, piano fortes, melodeons and organs, gold or silver plate and plated ware, diamonds and jewelry.

These seven items as at present listed comprise scarcely 1 1/2 per cent of the grand assessment roll, and the six above enumerated paid less than 1/2 of 1 per cent of the taxes in 1900, as the following table will bear witness:

GRAND ASSESSMENT ROLL—1900.

	Valuation.	Per cent.
All property....	\$171,747,593	100.00
Watches & clocks	129,833	0.07
Sew. & K. mach.	200,314	0.12
Piano fortes....	281,666	0.16
G., S. & P. ware	23,091	0.01
Diamonds & J....	23,678	0.01
Hshld & O. fur.,	1,793,402	1.04

Seven items... \$ 2,593,970 1.49

On the basis of 200,000 families in the state, this would make the average assessment to the family about \$12.90 for the seven classes of property—an amount so insignificant as to be absurd, and, if we do not look at the assessment of real property, gives good ground for the railroad contention that the roads pay enough taxes.

Now, as was said before, it would not matter if only there were some semblance of uniformity in the manifest undervaluations—but we know there is scarcely any attempt at uniformity. Out in one of the school districts of Lancaster county each farm household is assessed \$5 on household goods, and although below the average, yet even the \$5 valuation is excessive when we stop to consider some household assessments in Lincoln and Omaha. A poor struggling professional man in Lincoln pays taxes on \$40 assessed against about \$250 for

household goods. Another Lincolnite worth ten thousand dollars pays personal taxes on an assessment of \$10.

The trouble is that no assessor can assess household goods and the other six classes of property (unless he is gifted with second-sight) with any hope of even guessing what the property is worth. To the unpracticed eye a \$15 or \$20 rug looks as good as one that cost \$250 or even \$500. A solid gold watch with the finest of works looks about the same as a Boss filled case with cheap Swiss works. And who but an expert can tell a real diamond from paste?

The legislature has authority to direct the manner by which the value of different property may be ascertained. There is no hard and fast rule as to this. The class of property under consideration is unproductive and deteriorates very fast, as one may learn by visiting his "uncle" or a second-hand man. The uniformity clause pertains to proportional taxation on values—after they are ascertained; but one need not apply the same rules in valuing a horse that he does in valuing a painting. Undoubtedly the legislature can prescribe one method of ascertaining the value of household goods, another for railroads, and still another for farm lands. The principal thing is to ascertain the value in the best possible manner.

Now, the family living in a \$10-a-month house have as a rule watches and clocks, sewing machines, organ, silverware and furniture to correspond. There may be a good library, but no musical instrument, or vice versa. But \$10 rent means \$10 furnishings.

The family who pay \$50 a month rent will have at least five times the value of the seven items named—maybe more; but there is no exact justice in taxation—only approximate. Under the present system the chances are that the \$50 man will not pay more than twice as much taxes on his household goods as does the \$10 man—and often no more.

Hence, The Independent suggests an amendment. Approximately the value of household goods in any household equals twice the annual rental paid for the house. Let that be the method of "ascertaining the value." If the occupant is a renter, there will be no trouble in finding out what he pays. If he owns his home, it need not be hard to estimate what it would rent for—a much easier task than valuing second-hand furniture and plated spoons.

The average yearly rental paid (or saved) by 200,000 families in Nebraska must be between \$60 and \$75 each, probably more. Applying our rule, the assessment would be close to three million dollars on the seven present classes named, consolidated as suggested. This would be better than at present both absolutely and relatively, for the gross inequalities at present would be better equalized—and the taxing power would lose nothing.

Railroads and Railways

It is extremely difficult for even a lawyer to keep track of the wheels within wheels of the railroad companies in Nebraska. For taxation purposes and for exercising eminent domain, there are about fifteen different companies in Nebraska known to the layman as the Burlington or B. & O. But the line from Falls City to Lincoln is the A. & N. for some purposes. That from Nebraska City to Lincoln the "Nebraska." That from Plattsmouth to Kearney the B. & M. From Rulo west toward McCook the R. V. And so on.

All these roads were long ago absorbed by the C., B. & Q.—either "railroad" or "railway" company as suited the exigencies of the occasion. Until some months ago the different lines in Nebraska were operated by the C., B. & Q. "railroad" company, owner. How they are operated by the C., B. & Q. "railway" company, lessee.

Fred Walker, the son of Peter H. Walker, was killed by an engine at Waverly last February and being the support of his aged parents on their farm near town the father wants \$5,000 damages. The engine was running by itself, forty miles an hour, when the ordinances limit the speed to ten, he says, and when his son issued from behind a long string of corn cribs onto the track he was struck by an engine. He had neither been able to hear or see it, says the father, first because it sounded no alarm and second because of the cribs.

The elder Walker sued for damages, but his attorney got mixed as to whether the Q is a "railroad" or a "railway," and the wrong company was sued as a matter of course, as Walker afterward discovered. So he now amends by including both companies. The Independent is not a "Green

\$16.40 Chicago and Return

Tickets on sale November 30th to December 2d. Return limit December 8th, 1902. Call and get full information.



CITY TICKET OFFICE
Cor. 10th and O Sts.
Telephone 235.
BURLINGTON DEPOT
7th St., Bet. P & Q.
Tel. Burlington No. 1290.

THE NORTHWESTERN LINE.

ONE FARE PLUS... **\$2.00**

HOMESEEKERS' TICKETS—On sale November 18, December 2 and 16, to Many Points in Nebraska, North and South Dakota, Minnesota, Wisconsin, and points in the Canadian Northwest. Return limit Twenty-One Days.

City Ticket Office
1024 O STREET.
Telephone 544.

Northwestern Union Sta.,
Cor. 9th and S Sts.
Telephone 502.

E. R. Butler, C. T. A. E. T. Moore, D. T. A. R. W. McGinnis, Gen'l Agent
LINCOLN, NEBRASKA.

Bag" or "Mercury" or "Legal News," but it would suggest to Mr. Walker that he bring his action also against the B. & M. company, because it is a Nebraska corporation and has the right-of-way. Both brands of the C., B. & Q. are non-residents and he may find himself in federal court before long—a very awkward place to fight a powerful corporation—unless his suit also runs against the Nebraska company.

Chairman Lindsay

A great deal of free advertising has been given Harry Lindsay, the republican chairman, and he is cracked up to be the ablest campaign manager that ever manipulated republican boodle in Nebraska. The Independent believes he is greatly over-rated, simply because he has been successful; for, as Red Apple Jo Johnson says, "It is easy enough to win when things are coming your way, but hard to turn the tide when it's against you." R. B. Schneider, Orlando Teft, Brad Slaughter and a number of other republican celebrities, according to The Independent's ideas, are just as able campaign managers as the gentleman who circulated fac similes of forged passes and wants to wear the official shoes of W. S. Summers.

Election night the first 20 or 30 precincts heard from indicated the election of the entire fusion state ticket, and before midnight the telephone returns said that Chairman Lindsay conceded Thompson's election. Afterward he felt foolish about the matter and had the republican papers deny that he ever said it. But the evidence is against him, for the Iowa State Register the next day printed the names of the fusion candidates, under the heading, "Nebraska Results," as being elected. That information came through the Associated press from republican headquarters a little after 10 o'clock Tuesday night.

Lindsay wanted to appear very wise in the matter, but only succeeded in making an ass of himself.

That New Book on The Big Horn Basin

is off the press and ready for distribution.

It is a little bit the best publication descriptive of this wonderful section of Wyoming yet issued. It gives brief glimpses of its farms, gardens, cattle ranches, irrigating canals, oil fields and a word about the golden opportunities, illustrated by thirty-one splendid half-tones from photographs. Free to any address on request.

J. FRANCIS, G. P. A.,
Burlington Route,
Omaha, Neb.

Illinois Central Excursions

- 1—Jacksonville, Fla., \$52.50.
- 1—Thomasville, Ga., \$48.80.
- 1—New Orleans, La., \$43.00.
- 1—Vicksburg, Miss., \$38.00.
- 1—Hammond, La., \$43.00.
- 1—Daytona, Fla., \$59.10.
- 1—Tampa, Fla., \$65.20.
- 1—Palm Beach, Fla., \$71.50.
- 1—Havana, Cuba, \$106.70.
- 1—Jackson, Miss., \$38.00.
- 1—St. Augustine, Fla., \$55.40.
- 2—Mt. Clements, Mich., \$34.10.
- 2—French Lick Springs, Ind., \$30.90.
- 3—Chicago, Ill., \$14.75.

ABOVE RATES ARE FOR ROUND TRIP TICKETS FROM OMAHA, NEB.

Column 1—Tickets on sale daily; return limit June 1, 1902.

Column 2—Tickets on sale daily; return limit 90 days.

Column 3—Tickets on sale November 30, December 1 and 2; return limit December 8.

Round trip tickets on sale to nearly all points in the south and southeast. Stopovers allowed both going and returning.

Attention is called to the "Dixie Flyer," a through train via Nashville, Chattanooga, Lookout Mountain, Atlanta and Macon to Jacksonville, Fla.

Homeseekers' tickets, at rate of one fare plus \$2, on sale first and third Tuesdays of each month, to points in Tennessee, Kentucky, Mississippi, Louisiana, Georgia, Alabama, etc.

Correspondence invited and information cheerfully given. Get copy of our beautifully illustrated booklet, covering points of interest in the Sunny South, at 1402 Farnam st., Omaha, Neb., or write W. H. BRILL, Dist. Pass. Agt., Ill. Cent. R. R., Omaha, Neb.



HOMESEEKERS' EXCURSIONS TO

Arkansas, Oklahoma, Indian Territory, Texas, and many points in Louisiana, Arizona and New Mexico

on October 21, November 4 and 18, December 2 and 16. Rate one fare plus \$2 for the round trip. Arkansas is the finest fruit country in the world and is productive of cotton, corn, coal, minerals, grazing and the land is still ridiculously cheap. For descriptive pamphlets, folders, etc., call or apply at City Ticket Office, 1033 O st.

F. D. CORNELL, P. & T. A.