

# REPORT OF COMMITTEE ON ADMINISTRATION AND FINANCE

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## THE TAXATION OF MOTOR VEHICLES IN 1932

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### SYNOPSIS

Motor vehicle owners in the United States paid approximately one billion dollars in 1932 for the right to operate on the public highways.

This sum comes directly from the pockets of motor vehicle owners in the form of registration fees, gasoline taxes, mileage and ton-mile taxes, receipts taxes, personal property taxes, special fees imposed by counties and municipalities and other lesser units of government, and many other direct imposts.

In an endeavor to determine for the first time the number and amount of all the various kinds of taxes and fees, and how they are imposed upon the numerous different types of vehicles, a special inquiry was undertaken by the U. S. Bureau of Public Roads during the summer of 1933, covering all of the 48 States and the District of Columbia. The present paper is a preliminary report upon the results of this investigation, the full details of which will be published in a separate report.

Organization of the statistical personnel which handled the large mass of figures involved in the survey of motor vehicle taxation was directed from headquarters at Washington. One or more special statisticians were employed in each State, all of them being persons familiar with the administrative control of motor vehicles and many of them being present or former employees of State departments. These statisticians, often with the assistance of extra helpers, worked in the offices of the motor vehicle administrators and others, handling the original records and transcribing from them the desired data. In this way, elaborate data on all State fees and taxes were obtained. In addition, the local tax situation—county and municipal fees, and personal property taxation—was covered by means of questionnaires to the proper authorities.

All reports were sent to Washington for analysis and compilation, and subjected to careful checking.

The inquiry was confined solely to the calendar or fiscal year 1932, and the following comments accordingly apply to that period only.

## DIVERSIFIED METHODS OF TAXATION

The analysis of the reports which were submitted and a detailed study of the State laws further emphasized a fact already known—that there is great diversity in the methods used by the States in taxing motor vehicles. The greatest lack of uniformity was found in the bases on which payments of registration fees were imposed. In all States the rates were graduated so as to increase with the size of vehicle. In the District of Columbia, however, a fee of \$1 was imposed on all gasoline-driven vehicles regardless of type, size or class of service. The methods by which this variation in payments of registration fees were achieved were widely different, and in some States appeared to be unduly complex.

For passenger cars registration fees varying with the weight of the vehicle were most commonly applied. Thirty States used this basis, of these, five included the weight of the passengers. Horsepower, alone or in combination with other factors, was used in 18 States, value or list price in three. In eight States the age of the vehicle or the number of times it had been registered was used as a modifying factor in computing registration fees. In Arizona, California, and Washington, a uniform flat fee was imposed on all passenger cars. In several States combinations of two or more of the factors mentioned above were used.

The same varying bases of taxation were found in the registration of busses. Seating capacity, either alone or in combination with other factors, was used in 27 States, net weight in 15, and gross weight in 9.

In the case of trucks registration fees increasing with the capacity of the vehicle were found in 26 States. In 11 States the fees varied with the gross (loaded) weight of the vehicle, in eight States with net weight, and in three States (Idaho, Pennsylvania, and South Dakota), with chassis weight. In six of the States which imposed weight or capacity taxes a flat fee was charged in addition. In Maryland horsepower only was used as the basis for the registration of pneumatic-tired trucks, and horsepower in combination with other factors was used in Louisiana and Tennessee. In Minnesota the fee was based on the value of the vehicle. The tendency to use more than one basis of taxation was quite as common in the case of trucks as it was with other classes.

Trailers and semitrailers were generally registered on the same basis as trucks, but the rates were usually lower.

In many States distinction was made between pneumatic-tired and solid-tired vehicles, the latter paying higher fees. Farm trucks and those operated only in or near cities paid at reduced rates in a number of States.

In the majority of States vehicles operated for hire were taxed more

heavily than those privately operated. This additional taxation was imposed in a number of different ways, including higher registration fees, taxes based on vehicle-mileage, ton-mile or passenger-mile taxes, gross receipts taxes, special license or franchise fees, permit fees, and fees imposed for certificates of convenience and necessity.

A further distinction was frequently made in for-hire carriers according to the class of service. Common-carrier trucks and trailers and public-carrier busses, accepting business from the general public and operating on a regular schedule over fixed routes, were generally taxed at higher rates than were carriers operating for hire under contracts or agreements for each trip.

Taxicabs and other passenger cars for hire were reported separately by 27 States and the District of Columbia. In the majority of these States higher registration fees were charged against taxicabs than against passenger cars. In five States and the District of Columbia additional special fees were imposed.

Busses were reported in three classes, school busses, contract and sightseeing busses, and public carriers. Only 16 States reported school busses other than those publicly owned or paying only nominal fees, although a number indicated that such busses were included with other registration classifications.

Nineteen States and the District of Columbia made the distinction between public-carrier busses and those operated for sightseeing purposes or as contract carriers. The remainder reported revenue busses without distinction as to class of service. There is no question, however, that the great majority so reported were operated as public carriers in either urban or interurban service.

The results of the survey indicate that for-hire carriers of property were, in one way or another, recognized as separate classes of vehicles in all States except Connecticut, Delaware, Maine, Nebraska, New Hampshire, New Jersey, New York, and the District of Columbia. However, a number of the States which have such regulations failed to report separately the numbers of for-hire vehicles or their payments of fees. In all, 35 States reported for-hire carriers in such a manner that they could be included in the tabulations of national totals and averages.

Of these 35 States 22 reported both contract and common carrier trucks, and in the case of three additional States, Arkansas, Ohio, and West Virginia, contract and common carriers are included together. Nine States reported common carriers separately, but did not segregate contract carriers from those privately owned and operated. One State, Massachusetts, reported contract carrier trucks but no common carriers.

The data on trailers and semitrailers were less complete, 24 reporting common carriers and 20 reporting contract carriers.

## ESTABLISHING STATISTICAL BASES FOR COMPARISON

In order to present a clear picture of the amounts of motor-vehicle taxes contributed by vehicles of various sizes, it was necessary to adopt a common basis of classification. In the case of trucks, tractor trucks, and trailers it was decided to convert all reported figures given in terms of net, gross, or chassis weight into equivalent rated capacity. From a study of published lists giving these weight relations for specific makes and models of vehicles, and also of data furnished by representatives of the motor vehicle industry, conversion tables were prepared which give approximate or average values of rated capacity corresponding to given values of net, gross, or chassis weight. With the aid of these tables the desired conversions were made.

A scheme of classification was adopted which divides all trucks, tractor trucks, and semitrailers into the following capacity groups

- 1 —  $1\frac{1}{2}$  tons and less
- 2 — Over  $1\frac{1}{2}$  tons and less than 3 tons
- 3 — 3 tons and less than 5 tons
- 4 — 5 tons
- 5 — Over 5 tons

Methods of approximation were devised for making this classification in the case of States for which the data could not be written down directly in this form.

Busses were classified on the basis of seating capacity, and factors were developed for converting net or gross weight into seating capacity.

In order to determine approximately the amounts contributed in gasoline taxes by the different classes of vehicles, and by the different capacity groups in each class, a calculation was made based on certain assumptions as to annual mileage and rate of gasoline consumption. In the case of passenger cars the assumptions were an average mileage of 7,000 miles per year and a consumption rate of 14 miles per gallon. In the case of other vehicles an approximate relation between gross weight and gasoline consumption was used. Privately owned trucks were assumed to travel 10,000 miles per year, and greater mileages were assumed for contract and common carrier trucks, tractor-trucks, taxicabs, and public carrier busses, because of the nature of their operations. In the case of each State the total computed gallonage was adjusted to equal the net gallonage reported by the State for the year 1932.

## SUMMARY OF ESSENTIAL FACTS DISCLOSED BY SURVEY

The primary object of this survey was to determine approximately the contribution of the owners of motor vehicles to Federal, State, and local government. The following tabulation gives the major items of motor-vehicle revenue and the total sums received in 1932, so far as it was possible to obtain the information.

State fees and taxes	
Vehicle registration fees (motorcycles, trailers, and semitrailers included)	\$293,189,177
Special fees, paid chiefly by for-hire vehicles	5,230,792
Operators and chauffeurs licenses	18,280,802
Miscellaneous motor-vehicle fees	9,475,924
Gasoline or motor-fuel taxes	513,047,239
Total	\$839,223,934
County fees and taxes (incomplete)	1,703,000
Municipal fees and taxes (incomplete)	14,158,000
Personal property taxes, all jurisdictions (incomplete)	36,000,000
Federal excise taxes	92,404,000
Grand total	\$983,488,934

This total of approximately a billion dollars is, as noted above, incomplete. The State totals are believed to approach very closely to the true figures, although it is probable that in some States a few items escaped the attention of the investigators. Certain of the reported payments, such as dealers' license fees, fines and penalties, and miscellaneous small items, which could not be regarded as direct imposts on the motor-vehicle owner, have been omitted. Nominal fees charged against publicly-owned or official cars, have been included with the miscellaneous fees.

The total number of vehicles (including motorcycles, trailers, and semitrailers, and excluding those publicly owned) registered in 1932, was 24,619,602. Dividing the total payment of \$983,488,934 among these vehicles, we find that the average motor vehicle owner paid in 1932 a tax of \$39.95 for the privilege of operating on the streets and highways of the nation.

Only in the case of State taxes was it possible to separate the payments by different classes and sizes of vehicles. Some of the salient facts along this line are brought out in the following paragraphs.

*Numbers of vehicles.* The following tabulation gives the total number of vehicles registered and tax-paid in the United States in 1932, grouped according to type of vehicle and class of service.

Passenger cars	
Private cars (including taxicabs in 20 States)	20,759,140
Taxicabs (reported separately by 27 States and the District of Columbia)	77,222
All passenger cars	20,836,362
Busses	
School (reported separately by 16 States)	9,813
Contract, including sight-seeing (reported separately by 19 States and the District of Columbia)	3,314

Public carrier (including other busses in States where not separately reported)	36,325	
All busses		49,452
Trucks and tractor trucks		
Privately owned and operated (including for-hire carriers where not reported separately)	3,144,704	
Contract carrier (reported separately by 26 States; includes common carriers in 3 States)	69,840	
Common carrier (reported separately by 31 States)	14,771	
All trucks and tractor trucks		3,229,315
Trailers and semitrailers		
Privately owned and operated (including for-hire carriers where not reported separately)	406,431	
Contract carrier (reported separately by 20 States; includes common carriers in 2 States)	5,008	
Common carrier (reported separately by 24 States)	3,837	
All trailers and semitrailers		415,276
Motorcycles		89,197
All vehicles (including trailers and motorcycles)		24,619,602

Analysis of the reported figures to determine the distribution of vehicles by rated capacity resulted in the following totals:

Busses	Number	Percentage
Up to 7 passengers	6,986	14 13
8 to 20 passengers	8,764	17 72
Over 20 passengers	27,122	54 84
Not classified by capacity	6,580	13 31
Total	49,452	100 00
Trucks and tractor trucks		
1½ tons and less	2,681,985	83 05
Over 1½ tons and less than 3	341,285	10 57
3 tons and less than 5	128,938	3 99
5 tons	28,544	88
Over 5 tons	44,056	1 37
Not classified by capacity	4,507	14
Total	3,229,315	100 00
Trailers and semitrailers		
1½ tons and less	326,183	78 55
Over 1½ tons and less than 3	25,705	6 19
3 tons and less than 5	23,781	5 73
5 tons	6,372	1 53
Over 5 tons	8,714	2 10
Not classified by capacity	24,521	5 90
Total ..	415,276	100 00

*Percentages* The owners of passenger cars, which constituted 84.3 per cent of all vehicles, paid 72.9 per cent of the registration fees and 73.1 per cent of the gasoline taxes.

Taxicabs, reported separately from passenger cars in 27 States and the District of Columbia, comprised 0.3 per cent of the vehicles, they contributed 0.5 per cent of the registration fees and 0.9 per cent of the gasoline taxes.

Motor busses, which included 0.2 per cent of the vehicles, contributed 1.2 per cent of the registration-fee payments and 1.2 per cent of the gasoline-tax payments.

TABLE I  
AVERAGE PAYMENTS

Vehicle	Registration Fees	Gasoline Taxes	Special Fees	Total
Passenger Cars	\$10.28	\$18.07		\$28.35
Taxicabs, reported by 27 States and District of Columbia	17.72	60.64	\$1.53	79.89
Busses				
School, 16 States	21.57	39.17		60.74
Sightseeing and Other Contract Carriers, 19 States and District of Columbia	47.49	100.12	5.24	152.85
Public Carriers <sup>1</sup>	83.90	148.17	62.96	295.03
Trucks and Tractor Trucks				
Privately owned and operated	21.66	38.49		60.15
Contract Carriers, 23 States	31.14	62.44	14.77	108.35
Common Carriers, 30 States	32.93	78.10	72.46	183.49
Trailers and Semi-Trailers				
Privately owned and operated	7.71			7.71
Contract Carriers, 20 States	35.74		26.42	62.16
Common Carriers, 24 States	34.15		102.50	136.65

<sup>1</sup> Includes sight-seeing and contract busses in those States which made no segregation.

Motor trucks and tractor trucks, comprising 13.1 per cent of the vehicles, paid 24.2 per cent of the registration fees and 24.7 per cent of the gasoline taxes.

Trailers and semitrailers constituted 1.7 per cent of the vehicles and paid 1.2 per cent of the registration fees.

Motorcycles, constituting 0.4 per cent of the vehicles, contributed 0.1 per cent of the registration fees and 0.1 per cent of the gasoline taxes.

Special fees to the amount of \$5,230,792 were collected from operators

of vehicles for hire and, in a few States, from certain classes of private operators. These imposts took the form of mileage, ton-mile, or passenger-mile taxes, receipts taxes, special weight or capacity taxes, franchise fees or privilege taxes, fees for certificates of convenience and necessity, etc. To this amount must be added \$500,807 in excess registration fees paid by for-hire carriers of property (fees in excess of those calculated on the basis of the private carrier rate).

TABLE II  
VARIATION OF FEES WITH CAPACITY

Capacity	Average Registration Fee	Average Motor-Fuel Tax	Average of all Fees <sup>1</sup>
Public Carrier Busses			
Seating Capacity			
7 or less	\$25 84	\$52 50	\$104 77
8 to 20	57 39	123 13	234 50
Over 20	99 20	170 26	329 98
All Trucks and Tractor Trucks			
Rated Capacity in Tons	<sup>2</sup>		
1½ and less	\$15 51	\$36 16	\$51 85
Over 1½ and less than 3	38 21	46 33	85 92
3 and less than 5	67 33	59 89	130 40
5	97 57	68 10	168 49
Over 5	113 89	81 12	199 60
All Trailers and Semi-Trailers			
Rated Capacity in Tons	<sup>2</sup>		
1½ and less	\$3 34		\$3 42
Over 1½ and less than 3	14 08		15 63
3 and less than 5	36 46		41 71
5	59 21		69 32
Over 5	70 55		92 35

<sup>1</sup> Includes Special Fees

<sup>2</sup> Includes excess registration fees paid by for hire carriers

If the special fees are added to the registration fees and gasoline taxes it is found that busses contributed 1.5 per cent and trucks and trailers 25.1 per cent of all fees and taxes directly imposed on motor vehicles in 1932.

*Average payments* Average payments of registration fees and gasoline taxes by passenger cars were as shown in Table I.

*Variation of average payments with capacity* As the weight or capacity of vehicles increases there is, in general, a steady rise in the average fees paid. This fact is shown by the averages in Table II.



## DISCUSSION OF AVERAGE PAYMENTS BY DIFFERENT CLASSES OF VEHICLES

*Passenger cars* The rates of registration fee charged against passenger cars varied rather widely. The lowest rate was found in the District of Columbia, where a one dollar fee is charged for the registration of all gasoline-driven vehicles. In Vermont the rate varied from \$16 for cars weighing 2,000 pounds or less to \$43 for those weighing more than 4,500 pounds. The average payment was \$21.45, the highest in any State. Other States which exacted relatively high fees from their passenger cars were Oregon, in which the average payment was \$21.44, Arkansas, with \$18.56, Connecticut, with \$16.84, and Florida, with \$16.25. Among the States in which the payments were low were Washington, with an average of \$2.94, California, with \$3.02, and Arizona, with \$3.50. Clustered about the national average were Kansas, with \$10.06, Pennsylvania, with \$10.29, and Wyoming, with \$10.32.

Total payments by passenger cars were naturally highest in those States in which the gasoline-tax rate was 6 or 7 cents per gallon. Thus in Florida, with a rate of 7 cents, the average payment of all fees and taxes by passenger cars was \$59.90, in Arkansas, with a rate of 6 cents, the average payment was \$50.38. In the District of Columbia, combining a \$1 registration fee with a gasoline tax rate of 2 cents per gallon, the average of all fees and taxes was \$10.77, the minimum for the country. California came next, with \$18.98. New York, with an average payment of \$28.75, approached the national average of \$28.35, as also did Connecticut, with \$28.80, Arizona, with \$28.96, and Texas, with \$27.56.

*Busses* As the numbers of privately owned school busses and of sight-seeing and contract-carrier busses which were reported in this survey form so small a portion of all busses reported, a discussion of the variation in their rates or payments is hardly significant, the following remarks are therefore confined to public-carrier busses.

Disregarding the \$1 fee in the District of Columbia, we find that the lowest average payment of registration-fees by public-carrier busses, \$11.24, was recorded in Montana. In that State busses were classed as trucks and paid registration fees based on rated capacity, at 200 pounds per passenger, varying from \$10 for 1 ton or less to \$200 for more than 5 tons. The highest average payment of registration fees, \$517.59, was reported for public-carrier busses in Minnesota, where the fee was based on value (list price), the rate being 10 per cent for the first year and decreasing with succeeding registrations.

Average payments of all fees and taxes, including special fees in 37 States and the District of Columbia, varied from \$112.13 in Montana to \$931.72 in Iowa. Other States in which the payments were high were Wisconsin, with \$827.82, Florida, with \$771.70, and Minnesota, with \$637.90. The average for the country was \$295.03.

Space does not permit a detailed discussion of payments by busses in the various States. To show the character of the variations which occur in tax rates and average payments, three States are selected as examples, Iowa, Montana, and Louisiana, these States being representative of maximum, minimum, and average payments.

Public-carrier busses in Iowa paid registration fees on the basis of one per cent of value plus 40 cents per 100 pounds list weight and in addition a tax of one-fourth cent per gross ton-mile. The State Motor Vehicle Department annually fixes the value of the various busses and the list weight. The ton-mile tax is based on the passenger capacity multiplied by 150 pounds, plus the weight of the vehicle. The gasoline-tax rate in Iowa is 3 cents a gallon.

In Montana, in addition to registration fees paid on the basis described previously, public-carrier busses were required to pay a Public Service tax of \$10 each. The gasoline-tax rate is 5 cents per gallon.

In Louisiana busses were required to pay registration fees of 68 cents per horsepower plus a fee based on seating capacity varying from \$2 per seat for those seating 7 passengers or less to \$7 per seat for those seating 30 passengers or more. No special fees were charged. The gasoline tax rate is 5 cents a gallon.

These various rates yielded average payments as follows:

Passenger capacity	Iowa	Montana	Louisiana
7 or less	\$146 46	\$78 48	\$103 61
8 to 20	584 79	153 15	256 51
Over 20	1,211 62	(none reported)	458 63
	<hr/>	<hr/>	<hr/>
All busses	931 72	112 13	295 10

*Trucks and tractor trucks.* The vast majority of trucks and tractor trucks were either privately owned and operated or were reported without segregation by class of service. Disregarding for the moment variation in payments by trucks of different sizes, we find average payments of registration fees varying from \$9 40 in Nebraska to \$50 68 in Vermont, with a national average of \$21 66. In payments of all fees and taxes (registration fees and gasoline taxes) the averages vary from \$32 50 in Missouri to \$114 38 in Florida, the figure for the country as a whole being \$60 15.

To illustrate the range in average payments by trucks of different rated capacities, the figures for Georgia, Missouri, and New York are given in Table III. These three States are fairly typical of the range in average payments of registration fees and gasoline taxes.

In Georgia the rates of registration fee varied from \$15 for trucks of 1 ton capacity or less to \$375 for 6-ton trucks. The rate on 7-ton trucks was \$750, and that on trucks of more than 7 tons was \$1,125, but there were no trucks of more than 6 tons capacity registered in

Georgia in 1932, and only one 6-ton truck. The gasoline-tax rate in Georgia was 6 cents per gallon.

In Missouri the rates varied from \$10.50 for trucks of 2 tons capacity or less to \$36 for 7-ton trucks, with \$15 added for each additional ton. The gasoline-tax rate was 2 cents per gallon.

TABLE III

COMPARISON OF AVERAGE PAYMENTS BY TRUCKS OF DIFFERENT RATED CAPACITIES REGISTERED IN GEORGIA, MISSOURI, AND NEW YORK IN 1932, INCLUDES PRIVATE TRUCKS ONLY IN GEORGIA AND MISSOURI, ALL TRUCKS IN NEW YORK

Rated capacity in tons	Number registered and tax-paid	Per-centage distribution	Average per vehicle payments		Registration fees and gasoline taxes			
			Regis-tration fees	Gas-o-line taxes	Total payments	Per-centage distribution	Average per vehicle	
Georgia								
1½ and less	38,973	95 51	\$16 37	\$68 93	\$3,324,544	93 41	\$85 30	
Over 1½ and less than 3	1,572	3 85	28 65	93 15	191,472	5 38	121 80	
3 and less than 5	256	63	43 46	117 45	41,195	1 16	160 91	
5	4	01	133 93	143 38	1,110	03	277 31	
Over 5	1	00	375 00	175 74	551	02	550 74	
Total or average	40,806	100 00	17 04	70 17	3,558,872	100 00	87 21	
Missouri								
1½ and less	88,009	89 67	\$9 51	\$21 11	\$2,694,389	84 45	\$30 62	
Over 1½ and less than 3	5,992	6 10	16 44	28 53	269,480	8 45	44 97	
3 and less than 5	3,791	3 86	17 04	35 97	200,955	6 30	53 01	
5	333	34	26 19	43 91	23,343	73	70 10	
Over 5	26	03	34 73	53 83	2,302	07	88 56	
Total or average	98,151	100 00	10 28	22 22	3,190,469	100 00	32 50	
New York								
1½ and less	216,396	69 28	\$20 77	\$29 51	\$10,879,905	52 37	\$50 28	
Over 1½ and less than 3	64,326	20 59	41 92	39 88	5,261,508	25 32	81 80	
3 and less than 5	14,012	4 49	69 17	50 28	1,673,792	8 05	119 45	
5	6,695	2 14	84 03	61 38	973,524	4 69	145 41	
Over 5	10,945	3 50	106 38	75 24	1,987,787	9 57	181 62	
Total or average	312,374	100 00	31 65	34 86	20,776,516	100 00	66 51	

New York imposed on trucks weighing less than 1,800 pounds a flat rate of \$12 and on trucks weighing 1,800 pounds or more a fee of 80 cents per hundredweight on the unladen weight of the vehicle. The gasoline-tax rate was 2 cents.

Georgia is an example of a State in which there is a wide range from relatively low fees for light trucks to very high fees for heavy trucks.

In Missouri the rates were uniformly low, while in New York, with fees based on net weight, the average payments for all sizes of trucks were not far from the national averages. The high gasoline-tax rate in Georgia brought the average payments of all fees and taxes well above those in Missouri and New York for all capacity groups.

An interesting point to be observed in Table III is the relative distribution of trucks of different sizes in the three States. In Georgia nearly 96 per cent of trucks were of 1½ tons capacity or less, while in New York less than 70 per cent were in this capacity group. With only five trucks of 5 tons capacity or more, Georgia obtained a negligible revenue from heavy trucks. New York, on the other hand, derived nearly three million dollars from these two classes. It should be recognized that we are comparing here two States which are very different in density of population and in industrial and commercial development. It appears probable, however, that the imposition of fees running as high as \$1,125 has discouraged the registration of heavy trucks in Georgia. This inference is supported by data obtained from other States in which the registration rates were high.

In Alabama the rate of registration fees on 5-ton trucks was \$400, on 6-ton trucks, \$750, and on 7 tons and over, \$1,000. Only seven 5-ton trucks were reported, one 6-ton, and none over 6 tons. The total registration fees paid by these eight trucks were \$2,487.

In Arkansas the law provided registration fees of \$300 for 5-ton trucks and \$400 for 6-ton trucks, those of more than 6 tons capacity not being permitted. For-hire carriers paid 50 per cent in excess of the private rate. Only three trucks of 5 tons capacity or more were registered in this State in 1932, paying total registration fees of \$850.

In North Dakota, where the rate on 5-ton trucks was \$400 and on those over 5 tons, \$600 to \$1,500, with reductions after the first year of registration, we find six 5-ton trucks paying a total of \$1,404, and none over 5 tons. In South Dakota, where the schedule of rates, based on chassis weights, was also very high, only four 5-ton trucks were registered, with total collections of \$1,300.

In Louisiana the law provided that trucks with a net carrying capacity greater than 5 tons should be charged \$150 for each thousand pounds carrying capacity in excess of 5 tons, in addition to a fee of 68 cents per horsepower and \$32 per ton for the first 5 tons (\$50 per ton for common carriers). City trucks were exempted from this schedule and paid at the rate of \$10 per ton plus 68 cents per horsepower. No private trucks were reported in 1932 as paying the high rates cited above. Five common carriers having capacities of more than 5 tons paid a total of \$323. Of city trucks there were 28 of more than 5 tons capacity and the total collections from them were \$3,050. Thus we have a relatively low rate of registration fee producing nearly ten times the revenue obtained from a very high rate applied to vehicles of the same capacity group.

*For-hire carriers* As an example of the variation in fees of private, contract, and common carrier trucks it is interesting to compare Iowa, Missouri and North Carolina. In Iowa the registration fee was based on capacity for all classes and varied from \$15 00 for a  $\frac{1}{2}$ -ton truck to \$450 for a 9-ton truck. Contract-carrier trucks were charged an annual franchise fee of \$5 00 in addition, while common carrier trucks paid a ton-mile tax of one-fourth cent per ton-mile.

In Missouri contract trucks were assessed the same rates for registration as private trucks, based on carrying capacity, and paid no additional fees. Common carrier trucks, in addition to the capacity registration fee, paid a special load capacity tax ranging from \$25 for a truck of  $1\frac{1}{2}$  tons to \$500 for a truck over 9 tons.

TABLE IV

AVERAGE PAYMENTS BY TRUCKS PRIVATELY OWNED AND OPERATED, CONTRACT CARRIERS, AND COMMON CARRIERS IN IOWA, NORTH CAROLINA, AND MISSOURI IN 1932

State and item	Privately owned and operated	Contract carrier	Common carrier
<b>Iowa</b>			
Registration fees	\$20 17	\$52 83	\$73 64
Gasoline tax	23 22	43 44	46 99
Franchise fees	—	5 00	—
Ton-mile tax	—	—	131 39
All fees	43 39	101 27	252 02
<b>Missouri</b>			
Registration fees	10 28	15 26	13 56
Gasoline tax	22 22	40 24	37 51
Special capacity tax	—	—	48 38
All fees	32 50	55 50	99 45
<b>North Carolina</b>			
Registration fees	20 25	63 65	42 04
Gasoline tax	65 01	113 65	112 47
Special capacity tax	—	—	42 91
All fees	85 26	177 30	197 42

In North Carolina all trucks were required to pay registration fees based on gross weight. On private trucks the rate varied with capacity from 55 cents to one dollar per hundredweight, on contract carriers, from one to four dollars, on common carriers, 90 cents per hundredweight regardless of capacity. Common carrier trucks were subject to an additional tax of 6 per cent of gross receipts if and when and in such amounts as this exceeded the original registration payment.

The gasoline-tax rates in Iowa, Missouri, and North Carolina were 3, 2, and 5 cents per gallon, respectively.

The average payments by private, contract, and common carrier

trucks in these three States are shown in Table IV. It will be noted that in Iowa, while the fees paid by trucks privately owned and operated were moderate, the average payments by common carriers were unusually high. In North Carolina, largely because of the five-cent tax on gasoline, the payments by private trucks were large, and those of contract and common carriers were progressively higher. In Missouri payments by all classes were relatively low.

*Trailers and semitrailers* No unusual features were found in the taxation applied to trailers and semitrailers. Light trailers were usually charged little more than nominal fees, the average registration fee paid by trailers and semitrailers, privately owned and operated, of 1½ tons capacity or less, was \$3.29. Much higher fees were charged against heavy trailers, the average for those of more than 5 tons capacity being

TABLE V

COMPARISON OF PERCENTAGE OF ALL VEHICLES REGISTERED WITH PERCENTAGE OF REGISTRATION FEES AND GASOLINE TAXES PAID, FOR PASSENGER CARS AND TAXICABS, BUSES, TRUCKS AND TRACTOR TRUCKS, AND TRAILERS AND SEMITRAILERS, IN MISSOURI, NEW YORK, AND ARIZONA

Type of vehicle	Missouri		New York		Arizona	
	Per-centage of all vehicles	Percent-age of all registra-tion fees and gasoline taxes paid	Per-centage of all vehicles	Percent-age of all registra-tion fees and gasoline taxes paid	Per-centage of all vehicles	Percent-age of all registra-tion fees and gasoline taxes paid
Passenger cars and taxicabs	84 95	81 71	85 26	71 75	82 63	66 76
Buses	03	11	27	1 48	28	2 07
Trucks and tractor trucks	13 64	18 00	13 86	26 52	15 17	30 47
Trailers and semitrailers	1 38	18	61	25	1 92	70
All vehicles	100 00	100 00	100 00	100 00	100 00	100 00

\$73.91. In a few States the rates on large trailers were very high, thus we find in South Dakota a rate of \$500 applied to trailers weighing more than 5,000 pounds of which only one was registered in 1932.

In general those States which imposed special fees on for-hire trucks and tractor trucks required similar payments for the operation of trailers and semitrailers.

*Comparison of percentage payments by different classes of vehicles* The variation in the relative distribution of registration fees and gasoline taxes among the several types of vehicles in the different States is illustrated in Table V, which shows the percentage of total vehicles registered in each class and the corresponding percentage of total registration fees and gasoline taxes paid by each class for the States of Missouri, New York, and Arizona. Payments by motor cycles are not included in this tabulation.

Missouri shows an unusually even distribution of taxes among the

several types of vehicles in proportion to their numbers, while Arizona exemplifies a very uneven distribution. In Missouri, passenger cars and taxicabs, representing 85 per cent of the vehicles registered, paid 82 per cent of the total registration fees and gasoline taxes, while in Arizona where passenger cars and taxicabs were nearly as large a proportion of vehicles registered as in Missouri (83 per cent), they paid only 67 per cent of the taxes. Trucks in Missouri were about 14 per cent of all vehicles, but paid 18 per cent of the taxes, while in Arizona the corresponding percentages are 15 and 30. New York represents a distribution of vehicles and taxation which is fairly typical, passenger cars and taxicabs comprising 85 per cent of the vehicles and paying 72 per cent of the taxes, while trucks were 14 per cent of the vehicles and paid 27 per cent of the total registration fees and gasoline taxes. It will be noted that these comparisons are made for registration fees and gasoline taxes only because these are the only taxes which are paid by all classes of vehicles (trailers excluded) and thus establish a uniform basis of comparison.

#### LOCAL AND PERSONAL PROPERTY TAXATION

Taxation of motor vehicles by local authorities—counties, municipalities, and lesser jurisdictions—has been an almost unexplored field. The intricacies in forms and methods of taxation presented by 48 States and the District of Columbia are magnified manifold when the inquiry is carried down into the subordinate taxing jurisdictions, numbering many thousands. The present investigation, therefore, may be regarded as the first serious attempt to learn something about the local phases of motor vehicle taxation, and its results, while not entirely complete, are indicative of considerable amounts paid into local general tax funds by motor vehicle owners.

The collections in 1932, as reported through answers to questionnaires, may be summarized as follows, the figures being rounded off to the nearest thousand:

County taxes on motor vehicles	\$1,703,000
Municipal taxes on motor vehicles	14,158,000
Personal property taxes on motor vehicles (State, county, and other jurisdictions)	36,000,000
Total	<hr/> \$51,861,000

It would appear that in only five States did the counties impose taxes (other than personal property taxes) upon motor vehicles in 1932, and that four of these States are located in the South and are contiguous to each other. The five States are Alabama, Louisiana, Mississippi, Nevada, and Tennessee. Gasoline taxes collected by the counties of Louisiana, Alabama, and Mississippi accounted for about 90 per cent of all the special county taxes reported throughout the United States. The largest single sum reported in any State was that

for county (parish) gasoline taxes in Louisiana, which totaled approximately \$1,139,000

Municipal fees and taxes on motor vehicles are much more common than county fees and taxes, being found in 39 States. The most prevalent type of fee, although not the most productive, was found to be a franchise tax, frequently levied upon taxicabs, busses, and for-hire trucks, and sometimes upon occupations in which motor vehicles are used, such as drayage and the like. Fees of this nature were reported in 34 States, and the total collected was \$2,053,000.

Municipal gasoline taxes were found in only six States, in widely separated regions of the South and West, but the total collected was \$2,602,000, of which Missouri alone accounted for approximately 67 per cent.

Registration fees amounted to \$9,010,000, and of this total the State of Illinois alone accounted for approximately 68 per cent.

Other fees reported included chiefly such items as chauffeurs' and operators' licenses, to the total amount of \$402,000.

Among the 39 States reporting special municipal fees, the States of Illinois and Missouri far exceeded any others and together represented about 67 per cent of the National total.

Some form of taxation of motor vehicles as personal property was found to exist in 31 States and the District of Columbia. This phase of the tax problem is greatly complicated by the large number and variety of taxing jurisdictions which may place imposts upon personal property, among which are the State, the county, the municipality, and the many lesser jurisdictions, such as school districts, road districts, sanitary districts, and the like. The total personal property tax levied upon motor vehicles in 1932 was approximately \$44,000,000, of which about \$36,000,000 was actually collected. The survey disclosed that 17 States, in which there were 11,834,000 motor vehicles registered, or 46 per cent of the total for the Nation, exempted motor vehicles from taxation as personal property.

#### FEDERAL TAXATION

A new element entered the motor vehicle taxation field in 1932 in the form of the United States Government itself, with manufacturers' excise taxes levied upon gasoline, lubricating oils, tires and inner tubes, automobiles and motorcycles, automobile parts and accessories, and trucks. Administration of these new taxes began in June 1932, and the total collected during the second half of the year was \$84,293,846—this sum representing actual collections, which were considerably less than the tax-earnings during that period, due to lag in collections. The true earnings of these taxes in 1932 are shown by the collections of the period ending January 31, 1933, which were \$98,161,386. After adjustment for other than motor-vehicle uses of gasoline and oil, it appears that the total payments attributable to motor vehicles were approximately \$92,404,000.