

THE  
**STATE REVENUE NEWSLETTER**

Editorial Office  
THE STATE REVENUE SOCIETY  
4109 25TH AVENUE SOUTH-WEST  
SEATTLE 6, WASHINGTON  
98106

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### ALABAMA BEER STAMPS

Mr. Applegate sends us a letter from the Alabama Alcoholic Beverage Control Board regarding beer stamps, in which they say "this is to advise that each brewery which handles taxpaid keg stamps is under bond against illegal disposition of such stamps.

Under Alabama law, it is illegal for anyone not properly qualified and licenses to have such stamps in his or her possession.

We respectfully submit with regret that we are unable to comply with your wish to secure such stamps as collector's items."

Mr. Applegate tells us that he has a used copy of a \$3.32 stamp.

### ARIZONA EGG INSPECTION

To continue with these, some of which we showed in the last issue, we have seen the following:

In the type illustrated on the left side of page 20 -

Grade AA	1/3¢ black on blue, rouletted	9½
Unclassified	" " " green,	9½

both of these are in the same size as the Grade A shown.

In a somewhat similar design, but larger, being 7 1/8" wide overall by 7 1/4" high overall, imperforate we have

Grade A	10¢ black on red
Grade AA	10¢ black on blue

Both of these stamps are imprinted with serial numbers at the upper right. The blue one has a space for the name of the packer. Although they are similar, the inscription showing "Inspection Fee 10¢" are in different type letters, being quite heavy on the blue stamp.

In a design similar to the one at the lower center of the page, we have a 1 1/4" wide printed tape (the printing running parallel to the edges of the tape instead of across) we have a 1/3¢ black on white with orange "sun" framing the

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## "THE STATE REVENUE NEWSLETTER"

Official organ of THE STATE REVENUE SOCIETY

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inscription. \* ONCE IN A LIFETIME OPPORTUNITY!

We have still another one \*  
on printed gummed tape, \* --Now breaking up many scarce  
black on white with the \* and rare blocks, collections,  
same orange sun around the \* etc., acquired from the Cabot  
value inscriptions, but \* estate. What are your desires  
this time on 2 3/8" wide \* in these, favorite states, etc?  
paper, similar in design, \* Drop me a card today. Don't  
but with the inscription \* wait, since you may be late -  
running across the width \* forever.  
of the tape, and adjacent \*  
"stamps" inverted, giving \*  
tete beche pairs. \*  
\* \* \* \* \*

"EL" HUBBARD  
Box 1124

Sunnyvale, California

#### FLORIDA DOCUMENTARY TAX

We have seen the 10¢ blue in the same design as used for  
past issues, but with signature of Ray (or Roy) E. Green.

#### WASHINGTON HONEY SEALS

We understand these are still available from the State Department of Agriculture, Olympia.

#### ALASKA

Although this state issues no stamps at the present time, We have run across a report on revenue and taxation in Alaska made by the Legislative Council for the members of the State Legislature which has a few notes of interest.

The sport fishing license stamp law was first enacted by the Territorial Legislature in 1951. There was no similar license stamp law for sport hunting until 1957. The license fees for sport fishing were set at \$1.00 for a resident and \$3.00 for a non-resident. The sport hunting license law enacted in 1957 established sport hunting license stamps at \$2.00 and non-resident stamps at \$4.00. The sport fishing stamp fee was increased in 1957 to \$2.00 for residents and \$4.00 for non-residents. All resident Indians, Eskimos and Aleuts were exempt from the licensing provisions as were all children under the age of sixteen. The present system of licenses and game tags to replace the stamp law was first enacted in 1959.

There have not been any stamp taxes on cigarettes or tobacco, although the first comprehensive tobacco tax law was enacted in 1949 on cigarettes, cigars, tobacco and snuff. In 1955 the original act was replaced by one which taxes cigarettes only. A table included, giving the amount collected in the various states reveals some interesting figures. These are



for the Month of May, 1961, for states which use the stamp method, March for Alaska, and April for Hawaii, Massachusetts and Michigan. These last four states use a report system instead of stamps and at that time Colorado, North Carolina and Oregon had no cigarette taxes.

The state collecting the most taxes during that one month was New York with a gross amount of \$11,023,187, with a 5¢ tax. Texas was second high with \$7,820,221 with an 8¢ tax. Pennsylvania was third with \$6,815,656 with a 6¢ tax. Three states went over \$5,000,000 - California, New Jersey and Ohio. Alaska was low on the list with only \$123,187.

Liquor taxes were enacted in 1933 and stamps were used for a time. The rate at first was 5¢ per gallon 3.2 beer and wine. In 1937 the tax was broadened and the rates raised: 5¢ per gallon beer, 15¢ per gallon of wine, and 50¢ per gallon of liquor. At present the taxes are still higher and are collected by means of monthly reports and payments.

They bring out the distinction between the basis of federal taxation on distilled spirits based on "proof" gallons as against the state tax based on "wine" gallons. A tax based on proof gallons is levied only on the alcoholic content of the liquor. A 100 proof liquor is 50 per cent alcohol. One gallon of this contains one-half gallon of alcohol and would be subject to a federal tax of \$5.25 which is half of the proof gallon tax of \$10.50. A wine gallon is the standard American gallon of 231 cubic inches. The Alaska tax would be for the full gallon at \$4.00 per gallon on the same quantity. The main advantage to a tax based on wine gallons they say is its simplicity of administration.

Municipalities are forbidden to levy liquor excise taxes.

Coin operated amusement and gaming devices were first licensed in 1941 at the rate of 12 1/2 per cent of the gross receipts of the licensed machine. This tax was replaced in 1946 by one which imposed an annual \$30.00 license tax on all coin operated amusement devices. In addition to this, each amusement device was required to have a \$25.00 stamp fixed to it except pinball or slot machines which had to have a \$150.00 stamp. This law was replaced in 1947 by one which levied an annual \$50.00 tax on coin operated amusement devices and a \$200 tax on coin operated gaming devices.

In 1949 a license tax was levied on punch boards. In 1951 the tax was amended to require payment of the tax before punch boards could be distributed or used. The tax rate is \$2.00 for each board with 2,000 holes or less, and \$4.00 for each additional holes or fraction of this amount.

This escaped us when we first read it, and it looks as though there are stamps in use in Alaska, although we have not seen any or previously known of them. The report says the Commissioner of Revenue is responsible for administering the tax. After it is paid, he issues stamps, which must be placed on the punch board before it is used. The operator of a punch board is required to endorse the stamp with the serial number of the punch board. The tax act specifically states that it is not to be construed as legalizing gambling. Seventy-five percent of the proceeds from the tax collected in incorporated cities is refunded to the cities and the balance deposited in the general fund. During 1959 and 1960 fiscal years the general fund obtained \$1,166 and \$915 from this tax.

The report says further that all of the revenue from the punch board tax and some of the revenue from the coin operated device tax is derived from unlawful gaming activities. It says, moreover that, according to the publication "State of Alaska, State Revenue Sources, Actual and Estimated, Fiscal Years 1951-1966" prepared by the State Department of Administration, "enforcement of..state and local statutes has eliminated this source of revenue" (the punch board tax.)

We might add that such things are, and have been for a long time, illegal in the state of Washington; however, up until a couple of years or so ago the law was ignored and punch boards were to be found everywhere and taxed by some cities.

#### OREGON CIGARETTE TAX

There is a bill before the legislature for a tax of 4¢ per pack, the tax to be paid by means of stamps or meter impressions. If the bill is approved it will be submitted to the voters before it would go into effect. This is the latest attempt on the part of the legislature to tax cigarettes of a number of tries. The voters turned it down before.

#### OHIO CIGARETTE TAX

The voters in this state have approved an amendment to the state constitution authorizing the issuance of \$250 million in bonds, etc., the principal and interest on which are to be paid from all excise taxes except real and personal property taxes, gasoline, income, and motor vehicle taxes. The taxes from which these obligations are to be paid includes a tax on cigarettes at the rate of 1/2¢ per ten cigarettes - in other words 1¢ per pack of 20. It is to take effect January 1, 1965 and run through December 31, 1972, unless required for a longer period of time.

## WEST VIRGINIA CIGARETTE TAX

It would appear that this state has had some trouble with counterfeiting. Details are not available, but a county circuit court has been ordered by the supreme court of appeals to determine the issue of contraband forfeiture of cigarettes and vending machines used in connection with the sale of such cigarettes, which were seized by the Tax Commissioner because of the use of counterfeit stamps.

## STATE CIGARETTE TAXES

According to a government publication, the dates of the adoption of these taxes by the various states has been as follows:

- 1921 - Iowa
- 1923 - Utah, South Carolina, South Dakota
- 1925 - Tennessee
- 1927 - North Dakota, Kansas
- 1929 - Arkansas
- 1931 - Ohio, Texas
- 1932 - Louisiana, Mississippi
- 1933 - Oklahoma
- 1935 - Alabama, Arizona, Connecticut, Washington
- 1936 - Kentucky
- 1937 - Georgia, Pennsylvania, Vermont
- 1939 - Hawaii, Massachusetts, New Hampshire, New York,  
Rhode Island, Wisconsin
- 1941 - Maine, Illinois
- 1943 - Delaware, Florida, New Mexico
- 1945 - Idaho,
- 1947 - Indiana, Michigan, Minnesota, Montana, Nebraska,  
Nevada, West Virginia
- 1948 - New Jersey
- 1949 - Alaska
- 1951 - Wyoming
- 1955 - Missouri
- 1958 - Maryland
- 1959 - California
- 1960 - Virginia

This is a 1961 publication and it says that in

Alabama, 99 municipalities and 5 counties  
Colorado, 33 municipalities  
Missouri, 37 municipalities  
New Jersey, 1 Municipality (Atlantic City)  
New Mexico, 1 municipality (Santa Fe)  
New York, 1 municipality (New York)  
Tennessee, 1 municipality (Memphis) and 1 county (Shelby  
outside the limits of Memphis)  
Virginia, 6 municipalities

also levy taxes on cigarettes. (to be continued)