

Stamp Collecting

by Lynne Belluscio

We've been trying to clear off the library tables for the Business Council meeting this week. I know I'm taking a chance, because every time I clean off the tables, the next day, someone brings in a collection of papers. Nevertheless, the tables were cleared off by Monday.

The stuff collects on the tables because every time I start a project - and there are lots of projects - there's another pile of papers and photographs and after a while, it's time to file the stuff.

One pile included about 100 checks from the Bank of LeRoy from the 1850s and '60s. A number of them had little postage stamps on them and I wondered what they were all about. So I went down to Mill Street to pay a visit to John Cooper. "What are those stamps?" "They're revenue stamps. Usually found on mortgage payments. They were really just another tax." "Anything like the stamps on the back of the little photographs that we have in the collection?" "Yep.

During the Civil War, there were tax stamps on lots of things - - a deck of cards and liquor." And John pulled out a book, and sure enough there were the stamps.

So I came back to the office and started to Google revenue stamps and learned a lot. The stamps were just part of the tax story that started during the Civil War. The Federal government had to figure out a way to pay for the Civil War. Previously, the government had sold bonds to pay for the War of 1812, but Secretary of the Treasury, Salmon Chase knew that wouldn't raise enough money.

In 1861, Congress passed a Federal income tax (which was really unconstitutional) but it wasn't until Congress passed the Internal Revenue Act of 1862 that the Federal income tax became the law of the land - at least in the North.

The 1862 law established the Bureau of Internal

Revenue and George Boutwell became the first commissioner. The law taxed luxury items such as liquor, tobacco, billiard tables, patent medicines, carriages, jewelry, yachts, photographs, and playing cards. It also taxed newspaper advertising.

Another form of taxation was the required licensing of insurance companies, and most professions - - except the clergy. There was a 3% tax on income between \$600 to \$10,000 and 5% on income exceeding \$10,000. Thaddeus Stevens, Chairman of the House Ways and Means Committee was heard to say "While the rich and the thrifty will be obliged to contribute largely from the abundance of their means - no burdens have been imposed on the industrious laborer and mechanic - the food of the poor is untaxed and no one will be affected by the provisions of this bill whose living depends solely on his manual labor."

Many people at that time did not make \$600 a year. But in 1864, the law changed. The assessments went up. Income between \$600 to \$5,000 was taxed at 5% and income between \$5,000 and \$10,000 went up to 7.5%. Then an emergency bill increased everyone's tax rate by another 5%. David Wells, who was appointed chairman of the U.S. Revenue Commission in 1865 said "wherever you find an article, a product, a trade, a profession, or a source of income - - tax it!" Hotels, restaurants, cattle brokers, soap makers, were required to have a license - - even jugglers! (Every person who performs sleight of hand shall be

regarded as a juggler.)

Throughout the country there were Federal tax assessors and once they determined a tax rate "there was no appeal." The Republicans suggested another taxing system which reflected the taxpayers ability to pay. (Does any of this sound familiar?) In 1872, the income tax was repealed, however the Bureau of Internal Revenue remained.

In 1873, most of the records of the tax assessors were declared unnecessary and they were burned. However, a few records were retained and they have been microfilmed and are part of the collection at the National Archives. These records include lists of holdings that were subject to taxation. It would be fun to visit the archives some day to see if there are any records from LeRoy.

After 1873, there was still concern that a Federal Income Tax was unconstitutional. On February 25, 1913, the 16th Amendment to the Constitution was introduced: "The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration." As they say "the rest is history." Will Rogers said:

"The difference between death and taxes is that death doesn't get worse every time Congress meets."

