

III. REVIEWS OF REPORTS

Untaxed Wealth of Cleveland and Why.
By John A. Zangerle, County Auditor.
Reviewed by Lawson Purdy

—By untaxed wealth Mr. Zangerle means property liable to taxation but not actually taxed. From time to time persons, unfamiliar with Ohio conditions, cite Ohio as a wonderful example of an efficient administration of the general property tax. To all such persons Mr. Zangerle's pamphlet is commended.

Probably none of the admirers of the Ohio system from a distance know that practically all the property of public utility corporations is listed as personal property in Ohio and as real property in many other states, including New York. In Cleveland, public utility property constitutes 32 per cent of the total personal property listed. Other corporations, including banks, supply 55 per cent of the total personal property listed, leaving only 13 per cent for the contribution of natural persons. In the state of New York and in several other states, bank shares and trust company assets are not under the general property tax.

Mr. Zangerle enumerates some of the most troublesome features of the general property tax with those ordinary remedies that have been applied in states more fortunate than Ohio. He shows that he cannot collect taxes on automobiles satisfactorily and recommends that they pay a registration tax in lieu of all other taxes. He says that banks have a just grievance and implies that the New York and Pennsylvania systems are better than the Ohio. The attempt to tax bank deposits is a failure. He says, "Under the circumstances, no thumb screw or rack or fear of perjury could pry loose this property from thousands of owners."

He has nothing good to say for the taxation of mortgages and credits and recommends an amendment to the Constitution permitting the exemption of mortgages after payment of a recording fee. As to the taxation of the stock of foreign corporations he says there are not enough judges to try the cases that would arise if proceedings were brought against all persons suspected of having foreign stocks. The conviction of owners that the taxation of shares is double taxation renders the task of the administrator hard. He concludes that the personal property tax "takes three-fourths of all the time and expense of Ohio assessors, produces 4 to 5 per cent of the revenue, if corporation, bank, and estate listings are segregated."

There is much that is admirable in the statement of the method of assessment of land and buildings and in the suggestion of various improvements in the system.