

Personal Industrial Bankers 1503

353

District of Columbia
Tax Court

District of Columbia

RECEIVED,

U. S. C. O.

After a hearing held on the 22nd day of November, 1956, and upon consideration of proof, and of the evidence adduced at the hearing on said petition, it is by the Court, this 9th day of November, 1956

ADJUDGED AND DETERMINED, as follows:

(a) That a franchise tax for the fiscal year ended March 31, 1951, in the amount of \$100.00, plus interest thereon in the amount of \$97.25, or a total of tax and interest in the amount of \$503.11, was erroneously assessed against, and collected from the petitioner; and that the petitioner is entitled to a refund of such total amount, together with interest thereon at the rate of 4 per centum per annum from July 22, 1955, until date of payment of such refund.

(b) That a franchise tax for the fiscal year ended March 31, 1952, in the amount of \$1,646.10, plus interest in the amount of \$1,116.69, or a total of tax and interest of \$1,777.79, was erroneously assessed against, and collected from the petitioner; and that the petitioner is entitled to a refund of such total amount, together with interest thereon at the rate of 4 per centum per annum from July 22, 1955, until date of payment of such refund.

(c) That a franchise tax for the fiscal year ended March 31, 1953, in the amount of \$1,257.47, plus interest in the amount of \$150.90, or a total of tax and interest in the amount of \$1,408.39, was erroneously assessed against, and collected from the petitioner; and that the petitioner is entitled to a refund of such total amount, together with interest thereon at the rate of 4 per centum per annum from July 22, 1955, until date of payment of such refund.

Joe V. Morgan,
Judge.

APRIL 1955

Petitioner,
District of Columbia
Tax Court
DOCKET NO. 1503
Plaintiff,
Respondent.

STATEMENT OF FACT AND OPINION

The Assessor assessed the petitioner deficiencies in franchise taxes for the privilege of engaging in business in the District of Columbia during the fiscal years ended March 31, 1951, 1952 and 1953, under the District of Columbia Income and Franchise Tax Act of 1947 (chapter 15, Title 47, D. C. Code, 1951 Ed.). The petitioner complains of the method of apportionment employed by the Assessor, and the inclusion of interest income in determining the portion of the net income to be used in measuring such deficiencies.

The respondent not only opposes the contention of the petitioner, but claims that the taxes should be materially increased.

Findings of Fact

1. The petitioner is a corporation organized under the laws of Delaware. Its principle office is in Washington, D. C.
2. During the taxable years involved the petitioner was what is generally known as a holding company, and as such was the sole stockholder of several corporations engaged in the small loan business, hereinafter for convenience called "subsidiaries", located and in operation in several states. The subsidiaries were organized under the laws of the states in which they were located and operated. The petitioner had no subsidiary either organized or operating in the District of Columbia.
3. During the taxable years involved the petitioner derived income of four kinds, namely, (a) interest on loans to subsidiaries and employees, (b) fees for supervision and management of subsidiaries, (c) gain from

entirely without the District of Columbia. Such supervision
They were performed by superintendents employed and paid by the petitioner
outside and above and counsel to the conduct of their business.
services consisted of active supervision over the operations of the
including bookkeeping services to its subordinates. Such supervisor
(c) The petitioner supplied supervisory and managerial services,
Supervision and Management Ross

II

\$26,690.31	\$58,136.39	\$87,916.66
MARCH 31, 1951	MARCH 31, 1951	MARCH 31, 1951
Fiscal Years Ended		

of money to the subsidiary and employees was as follows:

(c) The net amount received by the petitioner from the lending

\$121,865.01	\$121,126.51	\$108,525.09
MARCH 31, 1951	MARCH 31, 1951	MARCH 31, 1951
Fiscal Years Ended		

of interest income was as follows:

(a) The expenses incurred by the petitioner in the production

\$107,498.62	\$116,751.13	\$110,011.00
MARCH 31, 1951	MARCH 31, 1951	MARCH 31, 1951
Fiscal Years Ended		

ployees in the production of loans as follows: for the fiscal year
ended March 31, 1951, \$116,751.13; for the fiscal year ended March 31, 1952, \$110,011.00.
and for the fiscal year ended March 31, 1953, \$107,498.62.

of the corporation the amounts received as interest on loans to

\$110,555.55	\$119,740.00	\$121,751.75
MARCH 31, 1951	MARCH 31, 1951	MARCH 31, 1951
Fiscal Years Ended		

on loans to the subsidiary, is as follows: in the amount received interest

(a) During the same period the petitioner received interest

Interest

a Vice-President and in charge of the above-mentioned superintendents,
of his services as such in the District of Columbia. George S. Groves,
Harper, President of the Peterman performed apparently one-third
longer partly in and partly without the District of Columbia. Guy G.
such services were performed by the officers and employees of the post
constituted of cover-all management, financing and accounting services.

(b) The managerial services were more of a general nature, and

that instructions were carried out.

The intention was to see that correct procedures were followed, and
arranged the budget and analyzed the expenditures of the superintendents.
In this, there should be from such standardized position, the supervisor
conditions affecting areas and collections to determine what department,
districts, and it was the function of the supervisor to make local
supervision. An attempt was made to summarize all offices of the one
person's office, upon was one of the first
to a certain locality should not be made, he would immediately go to
make to the subdivisions. At the separator, it is necessary that the larger towns
and cities used, and to determine whether or not further loans would be
made available, if a particular area had been
available to the community to the end of the money which was loaned
for the necessary for the proper operation of the superintendents for the
latter. It was also to the office of personnel which was not of excessive size.

This was necessary for the supervisor to remain regularly in connection therewith.
the program of organization and eligible institutions to the manager, it was
desirable, according to loan company associations, having set up
keeping it in other companies from both commercial and cooperative
part of collection, making good will with all of banks and various institutions.
institutions, and so forth,
surviving for collection, among the people of employees, setting up
locations, numerous of locations, including leases of locations,
and particularly financial problems, many of personnel, relations to
the public, and so forth, and so forth, and so forth, and so forth, and so forth.

Mr. Wozman performed approximately one-fourth of his services as such in the District and the other Vice-President, Carl R. Wozman, approximately one-fourth,
 (1) while the Secretary-Treasurer, Roland E. Clark, performed all of his services within the District of Columbia. The same was true in respect of the secretarial and clerical employees.

(c) The amounts received by the petitioner from its subsidiaries for supervisory and managerial services during the taxable years involved were as follows:

<u>Fiscal Years Ended</u>	1950	1951
	\$116,224.37	\$187,101.86
		\$212,004.77

Thirty-five per cent of the foregoing amounts represented compensation or charges for supervisory and managerial services performed within the District of Columbia, and the balance for

(d) The cost or expense incurred by the petitioner in performing the supervisory and managerial services described during the fiscal years involved, and the cost or expense of the portion of such services performed in the District of Columbia was as follows:

Fiscal Year Ended March 31, 1951

	<u>TOTAL</u>	<u>WITHIN THE DISTRICT</u>	<u>PER CENT</u>	<u>AMOUNT</u>
Officers salaries:				
Guy G. Harper, Jr.	\$15,000.00	33.33%	\$ 5,000.00	
George S. Groves	15,487.80	10.00	1,540.78	
Carl R. Wozman	8,400.00	25.00	2,100.00	
	<u>\$38,887.80</u>	<u>22.21%</u>	<u>\$ 8,540.78</u>	
Roland E. Clark	1,200.00	100.00	1,200.00	
Others	9,722.96	100.00	9,722.96	
	<u>\$49,810.76</u>	<u>39.29%</u>	<u>\$19,571.74</u>	
Other salaries (including supervisors)	14,282.68	39.72	5,672.43	
Rent	4,200.00	100.00	4,200.00	
Repairs	29.37	100.00	29.37	
Taxes	1,264.94	5.15	65.14	
Contributions	252.00	100.00	252.00	
Depreciation	1,523.37	100.00	1,523.37	
Other deductions:				
Travel	6,584.63	32.14	2,116.30	
Legal	1,400.00	100.00	1,400.00	
Entertainment	2,750.00	32.14	882.85	
Printing and stationery	1,618.43	100.00	1,618.43	
Telephone and telegraph	1,116.47	100.00	1,116.47	
Auditing	837.65	100.00	837.65	
Directors fees	550.00	100.00	550.00	
Insurance	513.22	100.00	513.22	
Postage	110.68	100.00	110.68	
Dues and subscriptions	337.00	100.00	337.00	
Miscellaneous	1,190.58	100.00	1,190.58	
	<u>\$91,449.27</u>	<u>49.279%</u>	<u>\$45,065.72</u>	

(1) A very small portion of Mr. Clark's services were performed outside the District, but so small that it will be ignored.

REPORT OF THE CHIEF FINANCIAL OFFICER OF HIS SERVICES AS SUCH IN THE DISTRICT

(1) while the County-Treasurer, Roland E. Clark, performed all of his services within the District of Columbia. The same was true in respect of the other financial and personnel employees.

(a) The amount of compensation or charges for supervisory and managerial services during the taxable years involved, and the cost or expense of such services followed:

Fiscal Years Ended

MARCH 31, 1951	MARCH 31, 1950	MARCH 31, 1949
\$16,224.37	129,103.04	141,2,000.00

Fifty per centum of the foregoing amounts represented compensation or charges for supervisory and managerial services performed within the District of Columbia by the petitioner for the subsidiaries.

(d) The cost or expense incurred by the petitioner in performing the supervisory and managerial services anywhere during the fiscal years involved, and the cost or expense of the portion of such services performed in the District of Columbia was as follows:

Fiscal Year Ended March 31, 1951

	TOTAL	WITHIN THE DISTRICT	
		PCT CENT	AMOUNT
Officers salaries:			
Guy G. Harper, Jr.	\$15,000.00	33.33%	\$ 5,000.00
George S. Groves	15,107.80	10.00	1,518.78
Carl R. Nozman	8,000.00	25.00	2,000.00
	\$38,107.80	22.21%	\$ 8,518.78
Roland E. Clark	1,200.00	100.00	1,200.00
Others	9,722.96	100.00	9,722.96
	\$49,010.76	39.29%	\$19,511.74
Other salaries (including supervisors)	11,281.60	39.72	5,672.13
Rent	4,201.00	100.00	4,201.00
Repairs	29.37	100.00	29.37
Taxes	1,264.94	5.15	65.14
Contributions	252.00	100.00	252.00
Depreciation	1,523.37	100.00	1,523.37
Other deductions:			
Travel	6,584.63	32.14	2,116.30
Legal	4,021.49	100.00	4,021.49
Entertainment	2,750.00	32.14	883.85
Printing and stationery	1,618.43	100.00	1,618.43
Telephone and telegraph	1,116.47	100.00	1,116.47
Auditing	837.65	100.00	837.65
Directors fees	550.00	100.00	550.00
Insurance	543.22	100.00	543.22
Postage	140.68	100.00	140.68
Dues and subscriptions	337.00	100.00	337.00
Miscellaneous	1,198.58	100.00	1,198.58
	\$91,449.27	49.279%	\$45,065.72

(1) A very small portion of Mr. Clark's services were performed outside the District, but so small that it will be ignored.

Fiscal Year Ended March 31, 1953

	TOTAL	WITHIN THE DISTRICT
	AMOUNT	AMOUNT
Officers salaries:		
Ray G. Parker, Jr.	\$15,000.00	\$12,333
George S. Groves	15,500.00	10.00
Carl R. Woxman	9,475.00	5.00
Roland E. Clark	8,311.35	22.20
Others	5,062.50	100.00
Other salaries (including supervisors)	\$100,456.50	39,497
Rent	16,144.92	22.20
Repairs	5,668.77	100.00
Taxes	99.84	100.00
Contributions	1,457.97	5.00
Depreciation	277.00	100.00
Advertising	1,597.00	100.00
Other deductions:		
Auditing	1,654.77	28.77
Legal	5,165.40	100.00
Entertainment	3,000.00	28.77
Pension	1,800.00	100.00
Printing and stationery	1,195.70	100.00
Telephone and telegraph	1,051.13	100.00
Travel	117.00	100.00
Postage	645.90	100.00
Directors fees	588.41	100.00
Dues and subscriptions	550.00	100.00
Miscellaneous	509.53	100.00
	6,974.05	100.00

Fiscal Year Ended March 31, 1953

	TOTAL	WITHIN THE DISTRICT
	AMOUNT	AMOUNT
Officers salaries:		
Ray G. Parker, Jr.	\$15,000.00	\$12,333
George S. Groves	15,500.00	10.00
Carl R. Woxman	9,475.00	5.00
Roland E. Clark	8,311.35	22.20
Others	5,062.50	100.00
Other salaries (including supervisors)	\$100,456.50	39,497
Rent	11,078.16	22.62
Repairs	5,505.48	100.00
Taxes	55.31	100.00
Contributions	1,581.28	6.75
Depreciation	75.25	0
Advertising	1,621.07	100.00
Other deductions:		
Auditing	2,010.83	100.00
Directors fees	550.00	100.00
Dues and subscriptions	397.95	100.00
Entertainment	3,000.00	28.04
Insurance	737.36	100.00
Legal	5,105.00	100.00
Miscellaneous	462.51	100.00
Postage	699.97	100.00
Printing and stationery	778.54	100.00
Telephone and telegraph	8,596.01	28.04
Travel	1,800.00	100.00
Pension	1,800.00	1,800.00
	\$100,572.12	48,450.64
		\$48,727.84

	TOTAL	PER CENT OF TOTAL	IN THE DISTRICT	PER CENT OF TOTAL
Other salaries (including expenses)				
Rent	15,144.92		33,335	\$ 5,000.00
Repairs	3,687.77		7,500.00	
Postage	99.81		2,000.00	
Telephone and telegraph	1,437.97		3,200.00	
Travel	5,374.55		10,000.00	
Pension	1,100.00		2,000.00	
Other	5,374.55		10,000.00	
Other salaries (including expenses)				
Rent	15,144.92		33,335	\$ 5,000.00
Repairs	3,687.77		7,500.00	
Postage	99.81		2,000.00	
Telephone and telegraph	1,437.97		3,200.00	
Travel	5,374.55		10,000.00	
Pension	1,100.00		2,000.00	
Other	5,374.55		10,000.00	
Officers' salaries:				
G. T. Harper	15,500.00		30,000.00	
Carl A. Norman	2,445.00		4,890.00	
Holman S. Clark	6,062.50		12,125.00	
Others	6,144.50		12,288.00	
Other salaries (including expenses)				
Rent	11,078.16		22.62	
Repairs	5,505.18		10.00	
Taxes	1,581.28		3.00	
Contributions	75.25		0.00	
Depreciation	1,621.07		100.00	
Advertising	83.27		100.00	
Other deductions:				
Auditing	2,010.83		2,010.83	
Directors' fees	550.00		550.00	
Dues and subscriptions	397.95		397.95	
Entertainment	3,000.00		842.00	
Insurance	737.76		737.76	
Legal	5,105.00		5,105.00	
Miscellaneous	162.51		162.51	
Postage	693.97		693.97	
Printing and stationery	770.55		770.55	
Telephone and telegraph	1,191.84		1,191.84	
Travel	1,000.00		1,000.00	
Pension	1,000.00		1,000.00	
	3100.572.12		48,150.00	
			310,727.81	

Stock Transfers

(a) On petitioners on March 31, 1950, acquired certain corporate stock at the price of \$1.00 and disposed of the same on February 15, 1952 for \$19.50 or a gain of \$18.50.

(b) During the fiscal year ended March 31, 1952, petitioner received a dividend from one of its subsidiaries in the amount of \$65.40.

Franchise Tax

(a) Within the time prescribed by law the petitioner filed its return of income under the District of Columbia Income and Franchise Tax Act of 1947, setting forth gross income and deductions and the computation and apportionment thereof with respect to the District of Columbia, and herein computed its franchise tax liability as follows:

<u>Fiscal Year</u>	<u>March 31, 1950</u>	<u>March 31, 1951</u>
None	None	None

(b) The petitioner paid the amount of \$2,854.59 computed by it to be due as a franchise tax for the fiscal year ended March 31, 1951. It paid no such taxes for the fiscal years ended March 31, 1952 and 1953.

Assessment

(a) On July 14, 1955, the Auditor assessed the petitioner deficiencies in franchise taxes as follows: for the fiscal year ended March 31, 1951 in the amount of \$406.06, for the fiscal year ended March 31, 1952 in the amount of \$1,394.77 and for the fiscal year ended March 31, 1953 in the amount of \$4,048.51. Such franchise taxes were computed as follows:

III

Dividends

(a) The petitioner on March 31, 1949, acquired certain corporate stock at the price of \$1.00 and disposed of the same on May 17, 1951, for \$19.00 or a gain of \$18.00.

(b) During the fiscal year ended March 31, 1951, the petitioner received a dividend from one of its subsidiaries in the amount of \$105.50.

IV

Returns

(a) Within the time prescribed by law the petitioner filed its return of income under the District of Columbia Income and Franchise Tax Act of 1947, setting forth gross income and deductions and the allocation and apportionment thereof with respect to the District of Columbia, and thereon computed its franchise tax liability as follows:

Fiscal Year Ended	March 31, 1952	March 31, 1953
	\$2,854.59	None

(b) The petitioner paid the amount of \$2,854.59 computed to be due as a franchise tax for the fiscal year ended March 31, 1952. It paid no such taxes for the fiscal years ended March 31, 1951 and 1953.

Assessments

(a) On July 18, 1955, the Assessor imposed the petitioner deficiencies in franchise taxes as follows: for the fiscal year ended March 31, 1951 in the amount of \$406.06, for the fiscal year ended March 31, 1952 in the amount of \$4,392.77 and for the fiscal year ended March 31, 1953 in the amount of \$4,010.51. Such franchise taxes were computed as follows:

INDUSTRIAL MARKS, INC.
830 TWENTIETH STREET, N.W.
WASHINGTON 5, D.C.

(See the Study, p. 22, 1955, for petitioners' claim of tax deficiencies of amounts together with interest as follows: for the fiscal year ended March 31, 1951, in the amount of \$77.25, for the fiscal year ended March 31, 1952, in the amount of \$788.50, and for the fiscal year ended March 31, 1953, in the amount of \$163.50.)

9. This proceeding was filed on September 22, 1955.

Opinion

The petitioner is, and was during the fiscal years here involved, the sole stockholder of several corporations engaged in the small loan business in localities outside the District of Columbia. Such corporations are organized under the laws of the several states in which they operate. They will hereinafter be called "the subsidiaries".

The petitioner's income consisted primarily of two kinds, namely, interest on substantial loans to the subsidiaries and on a small amount of loans to its employees, and compensation or fees for supervisory and managerial services furnished to the subsidiaries, and only partly performed within the District of Columbia. In addition the petitioner derived a gain of \$10.90 from the sale of a "non-capital" asset and a dividend of \$65.00 on the stock of one of the subsidiaries.

The Assessor assessed the petitioner deficiencies in franchise taxes for the three fiscal years ended March 31, 1951, 1952, and March 31, 1953, for the privilege of engaging in, or carrying on a trade or business under the District of Columbia Trade and Franchise Tax Act of 1947 (Chapter 25, Title 47, D. C. Code, 1952 Ed.). In doing so the Assessor employed a formula for the apportionment of the "income" of the petitioner, which was applicable to income derived from "services performed" and included expenses or costs of such services as a factor in the equation, and which had been provided in regulations prescribed and adopted by the Commissioners of the District of Columbia on August 6, 1953, several months after the end of the last fiscal year involved, and two months after the petitioner filed its franchise tax return for that year.

In computing the deficiencies the Assessor treated the income represented by interest, gain from the sale of the "non-capital" asset and dividend as income from services performed. (See Findings of Fact No. 8(a)). For some reason, unexplained, the Assessor did not include in the apportionment factor the amount of net income derived from sources within the District in the interest income, which omission materially increased the deficiencies.

In the second amended petition there are found the assignments of error alleged to have been committed by the Assessor:

"The Assessor failed in his computation of the net income taxable to determine whether such income arising from work done or business carried on or engaged in within the District or otherwise net income derived from sources within the District as defined by existing law or regulations."

"(1) In addition to his ruling that the apportionment assessments were authorized by a valid regulation of the Commissioners of the District of Columbia under the authority of the Income and Franchise Tax Act of 1947,

"(a) In the alternative (assuming the regulations adopted by the District of Columbia Commissioners are held to be valid and applicable), the Assessor erred in computing the apportionment factor in the following respects:

"(1) He failed to use the percentage of the total net income as the aggregate of the expenses or costs of work done in the District bore to the aggregate of such expenses or costs of work done by the petitioner elsewhere; and
"(2) He erroneously computed the amount of District of Columbia expenses used as the numerator of the apportionment factor.

"(d) In the alternative (also assuming the regulations are held to be valid and applicable), the Assessor erred:

"(1) In including the petitioner's income from interest in the income subject to apportionment instead of allocating such amounts to net income without the District; and
"(2) He erroneously computed the amount of District of Columbia expenses used as numerator of the apportionment factor."

As stated above, the taxes here involved were assessed under the District of Columbia Income and Franchise Tax Act (Chapter 15, Title 47, D. C. Code, 1951 Ed.). The purpose and design of the Act will be seen from Section 1 and 2 of Title X, which are as follows:

"Sec. 1. It is the purpose of this Article to impose * * * a franchise tax upon every corporation * * * for the privilege of carrying on or engaging in any trade or business within the District and of receiving such other income as is derived from sources within the District, * * *. The measure of the franchise tax shall be that portion of the net income of the corporation * * * as is fairly attributable to any trade or business carried on or engaged in within the District and such other net income as is derived from sources within the District * * *"

"Sec. 2. The entire net income of any corporation * * * derived from any trade or business carried on or engaged in wholly within the District shall, for the purposes of this article, be deemed to be from sources within the District, and shall, along with other income from sources within the District, be allocated to the District. If the trade or business of any corporation *

In computing the earnings under the lesseror treated the income reported by interest earner as the gain of the "non-capital" asset and dividend as income from services performed. (See Figures of Test No. 8(a))

For some reason, unfortunately, the Assessor did not include in the appurtenance that all the land was held in common.

THE PRACTICAL USE OF THE TELEGRAM IN BUSINESS.

190. In the event that the District of Columbia does not have a valid regulation authorizing the collection of taxes from sources within the District as provided by section 114 of the Code, the Assessor may, in ruling that the District or other entity concerned are engaged in within the District or not, collect income derived from sources within the District as provided by section 114 of the Code.

(f) In the event that the Assessor were authorized by a valid regulation of the Council in accordance with section 114 of the Code, the Assessor may, in calculating the taxes due and payable for the year of 1941:

(1) In the event that the regulation authorizing the collection of taxes from sources within the District or other entity concerned is not held to be valid (and applicable), the Assessor may, in computing the amount of tax due and payable, fail to use the percentage of the total net income as the aggregate of the expenses or costs of work done in this District, and, in so doing, the aggregate of such expenses or costs of work done in the petitioner elsewhere, and

(2) In computing the amount of tax due and payable, the Assessor may, in accordance with the regulations of the District of Columbia, use as the numerator of the proportionate factor:

(a) In the alternative (also assuming the regulations

are held to be valid and applicable, the Assessor erred.
[1] In calculating the petitioner's income from interest
in the income subject to apportionment instead of allocating
such amounts to net income without the District, and
[2] He erroneously computed the amount of District of
Columbia expense used as numerator of the apportionment factor.¹¹

In the state above, the taxes were imposed very assiduously under the

District of Columbia Income and Franchise Tax
Chapter 15

Title 47, D. C. Code, 1951 Ed.). The purpose and design of this Act

will be seen from Section 1 and 2 of little X, which are as follows:

Sec. 1. It is the purpose of this Article to impose a

of carrying on or engaging in any trade or business within the District and of receiving such trade or business from sources within the District. * * * The measure of the franchise tax shall be that portion of the net income of the corporation attributable to any trade or business carried on or engaged in within the District and such other net income as is derived from sources within the District. *

* See § 2. The central net income of any corporation * * * derived from any trade or business carried on or engaged in wholly within the District shall, for the purposes of this article, be deemed to be from sources within the District, and shall, along with all other income from sources within the District, be allocated to the trade or business of any component of the corporation.

... and the income derived from the business carried on within the District was not apportioned by the Assessor, and, from the sale of the "Main-Capital" Street and Division of Illinois Land Service platform. (See Findings of Fact No. 5(4), for some reason, the Assessor did not include in the apportionment factor the cost or expense incurred by the petitioner in procure the interest income, which omission materially increased the deficiencies.

In the second amended petition there are found the assignments of error alleged to have been committed by the Assessor as follows:

"(a) The Assessor erred in ruling that the petitioner derived any trade or income fairly attributable to any trade or business carried on or engaged in within the District or other net income derived from sources within the District as defined by applicable law or regulations.

"(b) The Assessor erred in ruling that the deficiency assessments were authorized by a valid regulation of the Commissioners of the District of Columbia under the authority of the Income and Franchise Tax Act of 1947.

"(c) In the alternative (assuming the regulations adopted by the District of Columbia Commissioners are held to be valid and applicable), the Assessor erred in computing the apportionment factor in the following respects:

"(1) He failed to use the aggregate of all net income as the aggregate of the expenses or costs of work done in the District bore to the aggregate of such expenses or costs of work done by the petitioner everywhere; and

"(2) He erroneously computed the amount of District of Columbia expenses used as the numerator of the apportionment factor.

"(d) In the alternative (also assuming the regulations are held to be valid and applicable) the Assessor erred:

"(1) In including the petitioner's interest from interest in the income subject to apportionment instead of allocating such amounts to net income without the District; and

"(2) He erroneously computed the amount of District of Columbia expenses used as numerator of the apportionment factor."

As stated above, the taxes here involved were assessed under the District of Columbia Income and Franchise Tax Act of 1947 (Chapter 15, Title 47, D. C. Code, 1951 Ed.). The purpose and design of the Act will be seen from Section 1 and 2 of Title X, which are as follows:

"Sec. 1. It is the purpose of this Article to impose * * * a franchise tax upon every corporation * * * for the privilege of carrying on or engaging in any trade or business within the District and of receiving such other income as is derived from sources within the District, * * *. The measure of the franchise tax shall be that portion of the net income of the corporation * * * as is fairly attributable to any trade or business carried on or engaged in within the District and such other net income as is derived from sources within the District * * *.

"Sec. 2. The entire net income of any corporation * * * derived from any trade or business carried on or engaged in wholly within the District shall, for the purposes of this article, be deemed to be from sources within the District, and shall, along with other income from sources within the District, be allocated to the District. If the trade or business of any corporation *

was carried on or engaged in both within and without the District, the net income derived therefrom shall, under the provisions of this Article, be deemed to be income from sources within and without the District. Where the net income of a corporation is not derived from sources both within and without the District, the portion thereof which is so derived shall be determined under regulation or regulations prescribed by the Commissioners. The Assessor is authorized to employ any formula or formulas provided in any regulation or regulations prescribed by the Commissioners under this Article which, in his opinion should be applied in order to properly determine the net income of any corporation subject to tax under this Article.

The Assessor determined that the net income of the petitioner was "derived from sources within and without the District", and purported to employ a formula provided in regulations prescribed by the Commissioners. The petitioner complains of the action of the Assessor and claims that the assessment of the deficiencies was invalid, because the Assessor gave retroactive effect to the regulation and because the formula used is so vague and indefinite that it is legally unworkable and void. Its other complaints are in the alternative, and raise the issues as to the propriety of omitting interest expense from the apportionment factor and of including interest income in the computation.

The respondent filed an answer herein, in which it was alleged that the determination that the petitioner's net income was derived from sources both within and without the District of Columbia was erroneous, in that all of such income was derived from sources within the District of Columbia, and wherein the Court is asked to increase the deficiencies accordingly. The issues thus raised call for examination of the facts and consideration of the law and the pertinent regulations.

It is clear from the facts that the activities of the petitioner were carried on both within and without the District of Columbia, and that a substantial part of its net income is derived from sources without the District. The allegation to the contrary in the answer of the respondent is without support, and its claim based thereon must be denied.

As to the formula provided for the allocation and apportionment of income of unitary business the situation was as follows: During the fiscal years involved there were in force regulations prescribed by the Commissioners of the District of Columbia. Section 10-2 thereof related to the quoted Section 2 of Title E of the Law of the District of Columbia.

of the numbered sections mentioned in the foregoing section, one only referred to corporations which, like the petitioner, were engaged in the supplying of services. Such section was numbered 10-2(d), and the only portion thereof which applied to such corporations was Sub-section 2, which is commonly known as "Section 10-2(d)(2)", and will hereinafter be so called. It was in the language following:

"(2) Where gross income for any taxable year is derived from work done or services performed, the portion thereof to be apportioned to the District shall be such percentage of the total of such income as the aggregate of charges for such work and services performed bears to the aggregate of the charges for work done and services performed by the taxpayer everywhere." (Emphasis supplied)

section 10-2(d)(2) was a valid exercise of the authority granted the Commissioners to provide formulas for the apportionment of net income of unitary business, and has been approved by the United States Court of Appeals in Industrial-Coverall Co., Inc. v. District of Columbia, 88 U. S. App. D. C., 266, 188 F.2d 669. This is important in considering the propriety of the use of a formula prescribed in regulations to compute taxes for taxable years that ended prior to the adoption of the regulations, because it can be fairly said that the decisions of the Supreme Court support the rule that retroactive application of a regulation is not permissible, where, as here, there was in effect during the taxable period a valid contrary regulation. Helvering v. N. J. Reynolds Tobacco Co., 306 U. S. 110. Helvering v. Reynolds, 313 U. S. 428, Mertens, Law of Federal Income Taxation, Sections 3.20, 3.25 and 49.187; Surrey, The Scope and Effect of Treasury Regulations, 88 U. of Pa. L. Rev. 556, 7 & 8; Alvord, Treasury Regulations and the Wiltshire Oil Case.

(2) While Section 2 of Title X of the Income and Franchise Tax Act calls for formulas to determine "net" income, Section 10-2(d)(2) of the regulations relates to "gross" income. It was approved, no doubt, as a step in the process of determining "net" income, presupposing that deductions also would be apportioned in accordance with Section 10-2(e), quoted on page 16 hereof.

- (3) The decision of this Court in the Cheent case was reversed on another ground by the United States Court of Appeals Court of the District of Columbia. The case was dismissed by the retroactivity was disturbed. The case was disposed of by the Court of Appeals on the regulation adopted after the close of the year, and not on the amended regulation adopted during the extra year.

experience as a factor. The taxation procedure set up in the law imposing legally in force during the taxable year, none of which had costs of assessment by the act, was limited to those provided in the regulations. The application of the net income of the petitioner, afforded the government in computing taxes for period ending before the adoption of the regulation was unauthorized. The choice or selection of a formula for use of the amended formula having costs or expenses as the factor of application was "unauthorized". Such attempt was abortive, and it must be held that the taxable years". Thereof beginning on the first day of January, 1946, and to succeeding latious provided that they were to "apply to the taxable year or part in an attempt to effect retroactive application the amended regu- factors. It was the latter formula which was employed by the assessors. with changes as the factor and the other with cost of expense as the alternative, the amended Section 10-2(d) provided two formulas - one

in the option of the MLL provides an equitable application. In 1946, with regard to work done and services performed by contractors to use the stages of "charter" or the stages between: "carried in the taxpayer's employment. The assessors is to the stages of work done and services performed in the three stages for each period of time. Of such work done and services performed in the three stages for each period of time income to the assessors for costs apportioned to the District shall be such percentage of the work done or services performed, the portion thereof to be

(2) While income for any taxable year is derived from following amended Section 10-2(d)(2):
formula to measure instead of "gross income", as will appear from this measure, "charter" and "costs", instead of one out, and related the failure to compute percentage services by specifying "no factor", completed on August 6, 1953. They materially changed the formula computing and assessing the taxes hereinafter imposed by the assessors in the calculation providing the authority employed by the additional

as follows: "for the period of one year, or for a longer period"

10-2(d)(2), "for the period of one year, or for a longer period"

10-2(d)(2), "for the period of one year, or for a longer period"

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10-2(d)(2), "for the period of one year, or for a longer period"

10-2(d)(2), "for the period of one year, or for a longer period"

1. Tax must be levied, otherwise the assessment is void. Tennally v.
Trustees of
Lev. Bros. Co. v. District of Columbia, 94 U. S. App. D. C.
10, 212 F.2d 284. The deficiencies, involved therefore, were erroneously assessed and invalid. Having held that the retrospective application of the amendment was unconstitutional, it remained for the Court to decide whether the petitioner is correct in the contention that since the amended formula related to "income" merely, it was so vague and indefinite that it was unworkable and incapable of being applied. This problem has been referred to by the Court in its opinion in Lev. Bros. Co. v. District of Columbia, 94 U. S. App. D. C., 10, 212 F.2d 284, where the Court, namely, whether the Court should content itself with declaring void the assignments here involved, or whether it was necessary to dispose of the remaining assignments of error, and without determining what the same should have been with appropriate adjustment; or whether the Court should proceed with the consideration of the other assignments of error and to the determination of the correct amount of the taxes. The solution of the problem is not free from difficulty.

The District of Columbia has contended, and correctly the Court believes, that by the design or scheme of the Income and Franchise Tax Act, as shown by Section 2 of Title X thereof, the Commissioners, and they alone have the power or authority to prescribe formulas; See Lev. Bros. Co. v. District of Columbia, 92 U. S. App. D. C., 147, 204 F.2d 39. This Court, unlike the Tax Court of the United States in relation to the Internal Revenue, is not a part of the assessing authority of the District of Columbia, and its administrative functions have been taken from it by Section 5 of the Act of July 10, 1952 (Section 47-2402, Suppl. IV, D. C. Code, 1951 Ed.), which provides, among other things, that "The District of Columbia Tax Court shall not be deemed or held to be a constituent member of the assessing or taxing authority of the District of Columbia, but shall be deemed an independent agency, separate and apart from such assessing and taxing authority." It is clear that in enacting the foregoing Congress intended to overcome the effect of the decisions of the United States Court of Appeals in

1. The first question which arises on the statement is whether Lev Bros. Co. v. District of Columbia, 92 U. S. App. D. C., 393, 102 F.2d 234; Trustees of St. Paul M. E. Church, Inc. v. District of Columbia, 94 U. S. App. D. C., 395, 102 F.2d 236. The deficiencies involved therefore, were erroneously assessed and invalid. Having held that the retroactive application of the amended formula was improper, it is unnecessary for the Court to decide whether the petitioner is correct in the contention that since the original filing of the suit in 1949, there has been no legal formula. It is infinite that it was unworkable and in effect no formula at all.

The second question which arises is whether the Court should proceed to take up the assignments of error, or whether the Court should adjourn until the District of Columbia has had an opportunity to dispose of the remaining assignments of error, and without determining what the taxes should have been, to appropriate adjustments or whether the Court should proceed with the consideration of the other assignments of error and to the determination of the correct amount of the taxes. The solution of the problem is not free from difficulty.

The District of Columbia has contended, and correctly the Court believes, that by the design or scheme of the Income and Franchise Tax Act, as shown by Section 2 of Title X thereof, the Commissioners, and they alone have the power or authority to prescribe formulas; See Lever Bros. Co. v. District of Columbia, 92 U. S. App. D. C., 147, 204 F.2d 32. This Court, unlike the Tax Court of the United States in relation to the Internal Revenue Service, is no longer a part of the assessing authority of the District of Columbia, and its administrative functions have been taken from it by the act of July 10, 1952 (Section 47-2402, Suppl. IV, D. C. Code, 1951 Ed.), which provides, among other things, that "The District of Columbia Tax Court shall not be deemed or held to be a constituent member of the assessing or taxing authority of the District of Columbia, but shall be an independent agency, separate and apart from such assessing and taxing authority." It is clear that in enacting the foregoing Congress intended to overcome the effect of the decisions of the United States Court of Appeals in

... other on the statement is true. Id. v.
St. Paul M. N. Church Co., v. District of Columbia, 94 U. S. App. D. C., 13, 202 F.2d 234; Trustees of St. Paul M. N. Church Co., v. District of Columbia, 94 U. S. App. D. C., 13, 202 F.2d 234. The deficiencies, involved therefore, were erroneously assumed and invalid. Having held that the retroactive application of the amended formula was improper, it is unnecessary for the Court to decide whether the petitioner is correct in the contention that since the amendment did not do anything finally, it was no longer effective. It is infinite that it was unworkable and in effect no formula at all.

A second question arises as to the next step to be taken by the Court, namely, whether the Court should adjourn with declining to take assignments of error, or whether it should proceed to dispose of the remaining assignments of error, and without determining what the taxes should have been make appropriate adjustments or whether the Court should proceed with the consideration of the other assignments of error and to the determination of the correct amount of the taxes. The solution of the problem is not free from difficulty.

The District of Columbia has contended, and correctly the Court believes, that by the design or scheme of the Income and Franchise Tax Act, as shown by Section 2 of Title X thereof, the Commissioners, and they alone have the power or authority to prescribe formulas; See Lever Bros. Co. v. District of Columbia, 92 U. S. App. D. C., 147, 204 F.2d 39. This Court, unlike the Tax Court of the United States in relation to the Internal Revenue Service, is no longer a part of the assessing authority of the District of Columbia, and its administrative functions have been taken from it by the Internal Revenue Act of July 10, 1952 (Section 47-2402, Suppl. IV, D. C. Code, 1951 Ed.), which provides, among other things, that "The District of Columbia Tax Court shall not be deemed or held to be a constituent member of the assessing or taxing authority of the District of Columbia, but shall be an independent agency, separate and apart from such assessing and taxing authority." It is clear that in enacting the foregoing Congress intended to overcome the effect of the decisions of the United States Court of Appeals in

includes the expense of procuring that interest income in the appropria-

tions from service performed, but with lack of contention failed to

compute the deduction the assessor treated interest as income de-

pending on the alternative complaints of the petitioner is that in

assessments accordingly. It will now proceed to do so.

should have been under the appropriate regulations, and to adjust the

course would be to determine what the amount of the assessments

performed. While not entirely free from doubt, the Court feels that proper

August 6, 1953, and which had but one factor, namely, Charges for services in the journal in section 102(d)(2), as it stood prior to the amendment in

engaged in a variety of multi-phase building activities, including

involved there was no formula only that applied or related to corporations

engaged in the business of manufacturing lumber, lining

assess a tax against a minimum unit, which

dition engaged in the sale of tangible personal property to consumers and

taxpayer for the assessor to use a formal appellate solely to accept

a composition with regard to direct outcomes. To this end the

the assessment that formula is reasonable a fraction of a cent per

the compositions but the formula applicable to a particular business,

nevertheless, it is limited to the law that, if there is provided by

which the assessor has the sole right of power of selection of formulae,

considering the better part, the Court is of the opinion that,

the above quoted portion of section 5 had this effect.

of 1951, reads, "or assessments, not allowability, unless

and, for tax, and in the same manner, the court of the country, in

an assessor under the appropriate regulations, judge correctness in the ad-

ditional assessments to control as the should have been done by

Saturday next of April. It is by no means clear that this Court ordered

of July 10, 1952, has not been considered or passed upon by the district

assessing authority. At all and exact effect of section 5, if the act

appressed was an unconstitutional agency and a constituent member of the

200, 156 F.2d 433, which held that this Court, then the Board of Tax

Cts., and allowance, 77 U.S. 2, 17, D.C., 252, 755, 784

In Case No. 12, the petitioner contends that the amount of interest income received by him from his wife and 12th he had correctly construed interest as income from services performed, (which was not) "have included the expense of procuring the interest income in the apportionment factor. This point is of no importance in the light of the hereinabove ruling in respect of interest."

Lastly, the petitioner contends that the item of interest should not have entered into the computation of the defalcation. The petitioner is correct in that, with the exception of the small amount of interest on loans to office employees. In that connection it should be noted that during the taxable years involved there was in force Section 222(a) of the regulations which provided for the allocation of interest income. Such section provided:

(b) Financially Allocated. Interest, dividends, rents and royalties received from sources in the District, shall be allocated to the District; interest, dividends, rents, and royalties received from sources without shall be allocated without discrimination. The gross income remaining after deducting the above items or 49 specifically allocated hereinafter referred to as gross income from trade or business shall be apportioned or allocated in accordance with formulas or upon basis hereinafter specified.

This Court has held that the situs or source of interest income is the domicile of the obligor. Virginia Hotel Co. v. District of Columbia, D.C.T.C. Docket No. 1302, 3, 4 and 5; State Loan and Finance Corp. v. District of Columbia, D.C.T.C. Docket No. 1313, C.R. M.P. Green, Jr., Brick Co. v. Tax Commission, D.C. Sup. Ct. (decided April 11, 1955).

C.C.H. State Tax Cases, Par. 250-301, wherein it was held that the source of income from capital was where the capital was used. The source of interest on loans to office employees who in the District, however. That of all other interest, namely, on loans to the sub-Advertisers, none of which was domiciled in the District of Columbia, had its source without the District and could not be included in net income as the measure of the deficiencies in franchise taxes here involved.

(1) Regulation 10-2(b) pertaining to the Income and Franchise Tax Act seems to distinguish between "allocation" and "apportionment." The former appears to mean apportioning a certain locale as the source of income, while the latter term means the division of income between two or more taxing areas or jurisdictions. In other words "interest, dividends, etc., have only one source or location."

for \$2,410 or \$12,50, received by the petitioner from the sale of assets in the fiscal year ended March 31, 1951, was taxable income, since the assets were held less than two years, and were therefore, not "capital assets" within the meaning of the Income and Franchise Tax Act.⁽⁵⁾ The amount of \$65.00, representing a dividend on stock of a subsidiary and received by the petitioner in the fiscal year ended March 31, 1952, had its *situs* or source without the District of Columbia, and in accordance with the above quoted Section 10-2(e) of the regulations in force during that year, could not be apportioned without "D.C." it was excluded from the computation of the tax. The Court after considering all of the evidence found as a fact, in respect of managerial and supervisory services performed by petitioner for its subsidiaries, that one-half of the charges of administration and management expenses performed within the District of Columbia, the petitioner derived gross income from services performed, and in accordance with Section 10-2(d)(2) in computing the tax, one-half of such gross income must be apportioned to the District of Columbia for the payment of the franchise taxes for which the petitioner is liable, subject, however, to deductions in accordance with Section 10-2(e) of the regulations in force during the taxable years, and which read as follows:

"Deductions from Gross Income. Where part of any gross income is apportioned to the District, the deductions applicable thereto and allowable as such under Sec. 3(a) of Title III (Income and Franchise Tax Act) shall be apportioned on the same basis as that used in apportioning such gross income, unless, in the opinion of the Assessor such deductions in whole or in part, * * * #"

The computation of the franchise taxes and refunds, if any, due for the three fiscal years here involved is as follows:

Fiscal Year Ended March 31, 1951

Tax paid by petitioner:	Reported	\$2,854.59	
	Deficiency	406.06	\$3,260.55
Gross Income from services performed	\$116,224.37		
Apportioned to D.C.	58,112.19		
Less Expenses	91,449.27		
Apportioned to D.C.	45,724.64	312,387.55	
Income from sale of non-capital assets		18.70	
Interest on loans to employees		23.13	
Total Net Income		<u>\$12,429.50</u>	

(5) Section 4(1) of Title I and Section 47-1551(c)(e) and 47-1557a(b)(11) D. C. Code, 1951 Edition.

assets in the fiscal year ended March 31, 1951, was taxable income, since the assets were held less than two years, and were therefore not "capital assets" within the meaning of the Income and Franchise Tax Act. The short-term capital gain or loss arising from the sale of assets by the petitioner in the fiscal year ended March 31, 1952, had its origin or source without the District of Columbia, and in accordance with the above quoted Section 10-2(c) of the regulations in force during that year will similarly must be apportioned without the District and excluded from the computation of the tax. The Court will consider all of the evidence found as a fact, in respect of managerial and supervisory services performed by petitioner for its subsidiaries, that one-half of the charges or compensation therefor was for services performed within the District of Columbia. The petitioner derived gross income from services performed, and in accordance with Section 10-2(d)(2) in force during the taxable years, one-half of such gross income must be apportioned to the District of Columbia for the measurement of the franchise taxes for which the petitioner is liable, subject, however, to deductions in accordance with Section 10-2(e) of the regulations in force during the taxable years, and which read as follows:

Deductions from Gross Income. Where part of any gross income is apportioned to the District, the deductions applicable thereto and allowable as such under Sec. 3(a) of Title III (Income and Franchise Tax Act) shall be apportioned on the same basis as that used in apportioning such gross income, unless, in the opinion of the Assessor such deductions in whole or in part. * * *

The computation of the franchise tax, if any, due for the three fiscal years here involved is as follows:

Fiscal Year Ended March 31, 1951

Tax paid by petitioner:	Reported	\$2,854.59	
	Deficiency	406.06	\$3,260.55
Gross Income from services performed		\$116,224.37	
apportioned to D.C.		58,112.19	
Less Expenses		91,449.27	
apportioned to D.C.		45,724.64	\$12,387.55
Income from sale of non-capital assets			18.90
Interest on loans to employees			23.13
Total Net Income			\$12,429.58

(5) Section 4(1) of Title I and Section 2(b)(11) of Title III, Income and Franchise Tax Act. (Sections 47-1551c(e) and 47-1557a(b)(11) D. C. Code, 1951 Edition.)

(a) That a franchise tax for the fiscal year ended March 31, 1951, in the amount of \$406.06, plus interest thereon in the amount of \$97.25, is due and payable by the defendant to the State of New York at the rate of 4 per centum per annum from July 22, 1951, thereafter until paid. The defendant is entitled to a refund of such total amount, together with interest accrued at 4% per annum from the date of payment until paid.

for the reasons stated the Court holds:

1,25,719	2,79,1,02	50,286.96	355,716.33	Total Net Income Interest on loans to employees
150.90	1,25,719	100,572.12	100,572.12	Interest on loans to D.G.
58,110.39	58,048.51	\$106,002.39	\$212,004.77	Gross Income from activities performed to D. O.
				Tax paid by petitioner - deficiency
				Years paid under Demand 11, 1953

July 10, 1952. (Section 47-2413, Suppl., IV, D., Code, 1951 Ed.).
District of Columbia Revenue Act of 1937, as amended by the Act of
March 4, 1938, section 11(b) and 13(b) of Title II of the
Proceeding, because no claim for refund of the overpaid/underpaid tax
was filed by the taxpayer. See also section 11(b) of the same act.

16-1004
"DIPLOMATIC" 04 04
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100-1947 P.M. 1000 1000 01

In the amount of \$106.06, plus interest thereon, as of 1/15/55,
(a) That a franchise tax for the fiscal year ended March 31, 1951,
for the reasons stated the Court holds:

Franchise Tax Paid by Petitioner - Defendant	
Tax at 5%	51,100.47
Overpayment in tax	1,257.19
Total tax and interest	52,357.66
Interest 7/15/53 to 7/15/55	150.90
Franchise Tax Paid by Plaintiff - Defendant	
Tax at 5%	51,920.37
Overpayment in tax	2,791.02
Total tax and interest	54,711.39
Interest 7/15/53 to 7/15/55	150.90
Franchise Tax Paid by Petitioner - Defendant Franchise Tax Paid by Plaintiff - Defendant	
Tax at 5%	51,048.51
Overpayment in tax	3,212.00
Total tax and interest	54,260.51
Interest 7/15/53 to 7/15/55	150.90
Franchise Tax Paid by Petitioner - Defendant Franchise Tax Paid by Plaintiff - Defendant	
Tax at 5%	51,777.79
Overpayment in tax	1,646.10
Total tax and interest	53,423.89
Interest 7/15/53 to 7/15/55	151.69
Franchise Tax Paid by Petitioner - Defendant Franchise Tax Paid by Plaintiff - Defendant	
Tax at 5%	51,746.67
Overpayment in tax	2,746.67
Total tax and interest	54,493.34
Interest 7/15/53 to 7/15/55	151.69
Franchise Tax Paid by Petitioner - Defendant Franchise Tax Paid by Plaintiff - Defendant	
Tax at 5%	51,746.67
Overpayment in tax	2,746.67
Total tax and interest	54,493.34
Interest 7/15/53 to 7/15/55	151.69
Franchise Tax Paid by Petitioner - Defendant Franchise Tax Paid by Plaintiff - Defendant	
Tax at 5%	51,746.67
Overpayment in tax	2,746.67
Total tax and interest	54,493.34
Interest 7/15/53 to 7/15/55	151.69
Franchise Tax Paid by Petitioner - Defendant Franchise Tax Paid by Plaintiff - Defendant	
Tax at 5%	51,746.67
Overpayment in tax	2,746.67
Total tax and interest	54,493.34
Interest 7/15/53 to 7/15/55	151.69
(Continuation Cont'd.) Tax at 5% Overpayment in tax	
Tax to be refunded	106.06
Total tax and interest	106.06
Interest 7/15/53 to 7/15/55	150.90

To, V. Nellie

[Handwritten signature]

"Petition will be served by mail return."

"1955, until date of payment of such return."

"In case of failure to do so, or if a per annum per annum from July 22,

"will be entitled to a sum of such total amounts, together with

"such interest thereon, and collection from the petitioner and that the party

"so sued shall pay all costs and expenses in the amount of \$1,700.00, and attorney's

"fees, and collect the same in the amount of \$1,500.00, or

"in the amount of \$1,257.79, plus interest in the amount of \$150.00, or

"in the amount of \$1,106.10, plus interest in the amount of \$11.69, or

"in the amount of \$1,066.40, plus interest in the amount of \$11.00, or

"in the amount of \$1,000.00, plus interest in the amount of \$10.00, or

"in the amount of \$933.33, plus interest in the amount of \$9.33, or

"in the amount of \$866.67, plus interest in the amount of \$8.67, or

"in the amount of \$800.00, plus interest in the amount of \$8.00, or

"in the amount of \$733.33, plus interest in the amount of \$7.33, or

"in the amount of \$666.67, plus interest in the amount of \$6.67, or

"in the amount of \$600.00, plus interest in the amount of \$6.00, or

"in the amount of \$533.33, plus interest in the amount of \$5.33, or

"in the amount of \$466.67, plus interest in the amount of \$4.67, or

"in the amount of \$400.00, plus interest in the amount of \$4.00, or

"in the amount of \$333.33, plus interest in the amount of \$3.33, or

"in the amount of \$266.67, plus interest in the amount of \$2.67, or

"in the amount of \$200.00, plus interest in the amount of \$2.00, or

"in the amount of \$133.33, plus interest in the amount of \$1.33, or

"in the amount of \$66.67, plus interest in the amount of \$.67, or

"in the amount of \$0.00, plus interest in the amount of \$.00, or

"plus a reasonable tax for the instant year ended March 31, 1952.

"(c) That a judgment be taxed for the instant year ended March 31, 1952.

"plus a reasonable tax for the instant year ended March 31, 1952.

"plus a reasonable tax for the instant year ended March 31, 1952.

"plus a reasonable tax for the instant year ended March 31, 1952.

"plus a reasonable tax for the instant year ended March 31, 1952.

"plus a reasonable tax for the instant year ended March 31, 1952.