

Federal Income Tax Handbook 1936-1937 (Book Note)

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FEDERAL INCOME TAX HANDBOOK 1936-1937. By Robert H. Montgomery. New York: The Ronald Press Co., 1936, pp. xv, 1207.

What does Colonel Montgomery have to say on any question concerned with the federal income tax law? The answer can be found in this volume. The book is encyclopedic in scope and has become a necessary reference book for the tax consultant. Very little is left to be added to what has been said in past years concerning the excellence of the book, except that the author is less vitriolic in his criticisms of the government's arbitrary attitude in numerous tax situations. In the author's explanation and discussion of the surtax on undistributed income, the writer expected to read an old-fashioned polemic of denunciation. Instead the author drew up an able indictment of this law in a spirit of comparative calm. The writer, although in sympathy with the plan the government had in mind when this tax was first broached, has been convinced by the author of the unconstitutionality of the law as it stands today. The basic idea of the surtax was to tax stockholders on their distributive shares of the profits of a corporation, as though they were partners in the business instead of stockholders. Whether the law as finally passed is declared unconstitutional or not, there is little doubt that it should, and probably will be, amended to the benefit of taxpayers. Some of the defects are too glaring—as the author effectively shows. Colonel Montgomery will undoubtedly be in the forefront with valuable suggestions for improving the administration of the law, both from the point of view of the Treasury Department as well as the taxpayer.

In addition to the chapters on income and deductions, the book contains an excellent discussion on methods and bases of reporting income, the author indicating his personal preference for the accrual basis of reporting income; several chapters on assessments, refunds and penalties; and a much needed, clarifying discussion on the withholding provisions in the law. Finally, mention should be made of Chapter 28 which contains valuable information on Miscellaneous Federal Taxes, Capital Stock Tax, Excess Profits Tax, Tax on Unjust Enrichment, Tax on Transfers to Avoid the Income Tax, and Dues and Initiation Fees. The book, of course, is well documented with the important references to the Regulations, Treasury Department Rulings, U. S. Board of Tax Appeals Decisions, and court cases. These are summarized separately in Indexes. The book is an outstanding contribution of the year to our tax literature.

B. H.

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The initials signed to the booknotes are those of Edward J. O'Toole and Benjamin Harrow.