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for the Degree of Master of Science

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THIS THESIS HAS BEEN READ
APPROVED AND RECOMMENDED
FOR CREDIT

L. A. Moorhouse

Head of the Department of Economics and Sociology

Colorado Agricultural College

Fort Collins, Colorado


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THIS THESIS HAS BEEN APPROVED AND RECOMMENDED FOR
THE DEGREE OF MASTER OF SCIENCE


Chairman and Professor of Zoology


Professor of Horticulture


Professor of Veterinary Pathology

Committee on Advanced Degrees
Colorado Agricultural College
Fort Collins, Colorado

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This study was first suggested while engaged in a farm tax survey among the farmers of northeastern Colorado. Here it was found that very little authentic information existed regarding taxation. It was generally felt to be burdensome and while it is one of the farmers' major problems, too little information was available on the subject. Farmers were not certain as to how the various items of the general property tax affected them. They had almost no information upon which to base their judgment in the voting booth. Certain issues featuring large in campaign literature were relatively less important than other issues left unmentioned.

The farmer knew what his total taxes amounted to but he did not know how and by whom they were expended. He knew that he paid them but he did not know who voted them. He felt their burden but did not know what levying jurisdictions were most responsible. The farmer also knew that his taxes varied from year to year and that they might vary quite differently from those of his neighbors. On occasion he complained about certain expenditures which were of minor importance as compared to other projects unnoticed.

Plan of Study

The main theme of this paper has to do with local taxation, yet it is important that local taxation be connected up with taxation as a whole and that taxation in turn be coupled with public finance of which it is a part. Hence the Introduction defines public finance and divides it into

expenditures and revenues. Taxation is briefly discussed as a phase of public finance. The second part of this treatise considers the source and distribution of revenue in Larimer County as typifying the local tax situation. Following this section, state taxation is discussed under the head of Source and Distribution of Revenue in Colorado, while the fifth division considers the major National resources and expenditures. The last two divisions are Resume and Outlook, the former being a brief summary of the work set forth in the treatise, while the latter attempts to guess some of the trends of taxation in the future.

Public Finance

Public finance deals with the getting and spending by the government of the means required for the performance of its functions.¹ It divides itself quite naturally into two great divisions; expenditures and revenues. Expenditures and revenues are further divided as national, state or local. Expenditures.- National expenditures, at one time consuming the lion's share of the total governmental receipts, are now of only secondary importance. For the past thirty-five years, at least, local expenditures have surpassed those of Federal as well as state governments, except during the pe-²riod 1919-1922.

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1. Adapted from Jensen, Jens P. Problems in Public Finance. 1924.
 2. National Industrial Conference Board. Cost of Government in the United States, 1925-26. 76-1927.

Revenues.- The Federal Government derives its revenue in the main from taxes. Custom duties and excise or stamp taxes have, in the past, furnished the most of the peace time revenue. The National Income tax is of recent introduction. Introduced permanently in 1913 it has expanded in importance as to furnish the greater share of the Federal tax revenue. Since 1917 it has contributed more revenue to the National Government than either the custom or excise taxes. It is a direct tax, that is, it is borne by the person who pays the tax in contrast to custom or excise taxes which are commonly shifted.³

State governments have depended largely on the general property tax for their support until quite recently. The poll tax, now almost obsolete, was at one time fairly important as a state tax source. Business and non-business license taxes such as gasoline taxes and automobile taxes have served to relieve the burden on general property. In many states special taxes in the form of inheritance taxes and taxes on bank and other corporation stock, play an important part.

Local governments depend almost entirely upon the general property tax to defray their costs. Since local expenditures are responsible for the greatest percentage of the total governmental disbursements, the general property tax,

3. Statistical Abstract of the United States. Department of Commerce. 1926

furnishing most of the revenue for these expenditures, is of primary importance.

Taxation

General Principles.- Taxes are generally thought of as a compulsory contribution to defray the cost of government and are levied without regard to the benefit which the taxpayer may receive. The burden, is in theory, distributed in accordance with the taxpayer's ability to pay, as measured by certain standards. Unfortunately some of these standards, once indicative of taxpaying ability, serve as such no longer.

A person's ability to pay is generally conceded to be measured best by his yearly income. The income tax, when properly administered, is from this, judged to be a very just tax. Earlier in our history a man derived his income very largely in proportion to his stock of worldly goods. These goods were tangible, that is, could be seen by all and were not easily concealed from the assessor.

The General Property Tax.- The general property tax had its beginning in these times. The general property tax as a system is the proportional taxation of all property. Real estate and personal property, regardless of differences, are, in theory, assessed at full cash value or a stated percentage of full cash value and a tax is levied on the total.

It is notoriously true that a small proportion of the total personal property finds its way to the tax rolls. On the other hand real property is seldom exempt.

It is clear that real estate is discriminated against in a general property tax system due to the evasion practiced by holders of personal property. Some forms of personalty escape from the tax roll with difficulty. Livestock, implements, and machinery, and automobiles and other vehicles are examples of these forms. The farmer as a holder of real estate and possessor of personalty, largely in the form of livestock and implements and machinery, is patently discriminated against in the operation of the general property tax.

"The weight of taxation really rests on the farmer, because in the rural districts the assessors add the personalty, which is generally visible and tangible, to the realty, and impose the tax on both. We hear a great deal about the decline of farming land, but one of its chief causes has been singularly overlooked. It is the overburdening of the agriculturist by the general property tax."

4. Seligman, Edward R. A. Essays on Taxation 10th Ed.
28 - 1925

SOURCE AND DISTRIBUTION OF REVENUE IN LARIMER COUNTY

For the study of local taxes as they affect the Colorado farmer the county was selected as the unit. Larimer County in Northern Colorado was chosen as one of the most important counties of the State and a county in which the detailed work could most easily be pursued.

To portray most accurately that which is taking place in the realm of county taxation in Colorado, a survey of from seven to ten counties in five typical areas would be necessary. Such an undertaking, however, was out of the question due to the vast amount of time required.

It is only fair to point out that Larimer County with its mountain roads and bridges and its tourist traffic over these roads and bridges has a road program equalled by few, if any, counties in the State. Floods have at various times swept out a large number of bridges and torn up roads, piling up expense during that fiscal period, or to be met in succeeding years in the form of registered warrants.

It is believed that the trends of taxation in this county will suggest that which is taking place over the State, in spite of the above. Especially is this true since this study extends over a period of seven years and includes the years 1920, 1921, 1925 and 1926.

Material for this study was secured direct from the books of the various county officers. Accuracy was striven for and pains have been taken to interpret all data in their true light.

Splendid co-operation was accorded in all departments and access to all necessary books was given. (Special mention must be made of the assistance given by C.B. Brewer, County Treasurer, without whose efforts and counsel this study would have been impossible.)

It is considered desirable to present the data secured in several ways in order that the farmers' tax burden may be studied from different angles. Accordingly, tax collections and County disbursements were both secured.

Material and Methods.

The Collections dealt with are collections of the taxes of the preceding year which fall due on January first of the year studied. They are actual collections on the basis of the levy of the preceding year. No back taxes are considered nor are any collections included save tax collections. Collections Tables and Figures show the total of the taxes collected from the taxpayers any one year and disregard all other revenues.

The Disbursements appearing in Figures I, III, V, and VII are cash disbursements from the various funds for running expenses of the County and school districts. No registered warrants are considered in these disbursements and an attempt was made to exclude all payments for improvements and semi-permanent equipment.

The inventory appearing in the County Clerk's Semi-Annual Statement served as the basis for correcting Ordin-

ary County Revenue and Road Fund disbursements. The increases in the form of buildings and other permanent improvements, one year over the next, were considered as outlays to be credited to the Ordinary County Revenue Fund. Accordingly this increase was subtracted from the total cash disbursements of the Ordinary Fund to obtain disbursements for current expenses.

In like manner all yearly increases in road machinery and equipment were deducted from the total cash disbursements from the Road Fund.

It was learned from the County Treasurer that some school districts made more or less extensive improvements from their Special School Funds, even going so far as to set aside a part of this Fund to redeem bonds and pay the interest on the same. Hence it was necessary to separate expense payments from Special School Disbursements. These current expense payments were secured from the Annual Report of the County Superintendent of Schools. This report considers all finances from the standpoint of the school fiscal year which begins July 1, and ends June 30th of each year.

The school year was converted to a calendar year by multiplying the current expenses for the first half of the period to be studied by $\frac{5}{9}$ and the current expenses for the second half of the period by $\frac{4}{9}$.

For example: Current expenses for 1920 were secured

by multiplying this item as it appeared in the 1919-1920 Annual Report by $5/9$, for January to June 1920 was contained in this report; and adding to it $4/9$ of the current expenses found in the 1920-1921 report.

This method was followed upon the suggestion of the County Superintendent of Schools, the theory being that the greater part of the money disbursed was disbursed during the nine school months, beginning in September and ending the latter part of May to the forepart of June.

Items considered as current expenses were the following: Teachers Salaries, Fuel, Rent, Insurance and All Current Expenses, Library Purposes and Abstements and County Treasurers' Collection Fees.

Since all items given in the County Superintendent's Annual Report consider total warrant payments it was necessary to go back to the record of registered warrants and to deduct from the total current expenses all registered warrants for current expenses.

The disbursements forming the basis for Figures IX to XIV and Tables IX to XVI are total warrant disbursements as contrasted to the cash disbursements considered in the other Disbursements Tables. These former Tables and Figures show the total cost of government within the County, dividing this cost according to the United States Census Bureau Classification.

Since disbursements here considered are total warrant

disbursements and not cash disbursements, that part of the expenditures represented by registered warrants carries on its burden to another fiscal period.

All disbursements, whether cash or total warrants, are out of funds, the revenue of which is collected by the County Treasurer as Ordinary or Miscellaneous Collections.

Ordinary Collections for any one year, consist of taxes levied the preceding year, and any delinquent taxes of the past six years which may be collected this year and apportioned. For example, Ordinary Collections of 1920 consist of taxes known as the 1919 taxes and based on the assessors valuation of 1919 and the levy of 1919, together with taxes of 1913, 1914, 1915, 1916, 1917, or 1918 which are delinquent and are paid in 1920.

The taxes which compose the Ordinary Collections are levied by the various levying boards or committees. The State tax is levied by the State General Assembly upon the total State Assessment. The County tax is levied by the Board of County Commissioners upon the total County assessment, while the School Districts tax is levied by the various school boards upon the total assessment of property lying within the school districts.

The farmer's total tax is reckoned by adding the State mill levy to the levies of the County and the School district and multiplying the whole by the total assessed valuation of his property.

The State Tax, County Tax, and School District Tax are composed of several specific taxes. Each of these specific taxes is gathered from a levy and when taken together form the State Tax or the County Tax or the School District Tax, as the case may be.

The various State taxes are not shown in this treatise. Generally the County Tax is composed of the following taxes: Ordinary County Revenue, Road Fund, Poor Fund, General School Fund, Unforeseen Contingencies, Liquidation of Unpaid Warrants, Interest on County Bonds, Mothers' Compensation, Blind Benefit, and Special Advertising.

The school District Tax is made up of Special School Fund, Interest on School Bonds, and Redemption of School Bonds.

The total tax collections, including Delinquent taxes, are totaled monthly and apportioned on the basis of the individual levies under which the current taxes were collected.

Miscellaneous Collections is composed of money received from the State Treasurer, due the County from its share of the Motor Vehicle Tax. The State Treasurer disburses money also from the State Public School Income Fund. These collections also include money from the State Highway Department as a State aid for work on State Roads; revenue from the United States Forest Service for work on Forest Reserve roads; a portion of the state gasoline tax; County Treasurer's collection fees; interest from delinquent taxes and money on

deposit; fees from the County Clerk, and Fees and Fines from the Sheriff's Office, County District, and Justice of the Peace Courts. Other items found in Miscellaneous Collections include money received from the sale of surplus road supplies or scrapped equipment, County Hospital charges, etc.

The divisions which appear in the Collections Tables and Figures are the State, County and School District Taxes subdivided into their component taxes. These are current taxes, that is, they include no delinquent taxes.

The divisions appearing in the Disbursements Tables and Figures I, III, V, and VII are the disbursing funds of the County and School District.

A few of these funds secure all of their revenue from the taxes of the same name appearing in the Collections Tables and Figures. These funds are Unfor^eseen Contingencies, Liquidation of Unpaid Warrants, Interest on County Bonds, Mothers' Compensation and Special Advertising, Special School Fund, Interest on School Bonds, and Redemption of School Bonds. The remainder of the Funds receive money from both Ordinary and Miscellaneous Collections.

The Ordinary County Revenue Fund includes, besides the levy collections, fees from the County Treasurer, County Clerk, Sheriff, County Court, District Court, and Justice of the Peace Court; and interest from delinquent taxes and money on deposit. This fund is used for general county expenses.

The Road Fund consists of Ordinary Collections, State and Federal Aid, 50% of the Motor Vehicle License Tax, after costs of Collection have been deducted, a portion of the State Gasoline Tax apportioned according to mileage of State routes and State highways within the County, and fines for violation of traffic laws. This fund cares for all County Road Building and Maintenance.

The County General School Fund derives its revenue from Ordinary Collections, fines from the Sheriff, County Clerk, Justice of the Peace, District Court, and County Court; and from the State General School Income Fund which is prorated to the counties on the basis of the school census after all claims from districts unable to pay minimum salary provided by law have been met.

That part of the General School Fund coming from Ordinary Collections is designed to pay teachers salaries only. In 1919 and 1920 the County levy for this purpose provided that enough money should be raised from this tax which, together with all other sources of revenue to the General School Fund and not over a 10 mill Special School levy, would guarantee all teachers in third class districts a minimum salary of \$60 a month and all teachers in second and first class districts a minimum of \$75 a month for six months, provided that the levy for this purpose should not exceed 5 mills. This entire fund was apportioned on the basis of the school census except in districts having less

than 15 school population; here the County Superintendent apportioned it at his own discretion. This law was amended in 1921 and again in 1923. It now provides that the minimum salary for teachers in all districts shall be \$75 per month for nine and one half months; that enough money shall be raised from the County General tax to provide this minimum salary for not to exceed four teachers for every one hundred school population and an extra teacher for every forty school population above one hundred; with special provisions for high schools, provided that each district should have at least one teacher and further provided that at no time was the levy to exceed 5 mills.

Prior to the 1921 amendment all money received into the General School Fund was apportioned on the basis of the school census of the preceding year. After the amendment became effective in 1922 only the revenue received from the State Public School Income Fund and from the various fines has been apportioned in this fashion by the County Superintendent of Schools.

The Poor Fund secures its revenue from Ordinary Collections and Revenues from the County Hospital. This Fund provides revenue for the care of unfortunates within the County and for the Support of the County Poor Farm and County Hospital.

The Blind Benefit Fund secures revenue from the Blind Benefit levy of Ordinary Collections, the State reimbursing

the County for one half its expenditures from revenues secured from the State Blind Benefit Fund. This Fund provides, at the present time, \$300 per person per year for all those within the County who are totally blind or nearly so.

Liquidation of Unpaid Warrants is a Fund which cares for the interest and liquidation of any County Registered Warrants.

The Interest on County Bonds Fund is designed to meet interest payments due on County bonds.

The Mothers' Compensation Fund provides for the care of dependent children within the home where the parents of such children are unable to afford adequate support for them and when it is desirable to keep the children in the home.

Special Advertising is used to advertise the County and its disposition is at the discretion of the County Commissioners. It is used chiefly to afford advertisement through the local Chambers of Commerce and the County Fair.

The Special Local Assessment appearing in the 1920 Disbursements was used to pay local improvement taxes on county property. It is now incorporated in Ordinary County Revenue.

The Special School Fund bears the general expense of the School District with the exception of that part of the teachers salaries which comes out of the County General School Fund.

Interest on School Bonds care^s_A for the interest payments on School bonds.

Redemption of School Bonds is used to retire out-standing bonds of the School District.

Collections and Disbursements, Figures I to VIII are exhibited as percentages of total Collections or Disbursements for the period and are represented by Circle or Pie Charts. Each circle or pie represents 100% and each segment of the pie is the percentage which that certain fund is of the whole. For the sake of clearness these charts are called tax-dollars and the segments taken to represent so many cents in the dollar.

Figures I, III, V, and VII-A show disbursements of School and County as a total. Figures I, III, V, and VII-B are the distribution for the County without General Schools.

Figures II-A, IV-A, VI-A, and VIII-A show the distributions of Collections for State, School District and County. Figures II-B, IV-B, VI-B, and VIII-B include County tax collections except General Schools. Figures II-C, IV-C, and VIII-C show distribution of collections of County and School District Taxes.

Results

Collections.- Figures II-A, VI-A, IV-A and VIII-A show the relative importance of the State, County, and School District Taxes which taken together compose the General Property Tax levied on the Property of the farmer.

TABLE II
COLLECTIONS: 1920

	Amount:	Percentage (A)	Percentage (B)	Percentage (C)
STATE	\$ 169,692.61:	20.902%		
SPECIAL SCHOOL FUND	280,677.59:	34.572%		43.708%
INTEREST ON SCHOOL BONDS	21,292.56:	2.623%		3.316%
REDEMPTION OF SCHOOL BONDS	16,556.61:	2.039%		2.578%
ROAD FUND	127,109.75:	15.656%	46.263%	19.794%
ORDINARY COUNTY REVENUE	97,777.76:	12.044%	35.588%	15.226%
GENERAL SCHOOL FUND	48,888.36:	6.022%		7.613%
LIQUIDATION UNPAID WARRANTS	19,799.78:	2.439%	7.206%	3.083%
POOR FUND	18,087.71:	2.228%	6.583%	2.817%
MOTHERS' COMPENSATION	3,911.05:	.482%	1.423%	.609%
UNFORESEEN CONTINGENCY	2,444.39:	.301%	.890%	.381%
SPECIAL LOCAL ASSESSMENT	2,200.00:	.271%	.801%	.343%
BLIND BENEFIT:	1,466.66:	.181%	.534%	.228%
SPECIAL ADVERTISING	977.74:	.120%	.356%	.152%
INTEREST ON COUNTY BONDS	977.74:	.120%	.356%	.152%
TOTAL	\$ 811,860.31	100.000%	100.000%	100.000%

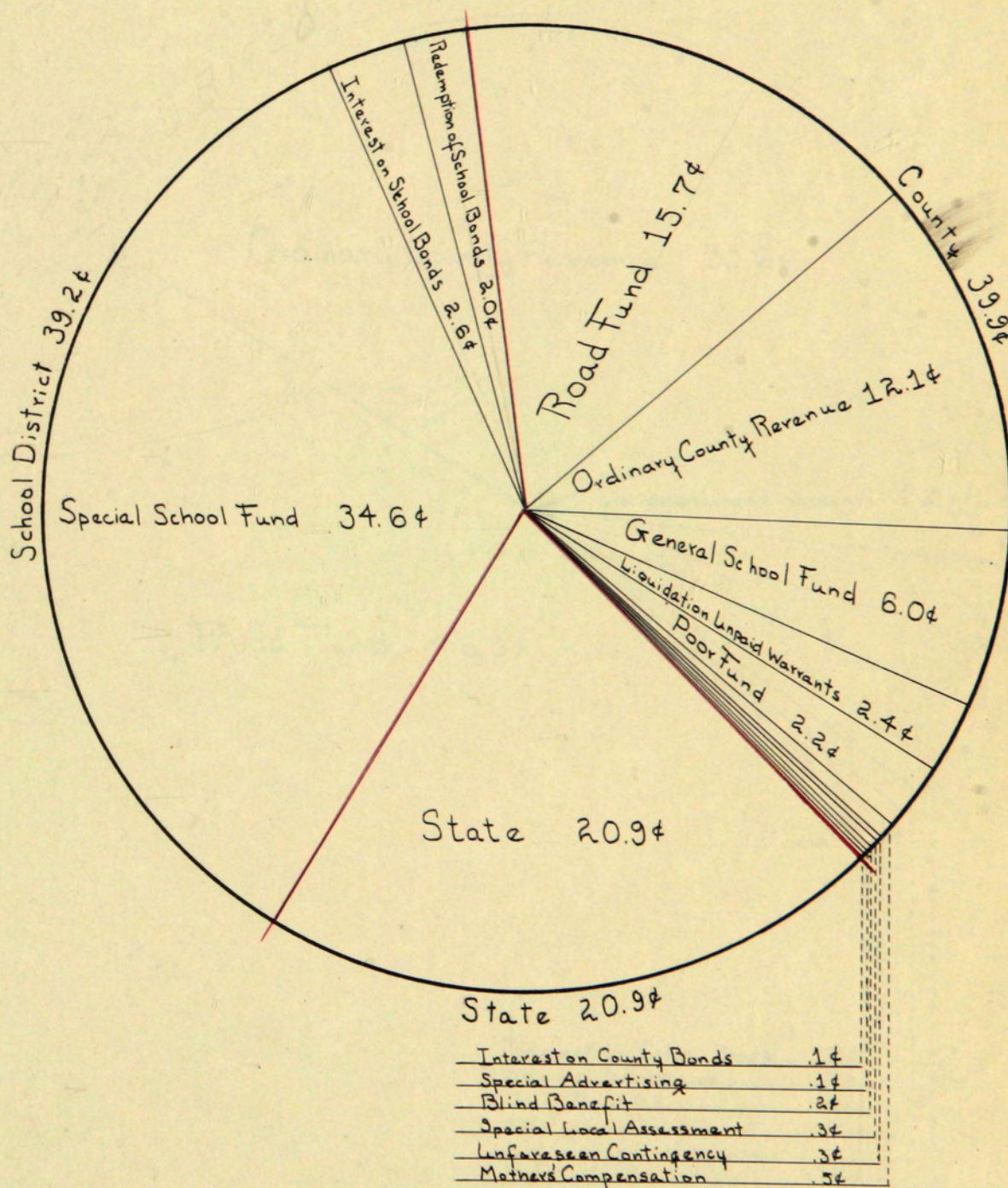


Figure II A. 1920 Farmers' Tax-dollar: Based on 1919 levy collections; State, Schools and County.

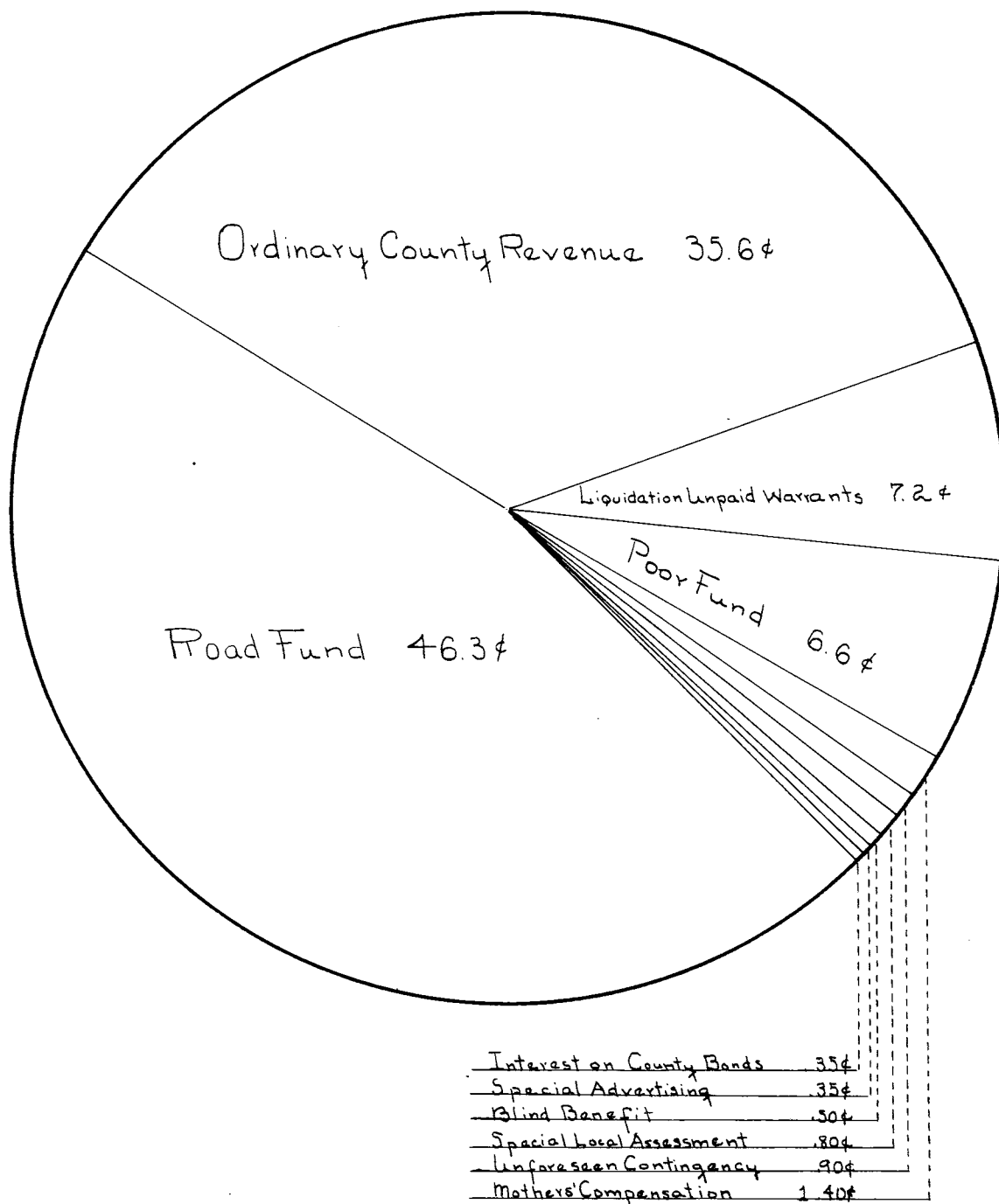


Figure II B. 1920 Farmers' Tax-dollar: Based on 1919 levy collections; County.*

*Without General Schools

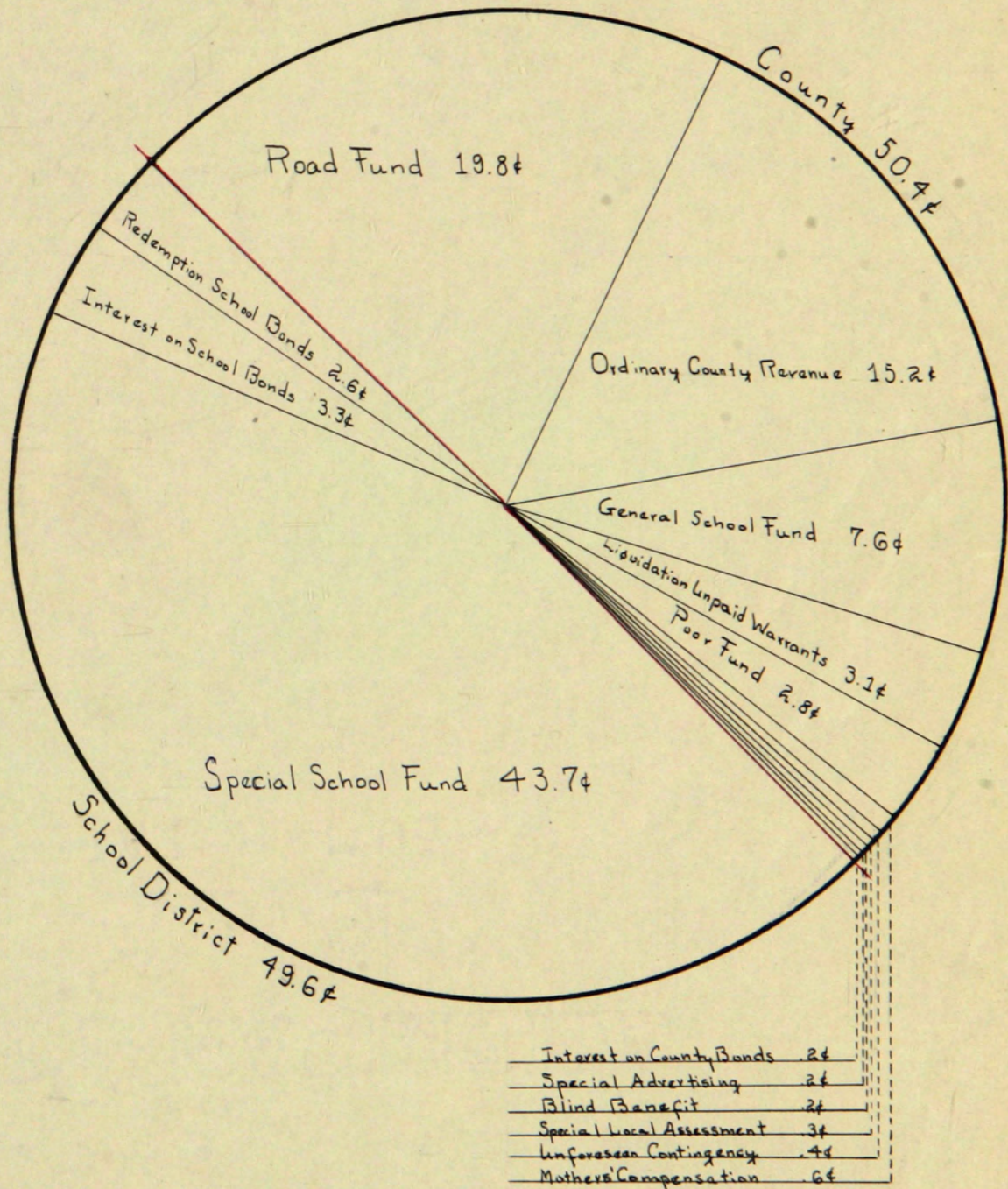


Figure II C. 1920 Farmers' Tax-dollar: Based on 1919 levy collections; Schools and County.

The County Tax Collection was the largest of the three every year except 1921 which year it ranked second to the School District Tax. The County tax has increased in amount from 1920⁵ to 1926 as shown in the Amounts Column of Collections Tables II, IV, VI, and VIII. It decreased as a percentage of the whole from 1920 to 1921 but increased considerably as a percentage in 1925 and remained stationary in 1926.

The School District Tax has taken an increasingly larger amount each year. Expressed as a percentage of the whole it increases in 1921 over the 1920 figure, then decreases in relative importance in 1925 to the 1920 figure and falls off again very slightly in 1926.

The State Tax is the smallest of the three Taxes collected during the four years of the study. This Tax has decreased as a percentage of the whole from 1920 to 1925, rising very slightly in 1926. In actual amounts collected, the State Tax has evidenced a steady increase from 1920 to 1926.

Considering the items making up the General Property Tax without reference to the division in which they fall, i.e. State, County, or School District Tax, as shown under A in the Collections Tables, the Special School Tax is the largest. Collections from this tax were twice as large as

5. Caution: Unless otherwise noted, all dates refer to years of collection rather than years of levy. The tax collected in 1920 was levied in 1919.

any other collections every year except 1920. The State Tax ranks next in importance. The Special School Tax, as a percentage of the whole, shows no definite tendency to either increase or decrease. It was higher in 1921 than at any other period and dropped in 1925 to a lower percentage than it occupied in 1920. This tax fell off still more in 1926.

The County Road Fund Tax has, until 1926, been the next most important tax. In 1926, the General School Tax advanced to third place. The other important tax is the Ordinary County Revenue Tax. This tax ranked fourth among those taxes composing the General Property Tax in 1920 and 1921, fifth in 1925 and 1926.

The General School Fund Tax surpassed the Ordinary County Revenue Fund Tax in importance in 1925 and both the Road Tax and the Ordinary Tax in 1926. The change in the teachers' minimum salary law, as explained above, was, in the main, responsible for this change in rank. These three have ranked next to the State Tax all four years of the study and compose from $\frac{6}{8}$ to $\frac{7}{8}$ of the total County Tax. Figures II-B, IV-B, VI-B, and VIII-B show the distribution of all County taxes with the exception of General School Tax. The Road Fund Tax exhibits much the same tendency as was exhibited by the Special School Tax. As a percentage of the whole it is the highest in 1921 and decreased each year after 1921. The Ordinary County Revenue Tax

shows a steady decrease as a percentage of the whole over the four years studied. Liquidation of Unpaid Warrants demonstrate an increase in percentage and in actual amount collected from 1920 to 1926. This fact makes it evident that the County Tax, as levied each year, falls farther and farther short of meeting the needs of the County each year.

The Poor Fund Tax decreases as a percentage of the whole from 1920 to 1921 and from 1925 to 1926, but increases in 1925 over 1921 and over 1920. Nothing of real significance is revealed by this change. Mothers' Compensation shows little change in relative importance due, no doubt, to the fact that the levy for this purpose is limited by State law to 1/8 of a mill.

The Blind Benefit Tax fluctuates widely from one year to the other as a percentage of the whole, but more than doubles in actual amount collected in 1925 and 1926 over 1920 and 1921.

The tax, Interest on County Bonds shows a decided rise in 1925 over 1920 and 1921. In 1926 the amount collected, expressed as an absolute amount or as a percentage of the whole, is double that collected in 1925. Some of this rise was occasioned by the building of the new County Hospital and Poor House in 1925. The other taxes appearing in the Tables and in the Figures are so insignificant as to warrant no comparison.

TABLE IV
COLLECTIONS: 1921

	Amount:	Percentage (A)	Percentage (B)	Percentage (C)
STATE	\$ 174,110.33:	17.004%		
SPECIAL SCHOOL FUND	422,945.67:	41.305%		49.767%
INTEREST ON SCHOOL BONDS	24,495.43:	2.398%		2.882%
REDEMPTION OF SCHOOL BONDS	4,514.32:	.441%		.531%
ROAD FUND	166,583.94:	16.269%	47.908%	19.602%
ORDINARY COUNTY REVENUE	100,351.75:	9.800%	28.860%	11.808%
GENERAL SCHOOL FUND	50,175.89:	4.900%		5.904%
LIQUIDATION UNPAID WARRANTS	50,175.88:	4.900%	14.430%	5.904%
POOR FUND	20,070.35:	1.960%	5.772%	2.362%
MOTHERS' COMPENSATION	5,017.58:	.490%	1.443%	.591%
UNFORESEEN CONTINGENCY	2,508.80:	.245%	.722%	.295%
BLIND BENEFIT	1,505.27:	.147%	.433%	.177%
SPECIAL ADVERTISING	1,003.51:	.098%	.288%	.118%
INTEREST ON COUNTY BONDS	501.77:	.049%	.144%	.059%
TOTAL	\$1,023,960.49	100.000%	100.000%	100.000%

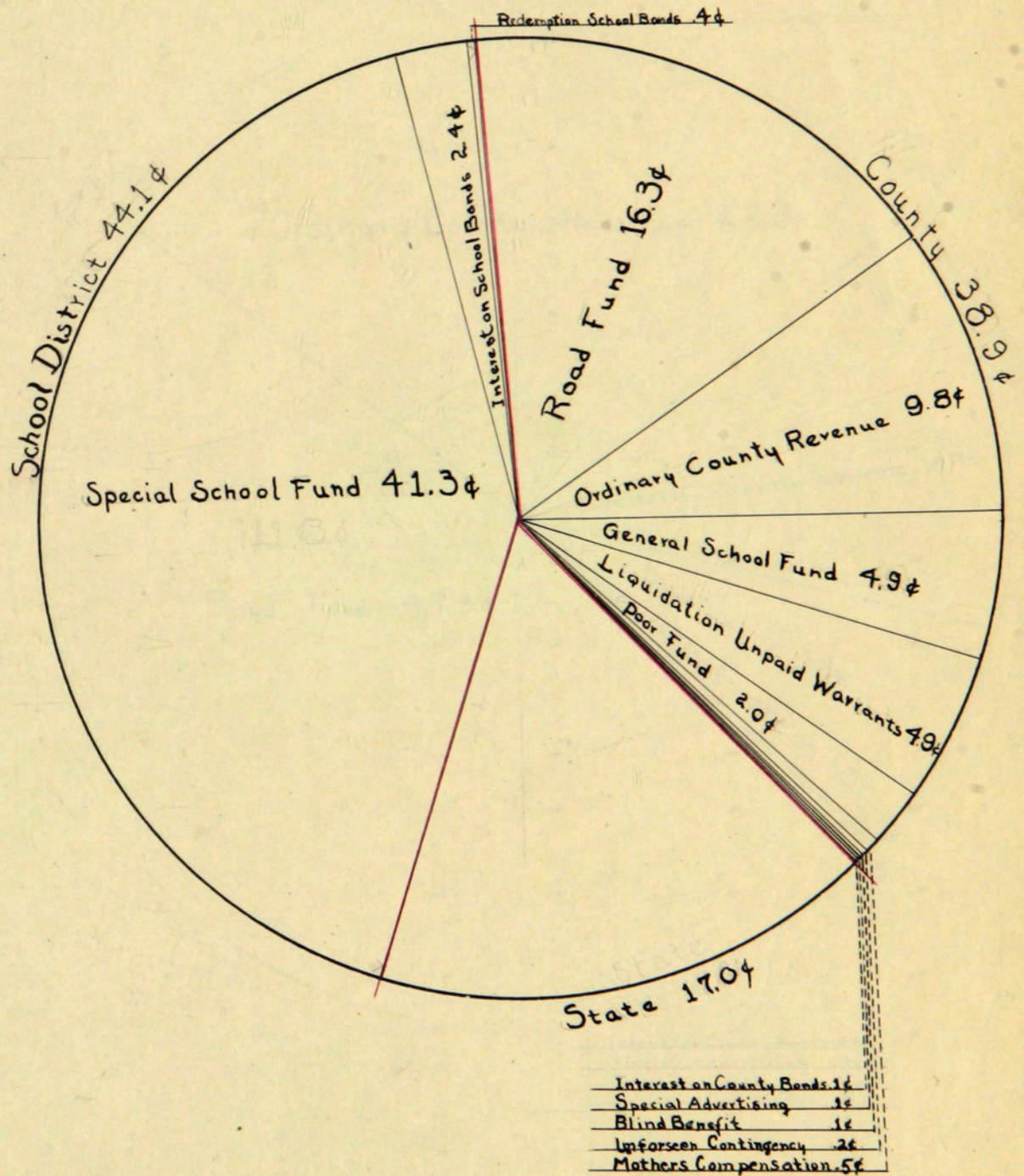


Figure IV A. 1921 Farmers' Tax-dollar: Based on 1920 levy collections; State, Schools and County.

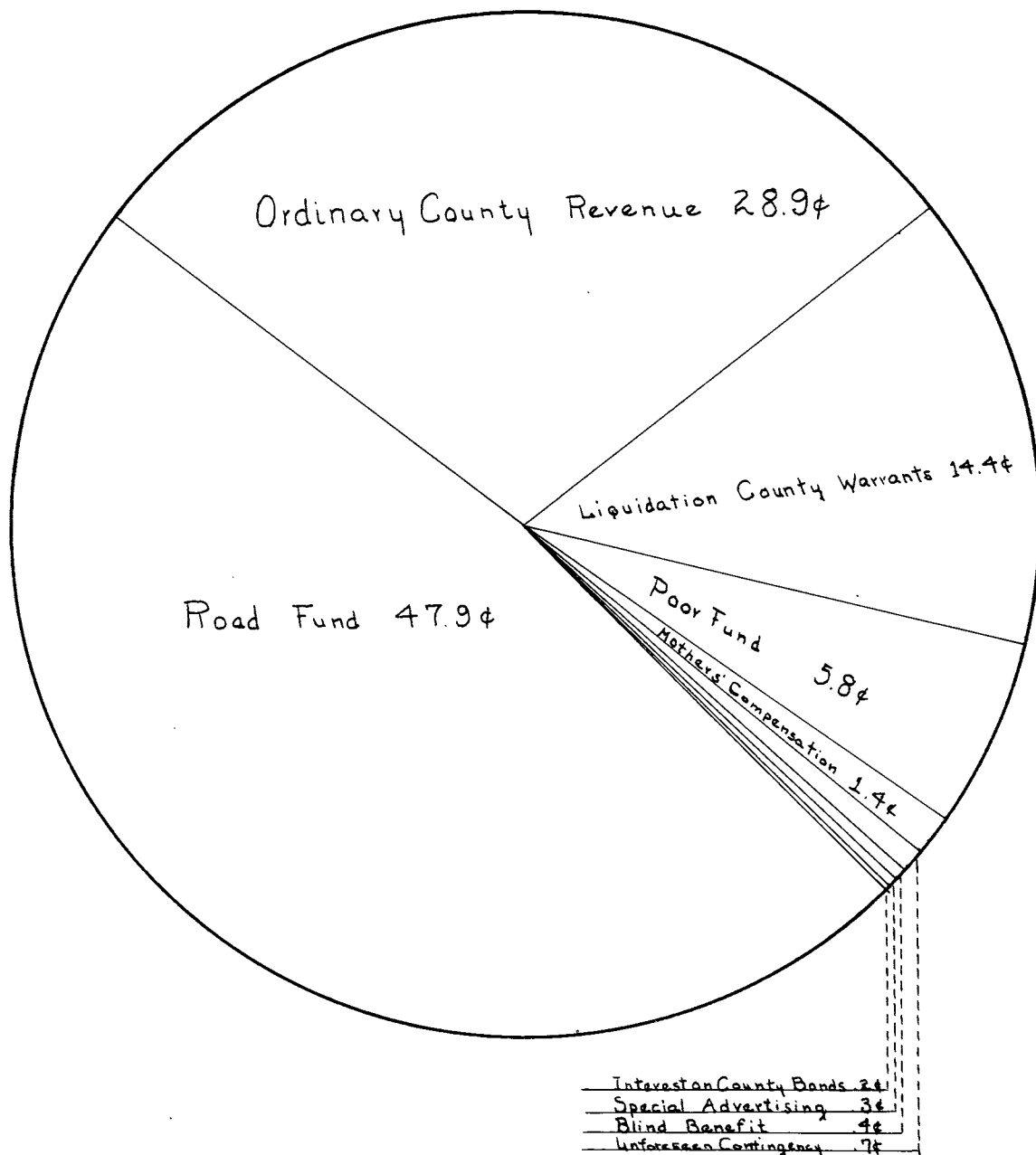


Figure IV B. 1921 Farmers' Tax-dollar: Based on 1920 levy collections; County.*

*Without General Schools

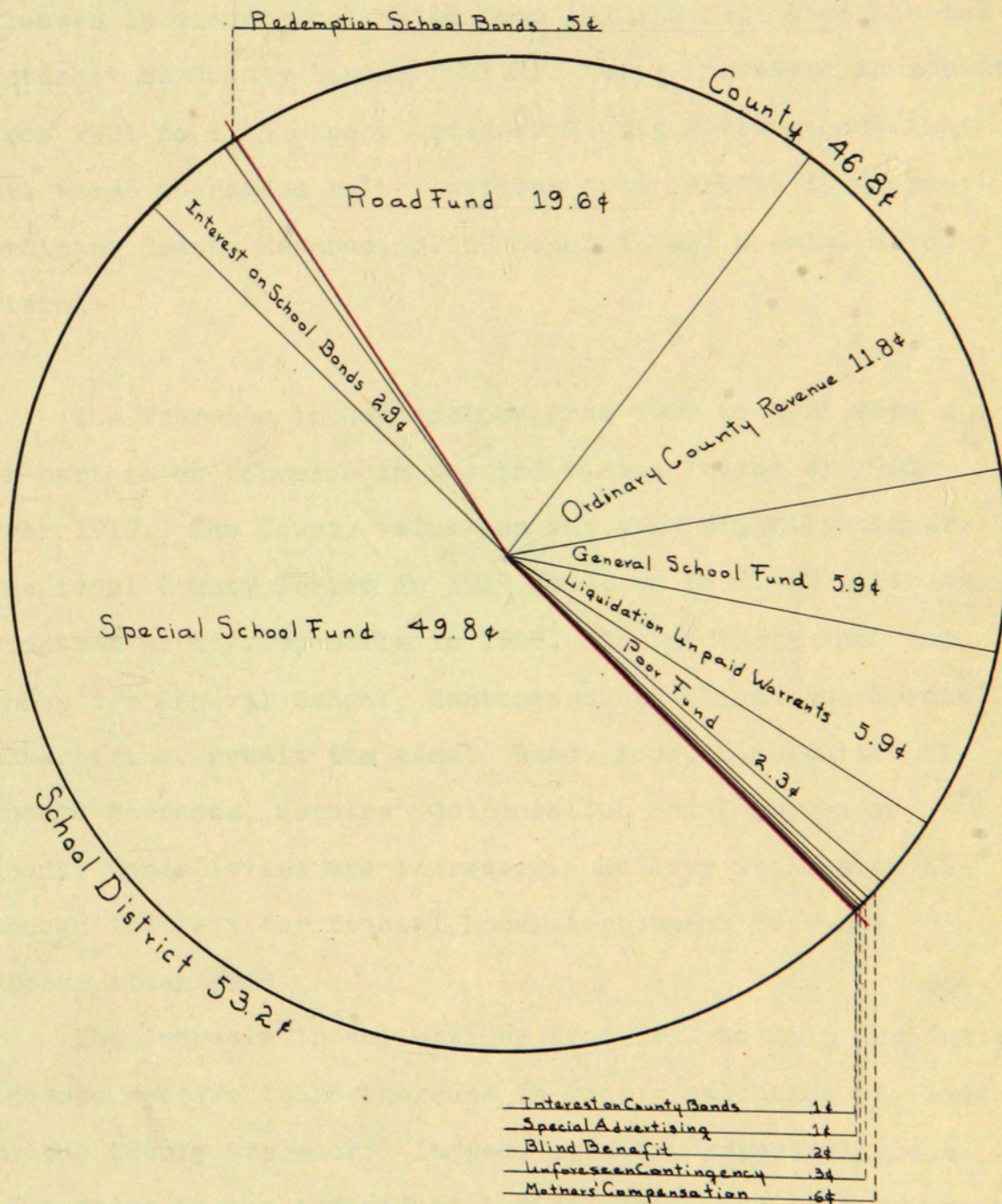


Figure IV C. 1921 Farmers' Tax-dollar: Based on 1920 levy collections; Schools and County.

It is worth while to note that all County taxes increased in amounts collected from 1920 to 1921 save the tax Interest on County Bonds; that all taxes increased in amount from 1921 to 1925 except Ordinary County Revenue; and that all taxes increased in collections from 1925 to 1926 except Ordinary County Revenue, Blind Benefit, and Special Advertising.

The increase in Collections from 1920 to 1921 were due in part to an increase in the individual levies of 1920 over 1919. The County valuation was only slightly higher. The total County levies in 1919 amounted to 6.620 mills as compared with 7.930 mills in 1920. The Ordinary Fund and those for General School, Contingencies, Blind, and Special Advertising, remain the same. Road, Poor, Liquidation of Unpaid Warrants, Mothers' Compensation and Interest on County Bonds levies are increased. No levy is lowered although the levy for Special Local Assessment does not appear after 1919.

The increase in collections from 1921 to 1925 was due in some measure to an increase in County valuation as fixed by the County Assessor. It was, however, principally due to a raise in the individual levies within the County, the total of which was 10.80 mills in 1924 and 7.930 mills in 1920. All levies were higher in 1924 than in 1920 with the sole exception of the Ordinary Fund levy which was

lower. There was no Contingencies levy that year. The General Schools levy increased over 300% due to the new teacher's minimum salary law.

The increase in collections from 1925 to 1926 was due in a large measure to an increase in County Valuation. The total County levy for 1924 was 10.80 mills while the total levy in 1925 was 10.76 mills. The only levies to increase were those for Liquidation of Unpaid Warrants which increased from 1.30 mills to 1.50 mills; General School Fund which increased from 3.30 mills to 3.39 mills; and Interest on County Bonds which increased from .07 mills to .16 mills. The levy for Mothers' Compensation remained the same with all others showing a decrease.

Column C of the Collections Tables and Figures II-C, IV-C, VI-C, and VIII-C consider County and School District taxes in the matter of relative importance. As shown above, the School District exceeds the County Tax in 1921, and is almost as large as the County Tax in 1920 and in 1925 and 1926 is of less relative importance.

Considering the taxes which make up the School District Tax, the Special School Tax is of course the most important. The trends of this tax as a percentage of the whole were pointed out above.

The Interest on School Bonds collections over the four years show a falling off as a percentage of the whole in 1921 as compared to 1920, almost doubles between 1920 and

TABLE VI
COLLECTIONS: 1925

	Amount:	Percentage (A)	Percentage (B)	Percentage (C)
STATE	\$ 193,127.17:	15.514%		
SPECIAL SCHOOL FUND	406,136.52:	32.624%		38.615%
INTEREST ON SCHOOL BONDS	54,440.18:	4.373%		5.176%
REDEMPTION OF SCHOOL BONDS	27,465.75:	2.206%		2.611%
ROAD FUND	173,814.40:	13.962%	44.400%	16.526%
GENERAL SCHOOL FUND	172,248.52:	13.836%		16.377%
ORDINARY COUNTY REVENUE	99,173.38:	7.967%	25.334%	9.429%
LIQUIDATION UNPAID WARRANTS	67,855.48:	5.451%	17.333%	6.452%
POOR FUND	32,883.80:	2.641%	8.400%	3.127%
MOTHERS' COMPENSATION	6,263.60:	.503%	1.600%	.596%
SPECIAL ADVERTISING	4,175.70:	.335%	1.067%	.397%
BLIND BENEFIT:	3,653.78:	.294%	.933%	.347%
INTEREST ON COUNTY BONDS	3,653.77:	.294%	.933%	.347%
TOTAL	\$1,244,392.05	100.000%	100.000%	100.000%

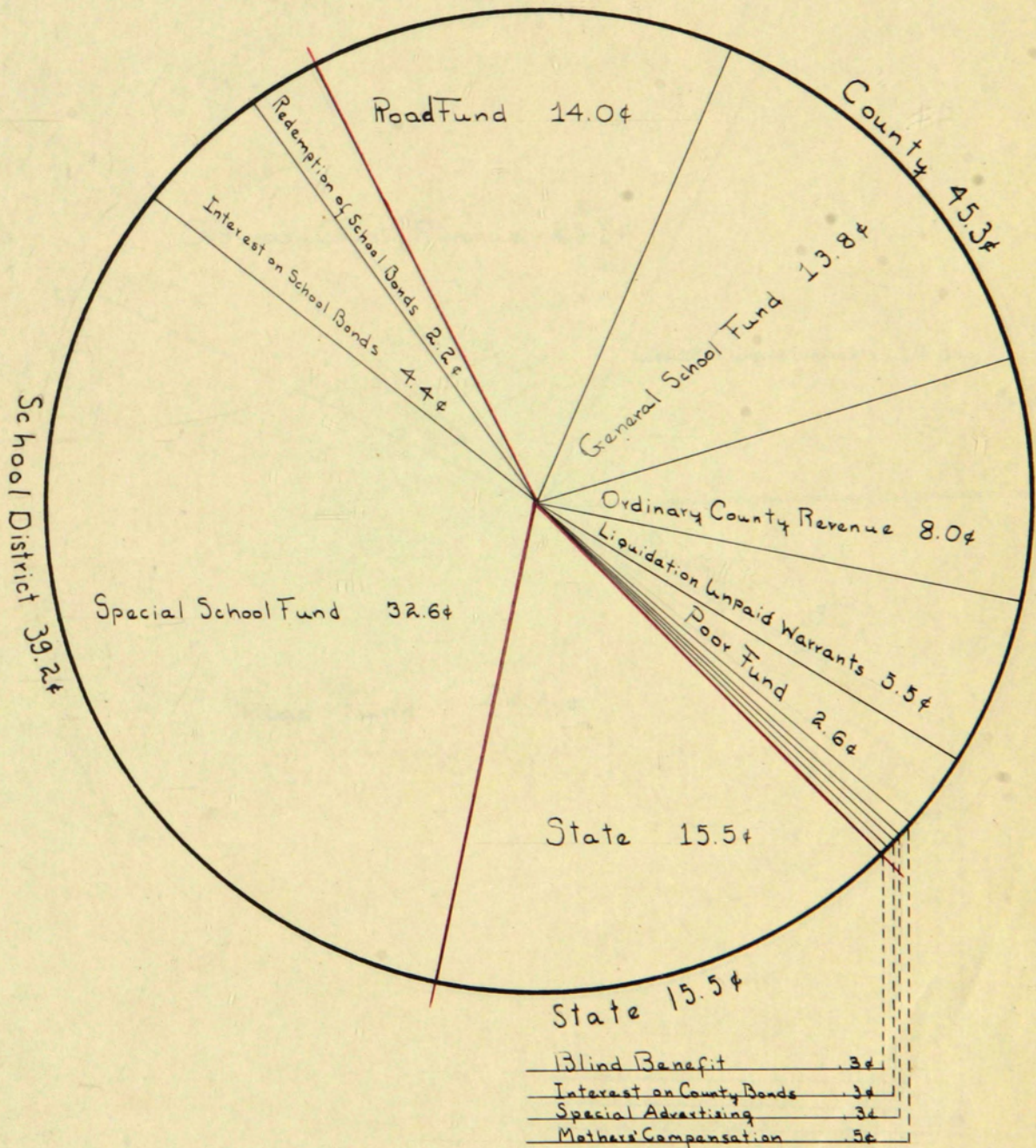


Figure VI A. 1925 Farmers' Tax-dollar: Based on 1924 levy collections; State, Schools and County.

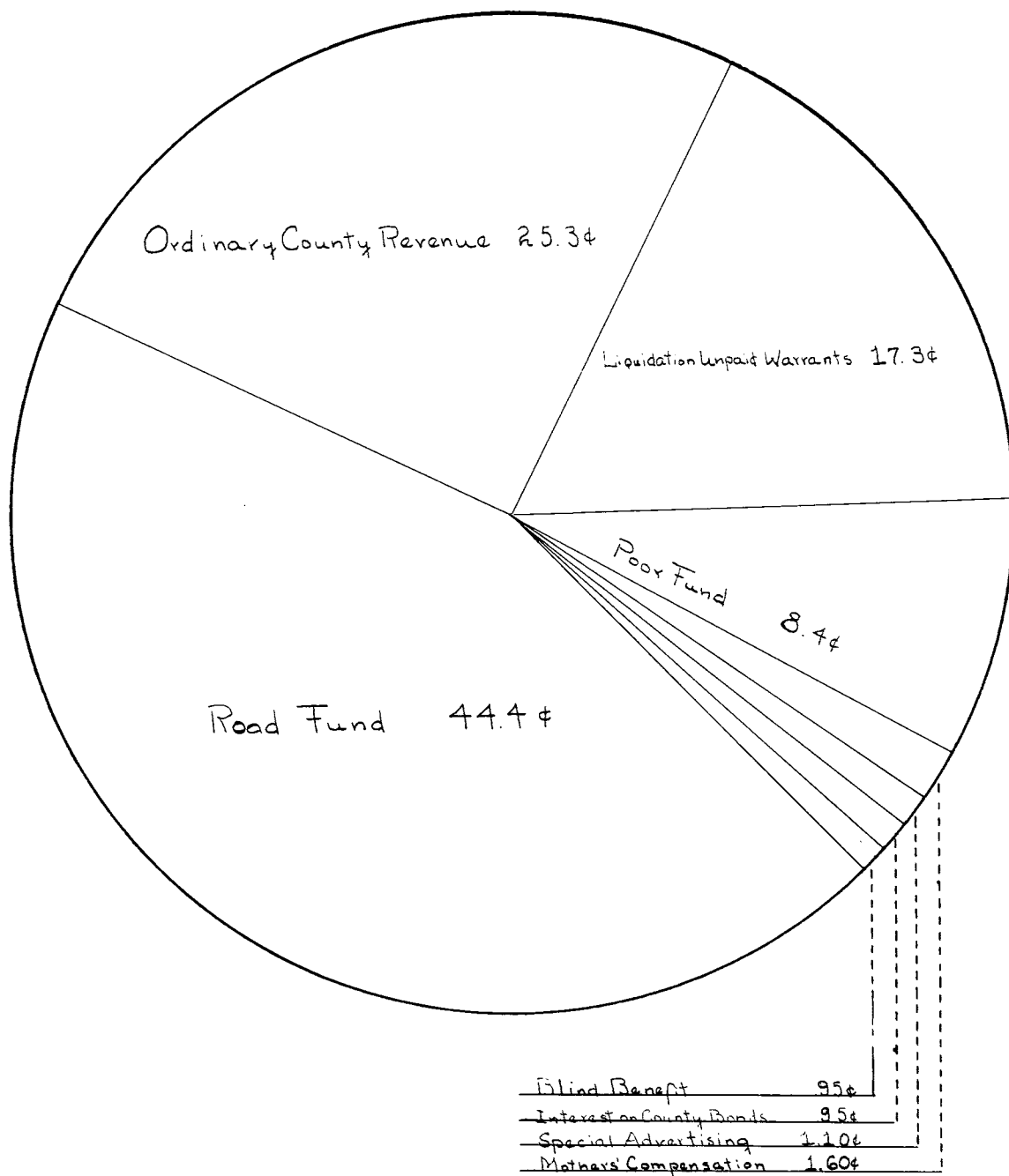


Figure VI B. 1925 Farmers' Tax-dollar: Based on 1924 levy collections; County.*

*Without General Schools

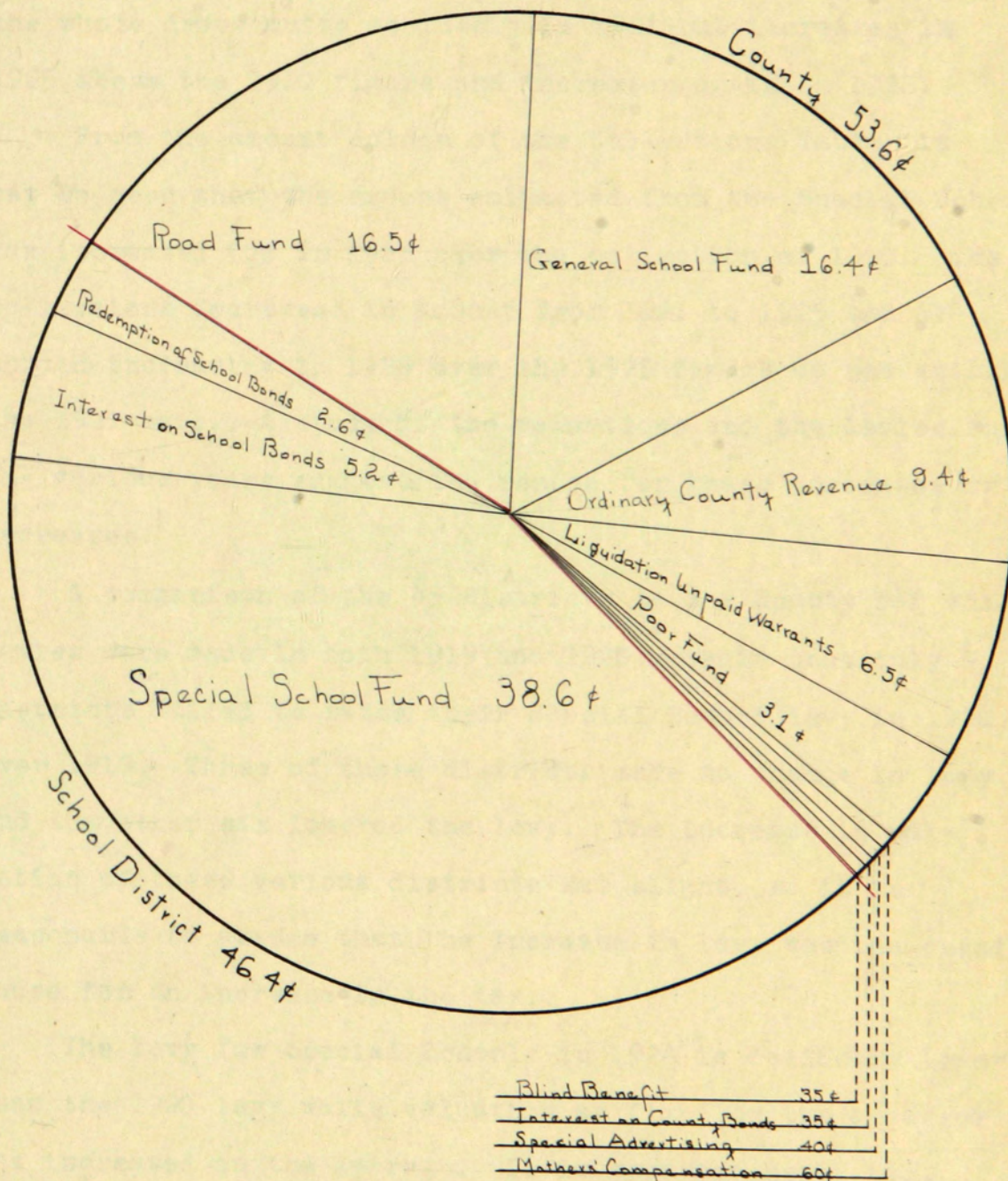


Figure VI C. 1925 Farmers' Tax-dollar: Based on 1924 levy collections; Schools and County.

1925, and increases again in 1926.

The Redemption of School Bonds Tax as a percentage of the whole drops quite decidedly in 1921 but increases in 1925 above the 1920 figure and increases again in 1926.

From the amount column of the Collections Tables it may be seen that the amount collected from the Special School Tax increased 50% in 1921 over the collection of 1920. The collections decreased in amount from 1921 to 1925 and although increasing in 1926 over the 1925 figure do not attain the 1921 mark. A study of the valuations and the levies for the various years suggests the reason for these increases or decreases.

A comparison of the 45 districts in the County for which levies were made in both 1919 and 1920 reveals that only 9 districts failed to raise their Special School levy in 1920 over 1919. Three of these districts made no change in levy and the other six lowered the levy. The increase in valuation of these various districts was slight, so it is reasonable to assume that the increase in levy was the chief cause for an increase in the tax.

The levy for Special Schools in 1924 is decidedly lower than the 1920 levy while valuation as fixed by the assessor has increased on the average. It is apparent here, too, that the lower levy has been the cause for lower Special School Tax collections in 1925.

The 1925 levy for Special Schools is again lower than

the preceding year but valuation is higher.

The Interest on School Bonds Tax has increased each year in amount collected. The levy for this purpose did not vary much from 1919 to 1920, hence the increase was due mostly to the increase in valuation in those districts levying an Interest on School Bonds Tax. The 1924 levy was much larger than the levy for 1920 and the valuation of the districts was, in almost every case, above that of the previous year. This accounts for the large increase in collections of the Interest on School Bonds Tax in 1925. The 1926 collections of this tax do not evidence much change so here again it is the increase in valuation in those districts levying such a tax in 1925 which has caused the most of the increase in this 1926 collection.

The Redemption of School Bonds Tax collected in 1921 was almost 75% lower than the tax collected in 1920, due chiefly to the fact that most of the districts which levied such a tax in 1919 did not levy it in 1920. The increase in the amount collected in 1925 over that collected in 1921 was primarily due to the fact that more districts levied this tax in 1924 than did in 1920. The valuation was increased also.

In 1926, the collections of the Redemption of School Bonds Tax owed its increase over the preceding year mainly to the increase in the number of districts which levied such a tax in 1925.

TABLE VIII
COLLECTIONS: 1926

	Amount:	Percentage (A)	Percentage (B)	Percentage (C)
STATE	\$ 205,056.65	15.563%		
SPECIAL SCHOOL FUND	414,147.30	31.433%		37.227%
INTEREST ON SCHOOL BONDS	68,932.65	5.232%		6.196%
REDEMPTION OF SCHOOL BONDS	33,273.03	2.525%		2.991%
GENERAL SCHOOL FUND	187,876.24	14.259%		16.838%
ROAD FUND	177,166.30	13.447%	43.394%	15.925%
ORDINARY COUNTY FUND	93,661.02	7.109%	22.941%	8.419%
LIQUIDATION UNPAID WARRANTS	83,131.12	6.310%	20.362%	7.472%
POOR FUND	33,252.42	2.524%	8.145%	2.989%
INTEREST ON COUNTY BONDS	8,867.31	.673%	2.171%	.797%
MOTHERS' COMPENSATION	6,650.48	.505%	1.629%	.598%
BLIND BENEFIT	3,325.24	.252%	.815%	.299%
SPECIAL ADVERTISING	2,216.83	.168%	.543%	.199%
TOTAL	\$1,317,556.59	100.000%	100.000%	100.000%

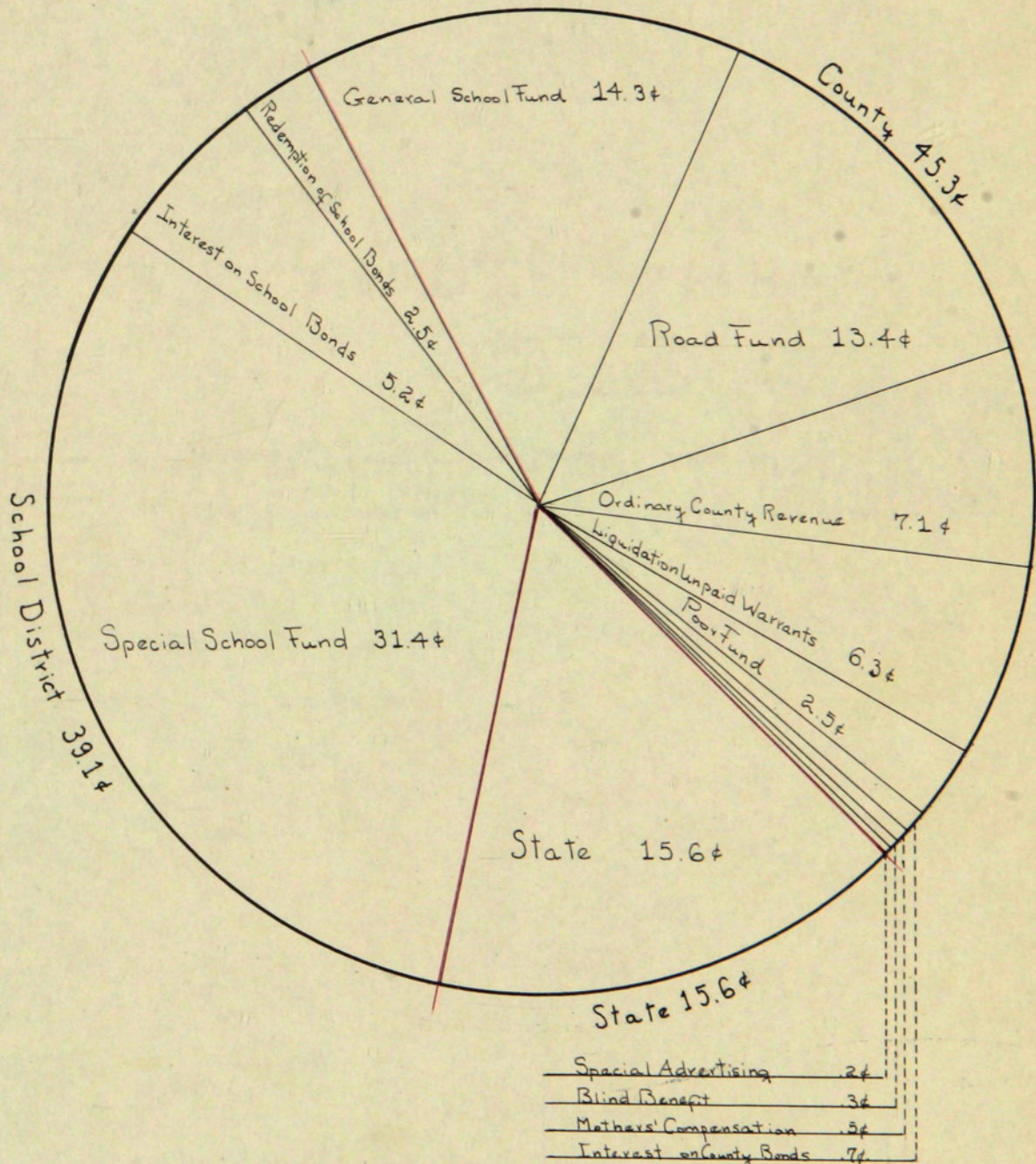


Figure VIII A. 1926 Farmers' Tax-dollar: Based on 1925 levy collections; State, Schools and County.

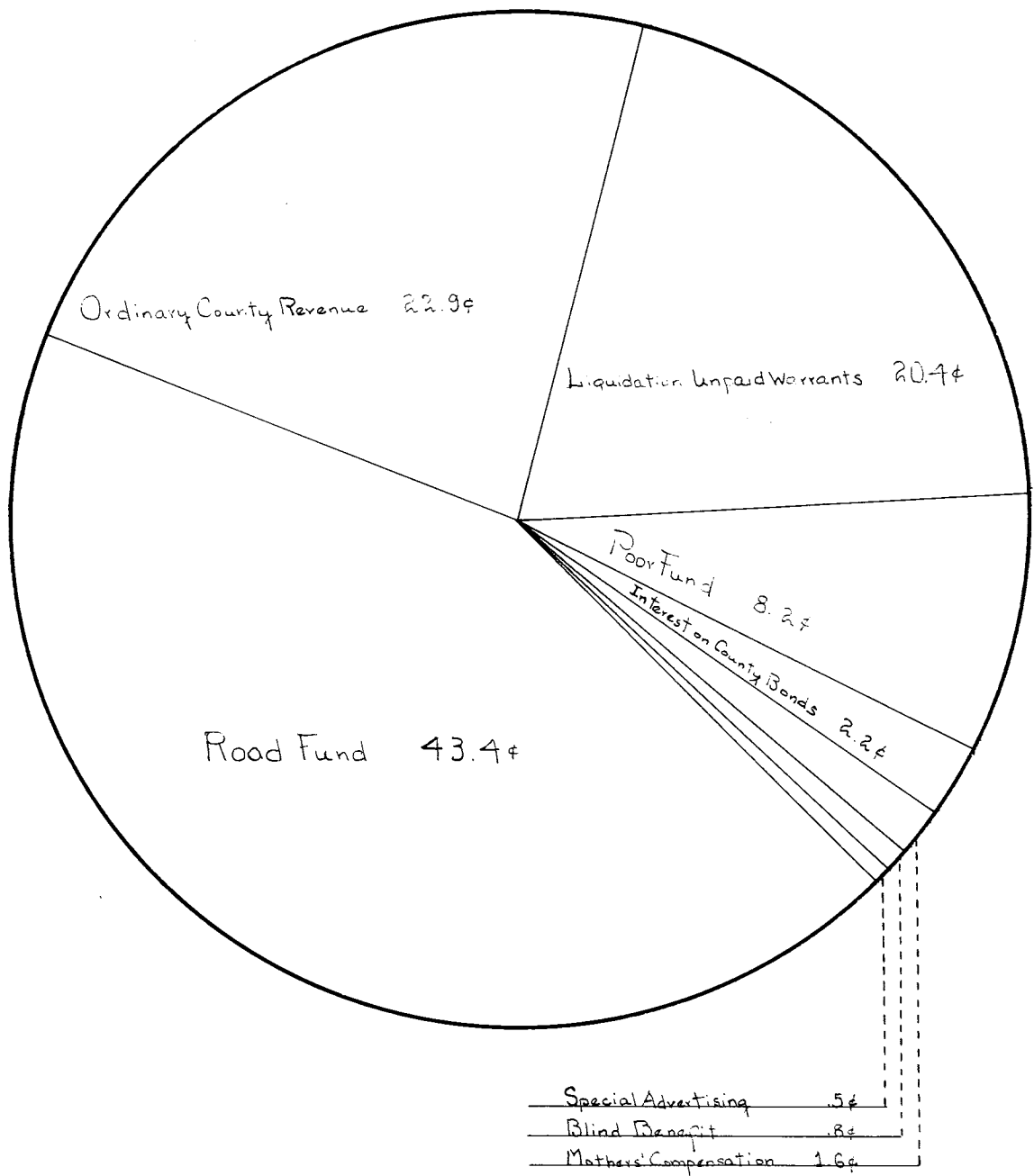


Figure VIII E. 1926 Farmers' Tax-dollar: Based on 1925 levy collections; County.*

*Without General Schools

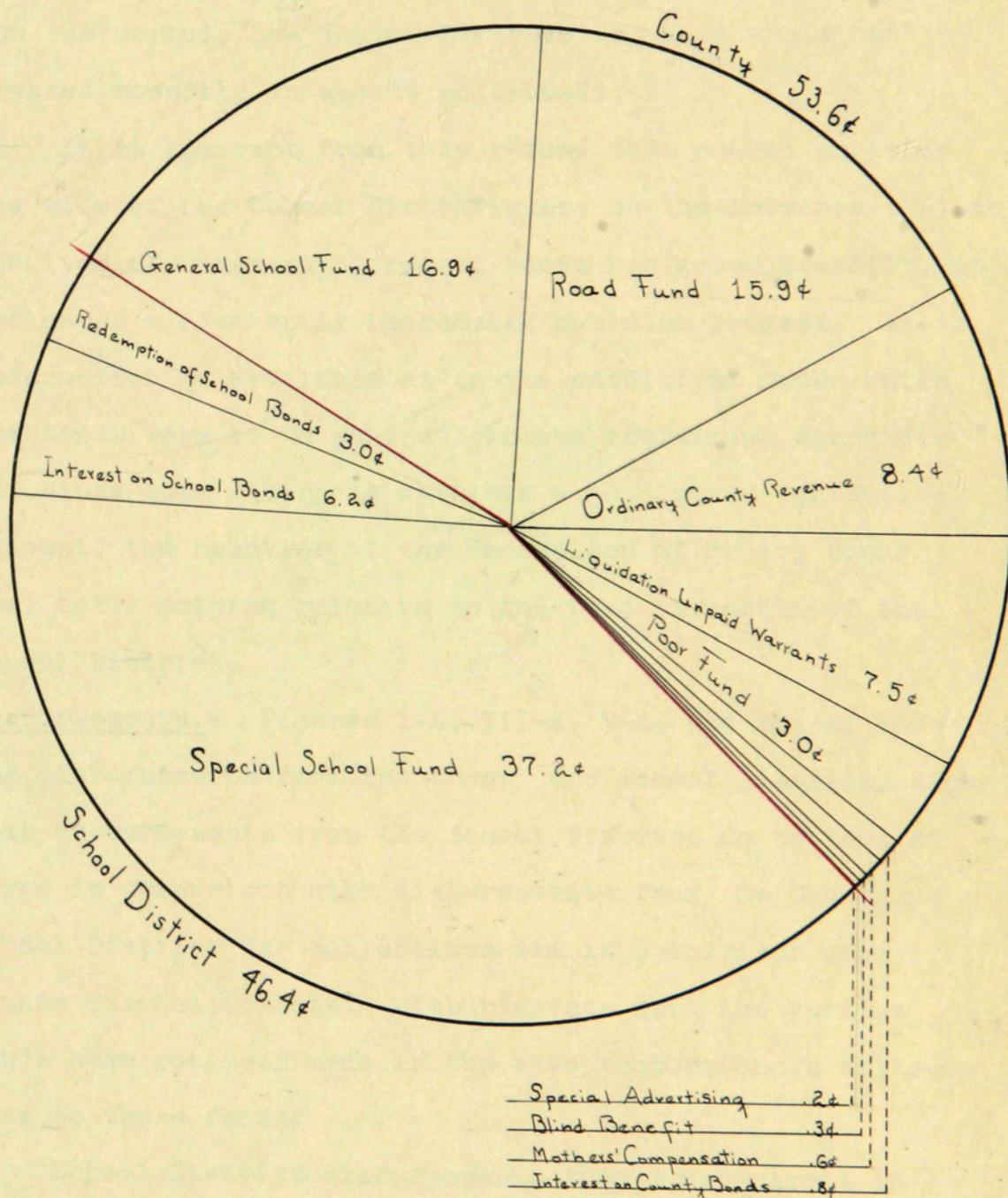


Figure VIII C. 1926 Farmers' Tax-dollar: Based on 1925 levy collections; Schools and County.

Despite the fluctuation in collections of the Special School Tax and the Redemption of School Bonds Tax throughout the period, the School District Tax as a whole has increased steadily in amount collected.

It is apparent from this résumé that school costs on the side of the School Districts are on the increase. Since the item of interest on school bonds has grown steadily, it indicates a constantly increasing building program. As no information is available as to the conditions under which the bonds were to be paid off in the individual districts and since some districts maintain a cumulative redemption account, the behavior of the Redemption of School Bonds levy tells nothing relative to the bond situation of the School District.

Disbursements.- Figures I-A, III-A, V-A, and VII-A, showing disbursements from the County and School District, show that disbursements from the School District do not loom so large in comparison with disbursements from the County as School District Tax collections did in comparison with County Tax Collections. Disbursements from the various funds have not been made in the same proportion as collections to these funds.

School District disbursements show a very small increase as a percentage of the whole from 1920 to 1921 and drop in percentage from 1921 to 1925 and from 1925 to 1926. School District Collections show the same tendency.

Any change in County disbursements as a percentage of the whole is reflected inversely in School District disbursements for one is the complement of the other.

From the amounts column of Tables I, III, V, and VII, it will be seen that both County and School District disbursements have increased each year in amount disbursed. This is in keeping with the facts found while studying collections.

Considering all disbursements of County and School District as a whole as seen in column A of the Disbursements Tables and Figures I-A, III-A, V-A, and VII-A, it is noted that disbursements from the Special School Fund are at all times the largest items with Road Fund disbursements second. In the Collections Tables, although collections of the Special School Tax was the largest item each year, the Road Tax collections ranked second to it three years only. Ordinary County disbursements followed the disbursements from the Road Fund in 1920 and 1921 only, as was the case in the Collections Tables. General School Fund disbursements ranking fourth in 1920 and 1921 are third in 1925 and 1926 but the disbursements of this Fund are not second in importance in 1926 as were collections for this fund. Disbursements from the Road Fund, Ordinary County Fund, and General School Fund constituted from $\frac{4}{5}$ to $\frac{7}{8}$ of the total County disbursements for the four years.

Within the School District the disbursements from the Special School Fund are the largest. The percentage

TABLE I
DISBURSEMENTS: 1920

	Amount:	Percentage (A)	Percentage (B)
SPECIAL SCHOOL FUND	\$ 249,980.84	35.058 %	
INTEREST ON SCHOOL BONDS	20,404.26	2.862 %	
REDEMPTION OF SCHOOL BONDS	16,549.24	2.321 %	
ROAD FUND	156,780.51	21.987 %	44.360 %
ORDINARY COUNTY REVENUE	139,337.07	19.541 %	39.425 %
GENERAL SCHOOL FUND	72,694.28	10.195 %	
POOR FUND	23,330.30	3.272 %	6.601 %
LIQUIDATION UNPAID WARRANTS	22,337.38	3.133 %	6.320 %
MOTHERS' COMPENSATION	5,394.63	.756 %	1.526 %
BLIND BENEFIT	2,385.00	.334 %	.675 %
SPECIAL LOCAL ASSESSMENT	2,128.46	.293 %	.602 %
INTEREST ON COUNTY BONDS	882.20	.124 %	.250 %
SPECIAL ADVERTISING	<u>850.00</u>	<u>.119 %</u>	<u>.241 %</u>
TOTAL	\$ 713,054.17	100.000 %	100.000 %

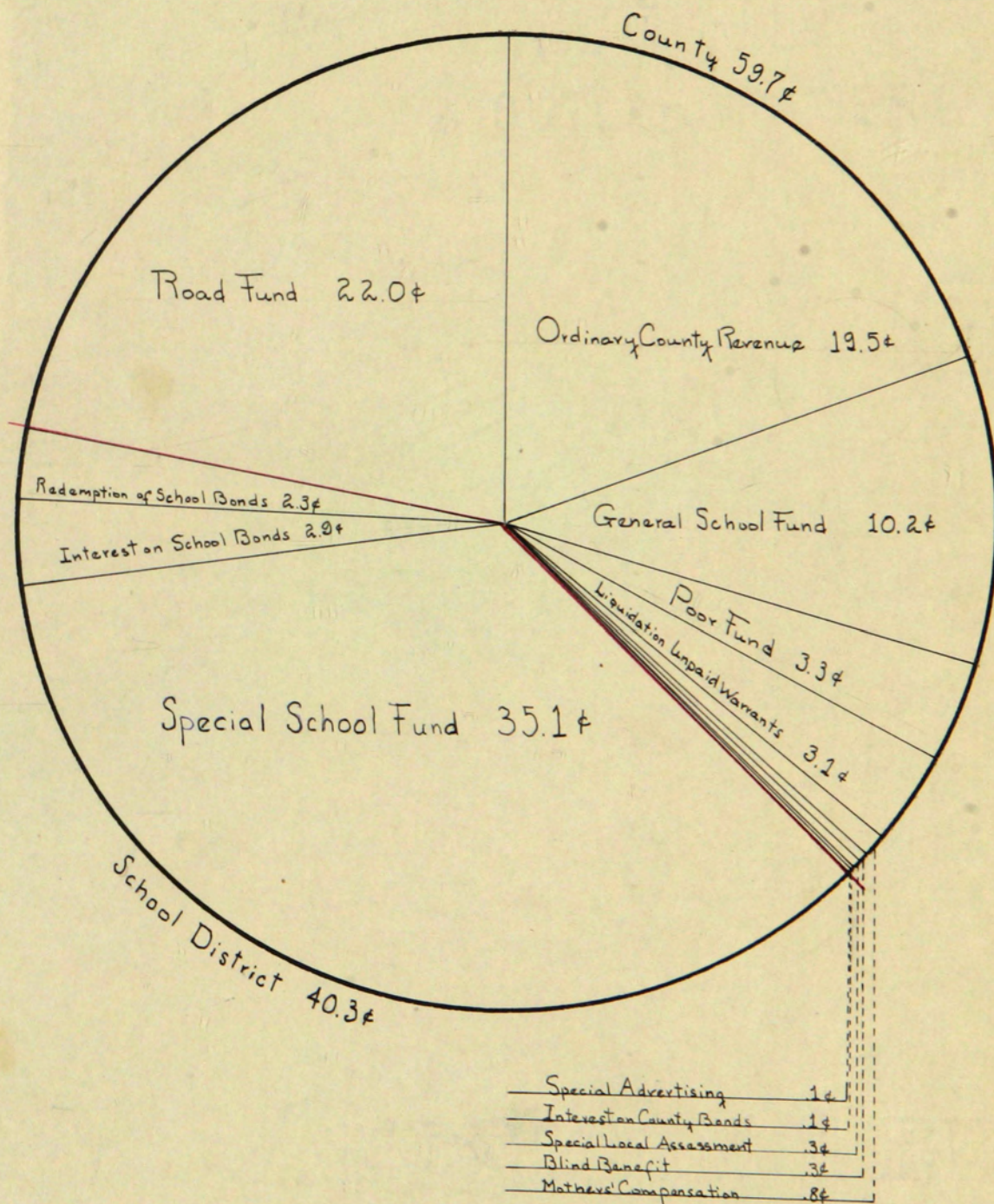


Figure I A. 1920 Tax-dollar: Based on disbursements of total revenue receipts, 1920; Schools and County.

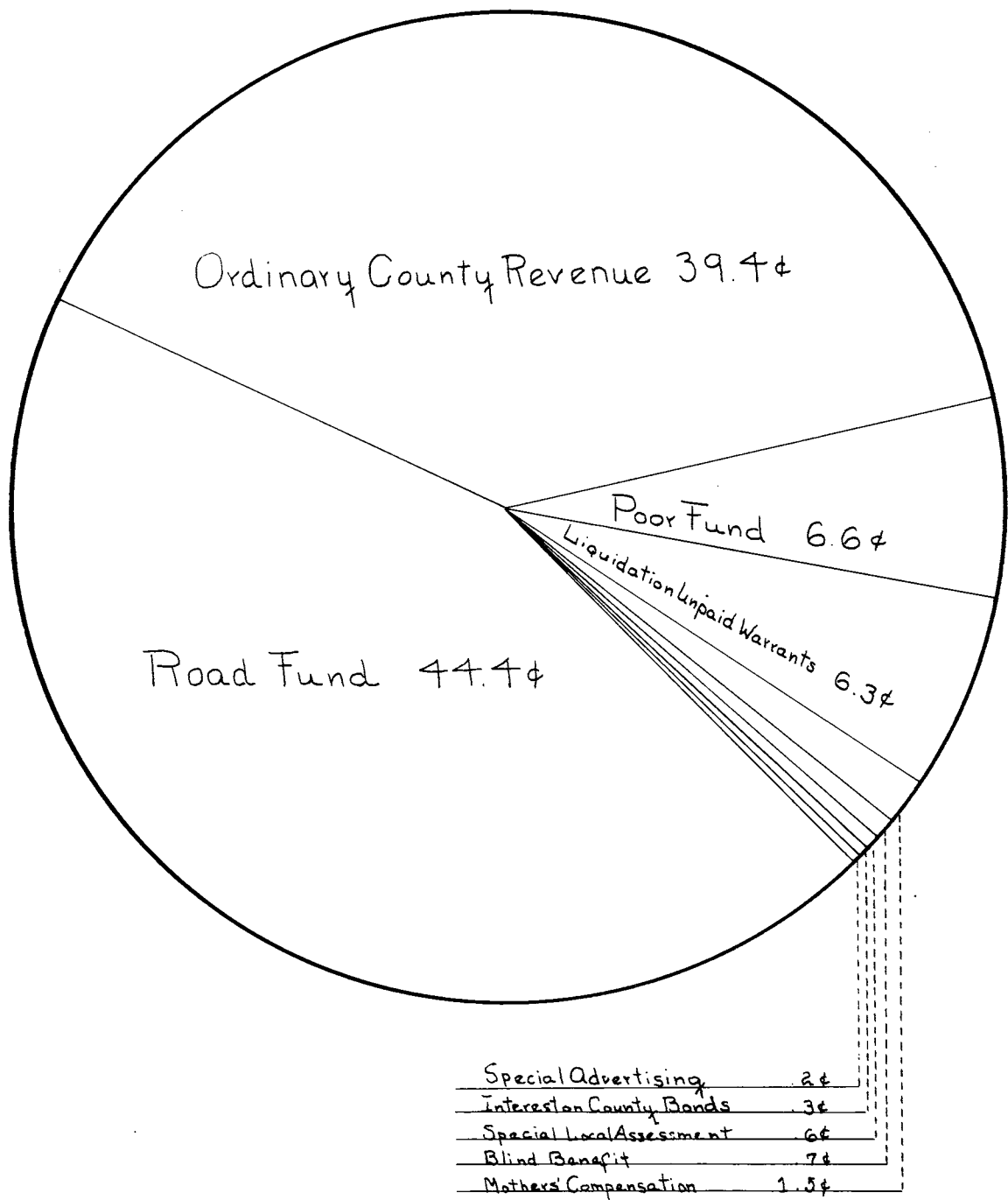


Figure I B. 1920 Tax-dollar: Based on disbursements of total revenue receipts, 1920; County.*

*Without General Schools

which these disbursements bore of the whole increased slightly in 1921 over 1920, dropped in 1925 below the 1920 figure and dropped further still in 1926. This same trend was noted in the Collections Tables.

Disbursements from the Interest on School Bonds Fund increased more than $1/3$ from 1920 to 1921 and $1/4$ from 1920 to 1925, and decreased slightly in 1926. This is not the trend shown in the Collections Tables, for the percentage was lower in 1921 than in 1920 and increased almost 100% between the years 1921 and 1925. The percentage for the year 1926 was above that for 1925. The fact that disbursements fail to coincide with collections suggests an interest sinking-fund was maintained by the individual school districts.

Disbursements from the Fund for Redemption of School Bonds as a percentage decreased more than $2/3$ from 1920 to 1921, and increased more than 300% from 1921 to 1925, maintaining this percentage in 1926.

In amounts disbursed, as shown in the Amount Column of the Disbursements Tables, it is found that disbursements from the Special School Fund increased each year. This was true also of the collections for this Fund.

Disbursements from the Interest on School Bonds Fund increase in amount each year from 1920 to 1926, this, too, was the case with the collections for this Fund as shown in the Collections Tables.

Redemption of School Bonds Fund disbursements decreased in amount by 2/3 in 1921 over 1920, rose in 1925 to above the 1920 figure and further increased in 1926.

Disbursements from the General School Fund expressed as a percentage of the whole were slightly larger in 1921 than in 1920 and were over 50% greater in 1925 than in 1921. The percentage in 1926 was a very little lower than in 1925.

As an absolute amount, the disbursements from this Fund have increased each year. The greatest increase occurred between the year 1921 and the year 1925. In this period disbursements from this Fund more than doubled due to the increase in teachers' minimum salary as provided by the law of the year 1921.

Studying Column B of the Disbursements Tables and Figures I-B, III-B, V-B, and VII-B, one can trace the trend of the disbursements of the County funds, excluding Schools.

Disbursements from the Road Fund loom extremely large in comparison with the other disbursements of the County as shown here. From 1920 to 1925 the disbursements from this fund increase in importance until in 1925 more than one-half of the County Disbursements, exclusive of General School disbursements, are expenditures for road purposes. The disbursements from this Fund are relatively smaller in 1926.

It is worth while to call attention here to the fact that perhaps in no other County in the State, with the pos-

TABLE III
DISBURSEMENTS: 1921

	Amount:	Percentage (A)	Percentage (B)
SPECIAL SCHOOL FUND	\$ 281,872.72	35.861 %	
INTEREST ON SCHOOL BONDS	31,135.78	3.961 %	
REDEMPTION OF SCHOOL BONDS	5,603.94	.713 %	
ROAD FUND	176,843.54	22.499 %	46.491 %
ORDINARY COUNTY REVENUE	144,489.64	18.382 %	37.985 %
GENERAL SCHOOL FUND	87,025.93	11.072 %	
POOR FUND	23,384.13	2.975 %	6.147 %
LIQUIDATION UNPAID WARRANTS	21,226.34	2.700 %	5.580 %
MOTHERS' COMPENSATION	7,886.20	1.003 %	2.073 %
BLIND BENEFIT	4,598.12	.585 %	1.209 %
SPECIAL ADVERTISING	1,075.41	.137 %	.283 %
INTEREST ON COUNTY BONDS	<u>882.22</u>	<u>.112 %</u>	<u>.232 %</u>
TOTAL	\$ 786,023.97	100.000 %	100.000 %

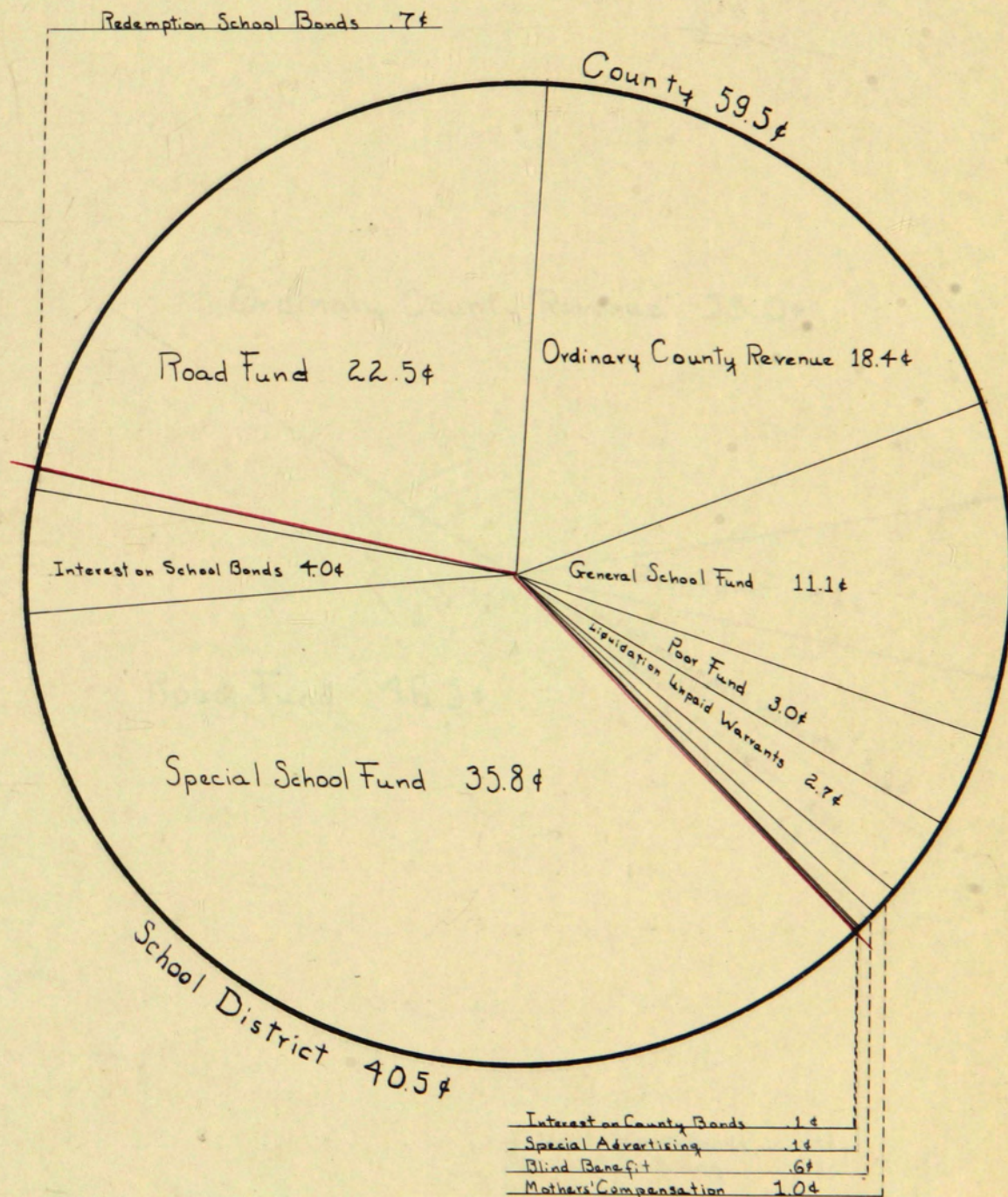


Figure III A. 1921 Tax-dollar: Based on disbursements of total revenue receipts, 1921; Schools and County.

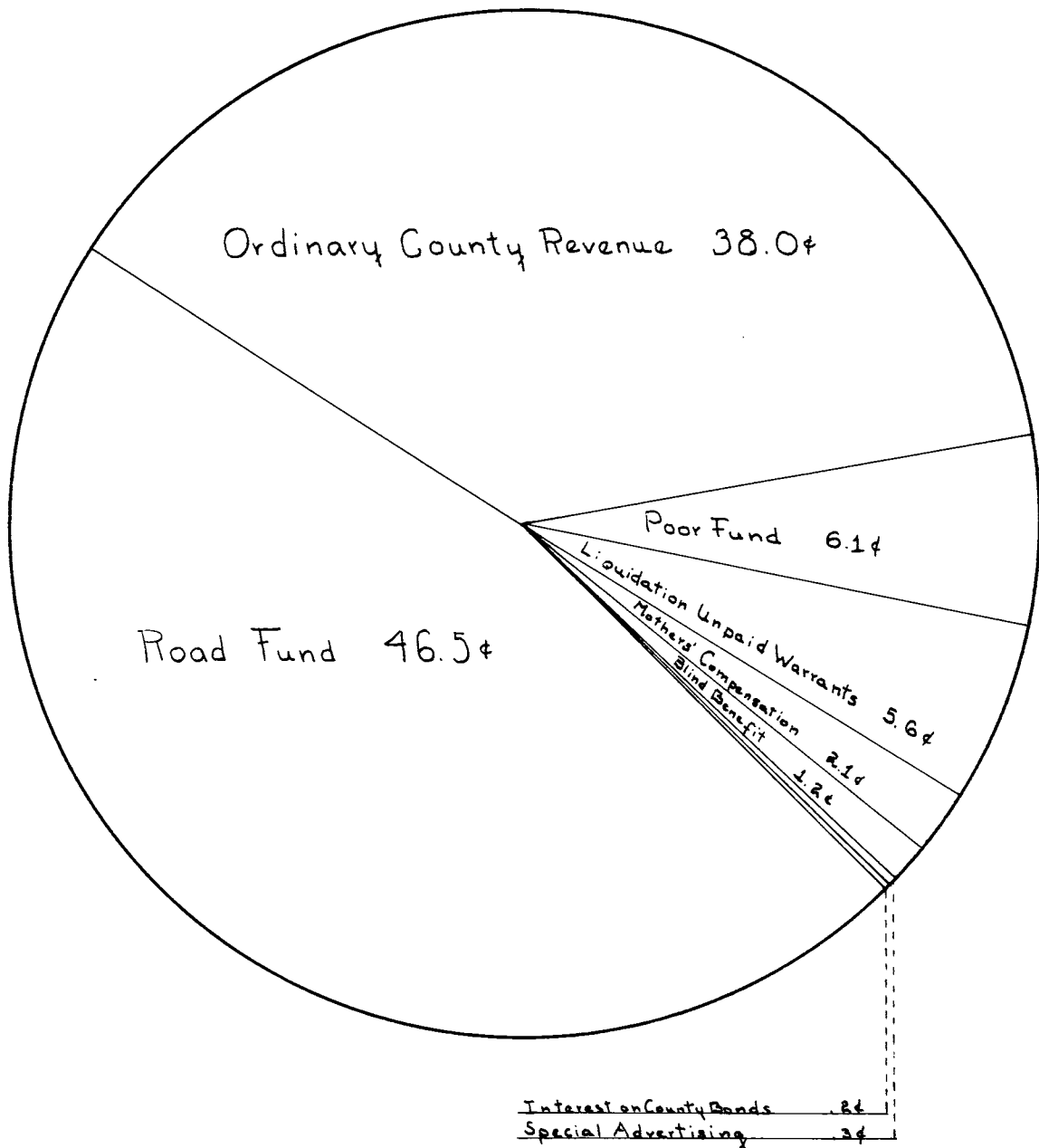


Figure III B. 1921 Tax-dollar: Based on disbursements of total revenue receipts, 1921; County.*

*Without General Schools

sible exception of Boulder County, do disbursements from the Road Fund figure so large in comparison to the disbursements from the rest of the County funds. It is also important to note that often an extremely large share of the money expended by the County for roads is received from the State and the United States governments, as State and Federal aids. For this last reason, the facts revealed by the Collections Tables are more significant in many cases from the point of view of the taxpayer, than are facts as set forth by the Disbursements Tables.

Ordinary County Revenue Fund disbursements decreased in importance from 1920 to 1925 as did collections, but show an increase in 1926. Disbursements from the Poor Fund decreased as a percentage of all disbursements from 1920 to 1921, decreased slightly in 1925 and increased by nearly 1/2 in 1926 over 1925. This increase in disbursements as a percentage in 1926 was due in a large measure to greater costs in connection with the new County Hospital and Poor House. As compared with collections for this Fund, little correlation is shown, for the peak year in collections was in 1925 and a drop in percentage took place in 1926.

Disbursements from the Liquidation of Unpaid Warrants Fund decreased in percentage in 1921 as compared to 1920 but more than doubled in percentage in 1925 and increased again in 1926.

Mothers' Compensation Fund disbursements increased as a

percentage of the whole disbursements in 1921 over 1920 but fell off in 1925 and remained constant in 1926.

Blind Benefit disbursements fluctuate up and down from year to year. Interest on County Bonds disbursements are approximately five times as important in 1925 and 1926 as in 1921 and 1920. This is due largely to the bond issue of 1924 for the building of the new County Hospital and Poor House.

It is noted from the Amount Column that all County disbursements increased from 1920 to 1921 except those for Interest on County Bonds and Liquidation of Unpaid Warrants. Interest on County Bonds remained stationary while the latter fund showed an increase in the Collections Tables in 1921 over 1920. In comparing the amounts collected with those disbursed it is apparent that the return from the levy for Liquidation of Unpaid Warrants was insufficient to redeem all warrants which it was considered desirable to redeem that year. Money was transferred from the Ordinary Fund to care for this deficiency.

The tax of 1920 collected in 1921 was more than sufficient to care for all liquidations, by approximately 150%.

Disbursements from all County funds increased from 1921 to 1925 with the exception of the Ordinary County Revenue Fund disbursements and disbursements from Mothers' Compensation. Collections for the Ordinary County Fund were smaller but the decrease was not so great as is shown in the Dis-

TABLE V
DISBURSEMENTS: 1925

	Amount:	Percentage (A)	Percentage (B)
SPECIAL SCHOOL FUND	\$ 338,511.39	30.051 %	
INTEREST ON SCHOOL BONDS	56,307.25	4.998 %	
REDEMPTION OF SCHOOL BONDS	24,879.69	2.209 %	
ROAD FUND	271,550.28	24.107 %	53.891 %
GENERAL SCHOOL FUND	202,857.80	18.009 %	
ORDINARY COUNTY REVENUE	111,957.52	9.939 %	22.219 %
LIQUIDATION UNPAID WARRANTS	63,912.25	5.674 %	12.684 %
POOR FUND	32,134.60	2.852 %	6.375 %
INTEREST ON COUNTY BONDS	7,894.39	.701 %	1.567 %
MOTHERS' COMPENSATION	6,300.00	.559 %	1.250 %
BLIND BENEFIT	5,784.83	.513 %	1.148 %
SPECIAL ADVERTISING	<u>4,366.32</u>	<u>.388 %</u>	<u>.866 %</u>
TOTAL	\$ 1,126,456.32	100.000 %	100.000 %

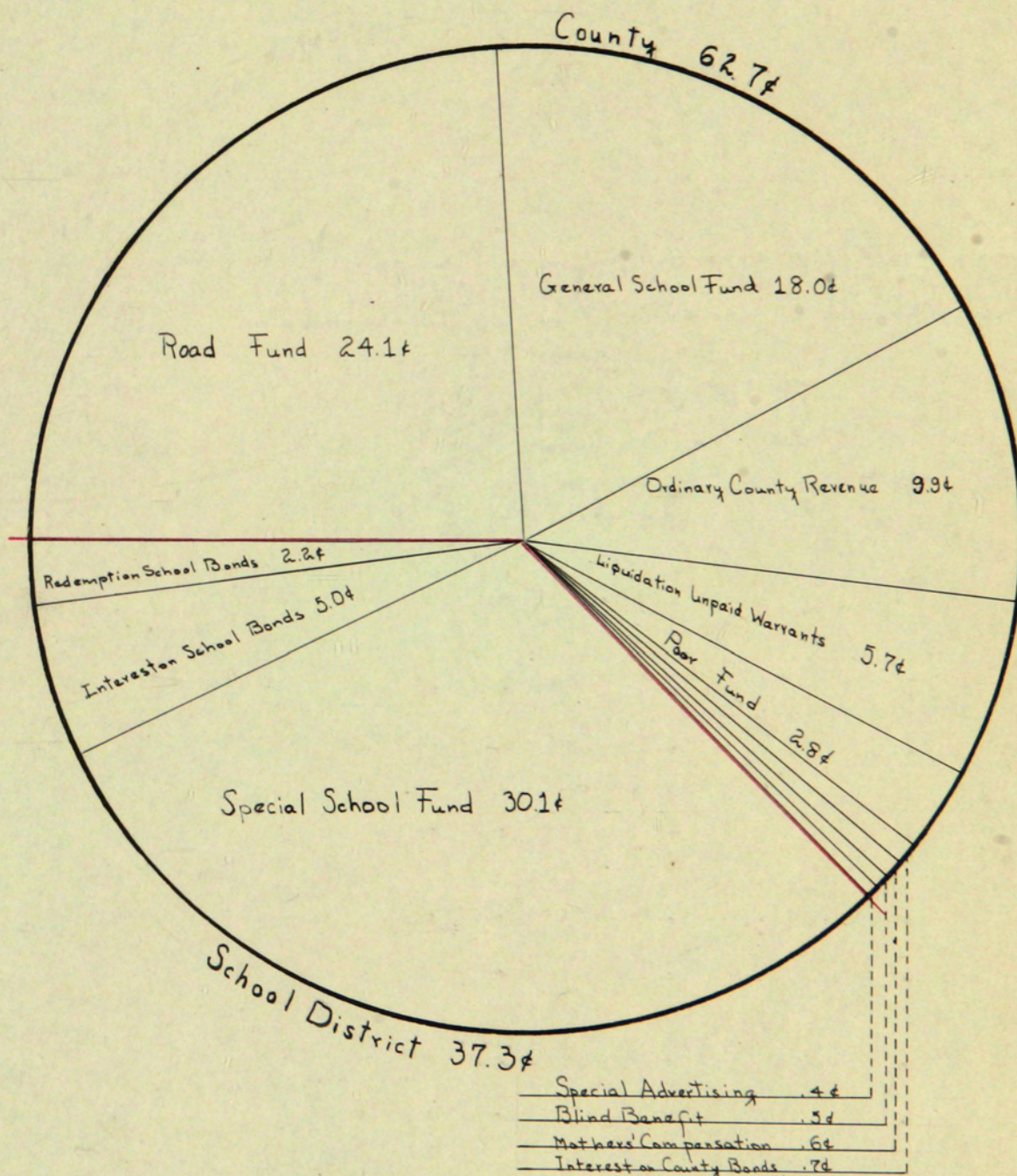


Figure V A. 1925 Tax-dollar; Based on disbursements of total revenue receipts, 1925; Schools and County.

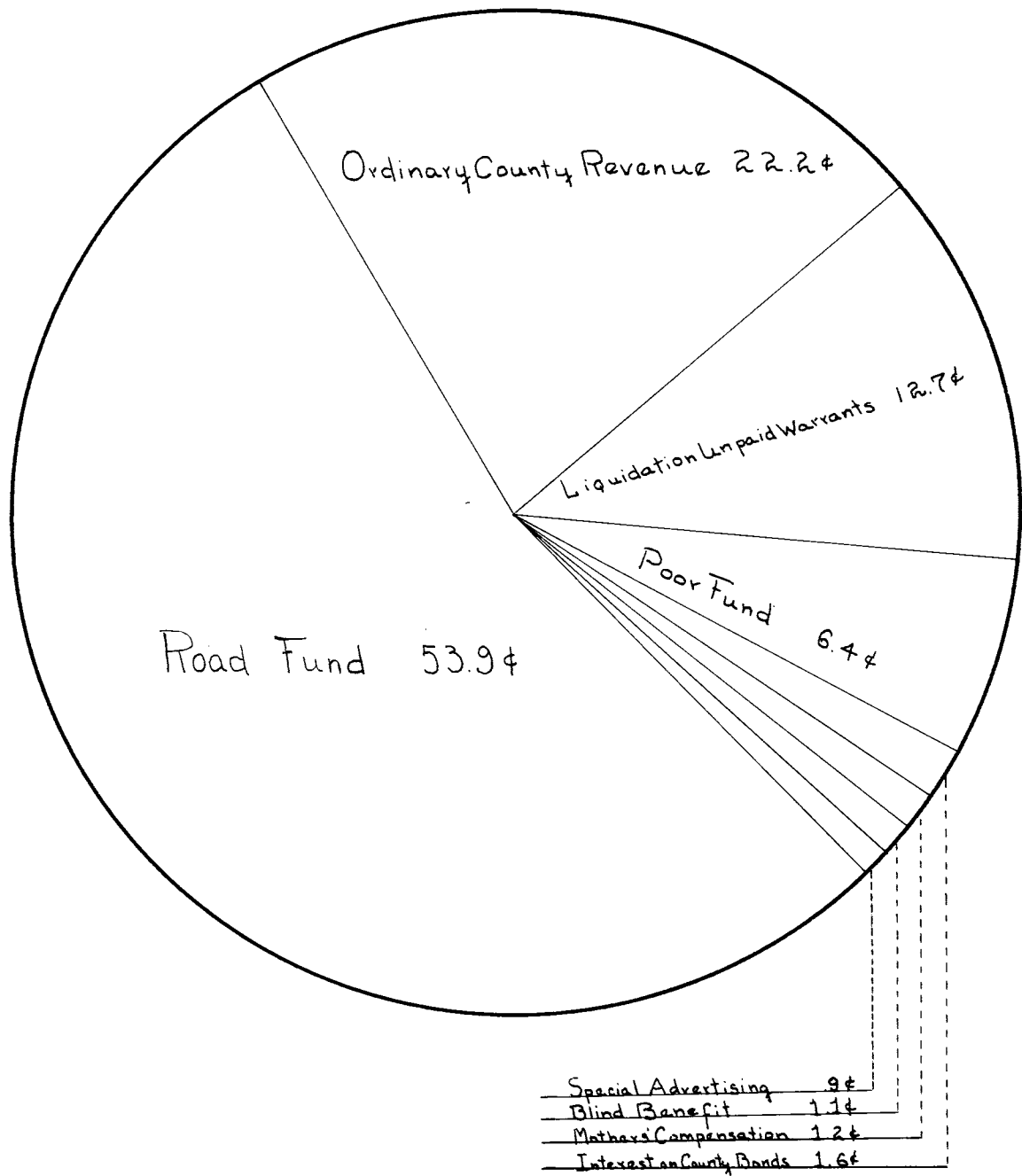


Figure V B. 1925 Tax-dollar: Based on disbursements of total revenue receipts, 1925; County.*

*Without General Schools

bursements Tables.

In the case of Mothers' Compensation a great deal more was disbursed from this Fund in 1921 than was collected that year. Very little more was disbursed from this Fund in 1925 than was collected that year.

Disbursements from the County funds in 1926 are larger than those disbursements from these funds in 1925 save disbursements from the Road Fund, the Blind Benefit Fund and the Special Advertising Fund.

Collections for the Road Fund in 1926 were greater than in 1925. Either more money was received from outside agencies in the form of aids or money was transferred from the Ordinary Fund to the Road Fund. It is likely that the former was the case.

Collections from the Blind Benefit Fund and the Special Advertising Fund showed a decrease from 1925 to 1926. The decrease in collections in the case of the Blind Benefit Fund was approximately in the same proportion as the decrease in disbursements from this Fund. Disbursements from the Special Advertising Fund showed a proportionately greater decrease than did collections for this Fund. This would indicate that the expenditures from this Fund were lighter than anticipated.

Very few Funds show tax collections as large as disbursements. This holds not only for those funds which receive only apart of their total revenue from Ordinary Collections, but for funds receiving their entire revenue from a tax.

In 1920, of the Funds receiving their entire revenue from a tax, disbursements from Liquidation of Unpaid Warrants, and Mothers' Compensation, are larger than collections for these Funds. Since disbursements are cash disbursements this overdraft of one of these accounts means that either the money was on hand in the account at the beginning of the year or that it was a transfer from some other account. In these cases the shortage was made up from the Ordinary County Fund.

In 1921, of the funds dependent entirely upon Ordinary Collections, disbursements for Mothers' Compensation, Special Advertising, Interest on County Bonds, Interest on School Bonds and Redemption of School Bonds are greater than the collections for these funds. The balance on hand January 1, 1921 to the credit of Interest on School Bonds, Redemption of School Bonds, Special Advertising, and Interest on County Bonds took care of the overdrafts of these funds in 1921. Transfers from the Ordinary County Revenue Fund to the Mothers' Compensation Fund cared for the over-draft in this fund.

In 1925, of the funds securing their entire revenue from the General Property tax, disbursements from the Interest on School Bonds Fund, the Interest on County Bonds Fund, the Mothers' Compensation Fund, and the Special Advertising Fund were in excess of Collections for these Funds. The balance on hand January 1, 1925 to the credit of the Mothers' Compensation Fund, and the Special Advertising Fund brought the total of these funds sufficiently large to care for the dis-

TABLE VII
DISBURSEMENTS: 1926

	Amount:	Percentage (A)	Percentage (B)
SPECIAL SCHOOL FUND	\$ 363,990.01	29.333 %	
INTEREST ON SCHOOL BONDS	59,360.64	4.784 %	
REDEMPTION OF SCHOOL BONDS	27,291.93	2.199 %	
ROAD FUND	254,812.67	20.534 %	44.807 %
GENERAL SCHOOL FUND	221,575.03	17.856 %	
ORDINARY COUNTY REVENUE	159,219.36	12.831 %	27.998 %
LIQUIDATION UNPAID WARRANTS	78,306.17	6.310 %	13.770 %
POOR FUND	54,609.84	4.401 %	9.603 %
INTEREST ON COUNTY BONDS	7,894.60	.636 %	1.388 %
MOTHERS' COMPENSATION	7,035.00	.567 %	1.237 %
BLIND BENEFIT	5,049.84	.407 %	.888 %
SPECIAL ADVERTISING	<u>1,760.00</u>	<u>.142 %</u>	<u>.309 %</u>
TOTAL	\$ 1,240,905.09	100.000 %	100.000 %

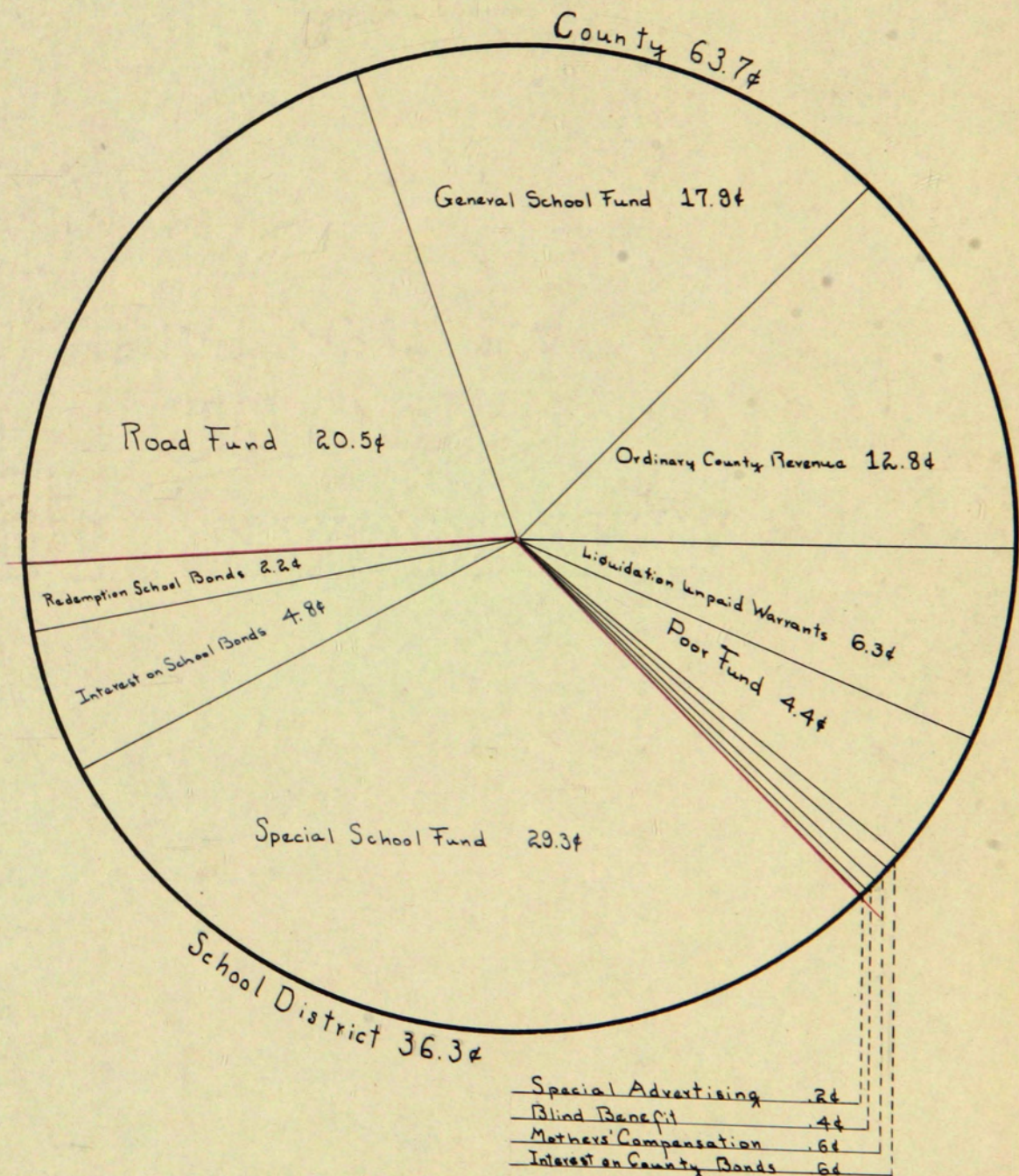


Figure VII A. 1926 Tax-dollar: Based on Disbursements of total revenue receipts, 1926; Schools and County.

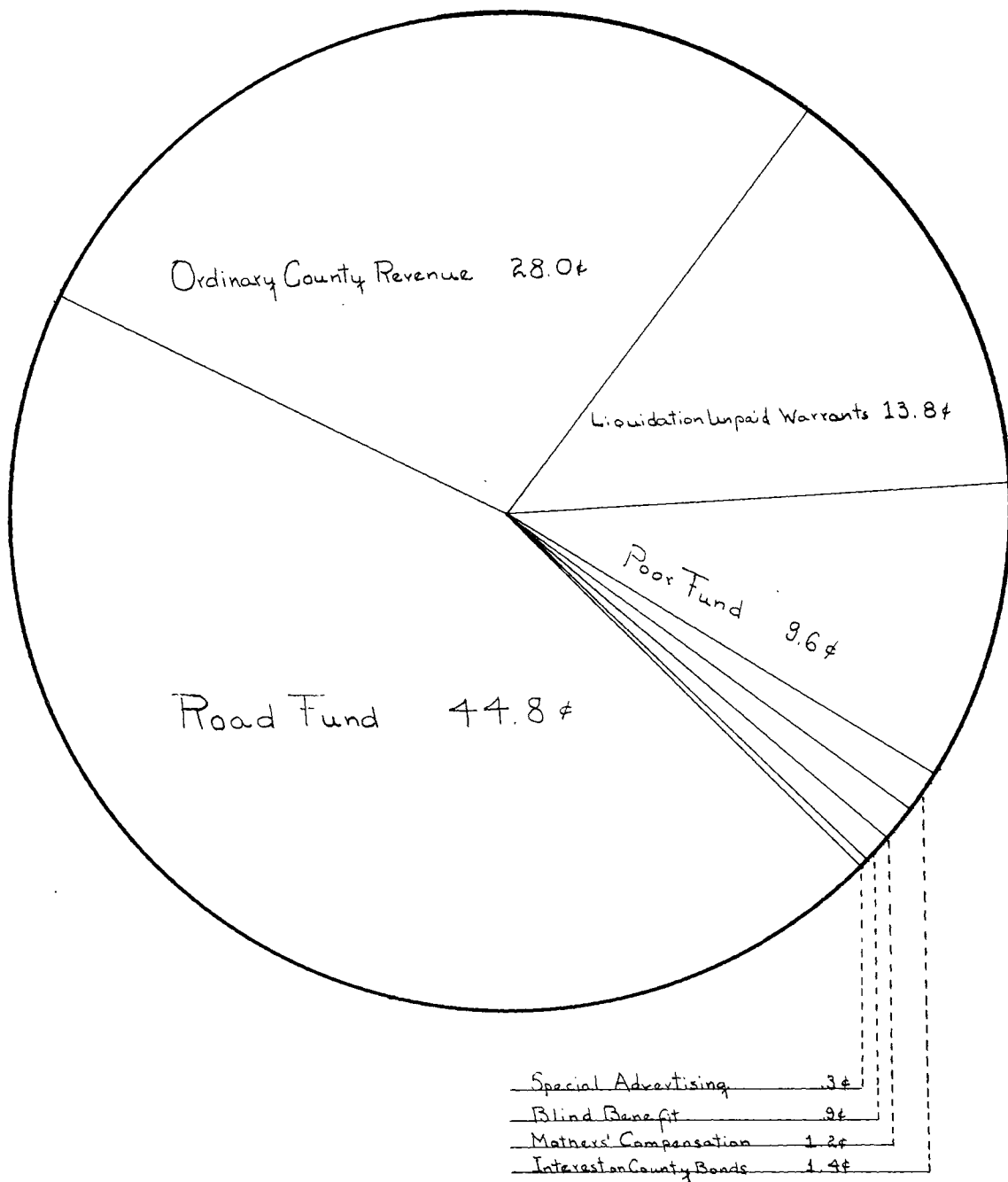


Figure VII B. 1926 Tax-dollar: Based on disbursements of total revenue receipts, 1926; County.*

*Without General Schools

bursements of 1925. In the case of the disbursements from the Interest on County Bonds Fund, an over-draft was shown on December 31, 1925, the account being balanced by the collections of 1926.

Disbursements from the Mothers' Compensation Fund of those funds deriving their entire revenue from Ordinary Collections, are the only disbursements which are in excess of collections in 1926. This Fund shows an over-draft on December 31, 1926. This over-draft was balanced by collections to this fund in 1927.

Of the funds securing money from Miscellaneous Collections as well as Ordinary Collections those disbursing in excess of their Ordinary Collections have, in most cases, derived enough from the Miscellaneous Collections to care for the total disbursements.

Disbursements from the Blind Benefit Fund in 1920 and 1921 and from the Poor Fund in 1921, which were in excess of the Ordinary Collections for these Funds, did not receive enough from Miscellaneous Collections to meet the total disbursements and were forced to draw upon the Ordinary County Revenue Fund.

Governmental Cost and Non-Cost Payments.- In Tables IX, X, XI, XII, XIII, XIV, XV and XVI, and Figures IX, X, XI, XII, XIII, and XIV, the expenditures of the County are shown as warrant payments and classified according to the method employed by the United States Bureau of Census.

All payments are divided first into cost and non-cost payments. Those payments considered as non-cost payments are final payments for debts contracted as warrants or bonds, which warrants or bonds have already appeared as cost payments on the books of the County. These final payments take the form of redemption of warrants or bonds as the case may be. Such a division is necessary, because to consider them as cost payments when they have once before appeared as cost payments is manifestly not correct. Items which appear as non-cost payments are Liquidation of Unpaid School Warrants, Liquidation of Unpaid County Warrants, Redemption of School Bonds and payments of School Over-drafts.

Governmental Cost-Payments are payments chargeable against the County for expenses, interest and outlays. The expense payments are payments for services or materials which have an immediate consumption. These payments should include depreciation charges, which in view of the material available, it was considered more accurate to omit.

Interest payments include interest on out-standing obligations which might as readily be classified as expenses in this study since the purposes for which these interest payments were made are known.

Outlay payments are cost payments for material which is not entirely consumed during the year in which the payments were made. As explained previously, separations of outlays from expenses for this study was made on the basis of the

meager inventory compiled by the County Clerk at the end of each year.

Expense payments were divided into costs of General Government, Protection to Persons and Property, Highways, Charities, Hospitals and Corrections, Education and Miscellaneous and General.

General Governmental costs include Court House Expense, County Officers' Salary and Expense and Election Expense. County Officers' Salary and Expense does not include the salary and expense of the Officers of the Road Department, the Courts, and the Poor and Hospital Administration, which salaries and expenses are listed under Road costs, Court House Expense and Support of Poor respectively.

Under Protection to Persons and Property are included Expenses of the District Court, the County Court, the Justice Court, the Jail and the Coroner. The salary and expense of the Sheriff and his office are included among County Officers' Salary and Expense.

Under Highway costs comes the single item of Road Expense. This item embraces all road costs including all salary and expense costs of the supervising officials such as the County Engineer and Surveyor and all workmen employed by this department.

Charities, Hospitals and Corrections contain the costs for Support of Poor, Blind Benefit and Mothers' Compensation.

Educational expense costs consist of expenses of Schools

TABLE IX
GOVERNMENTAL COST PAYMENTS: TOTAL

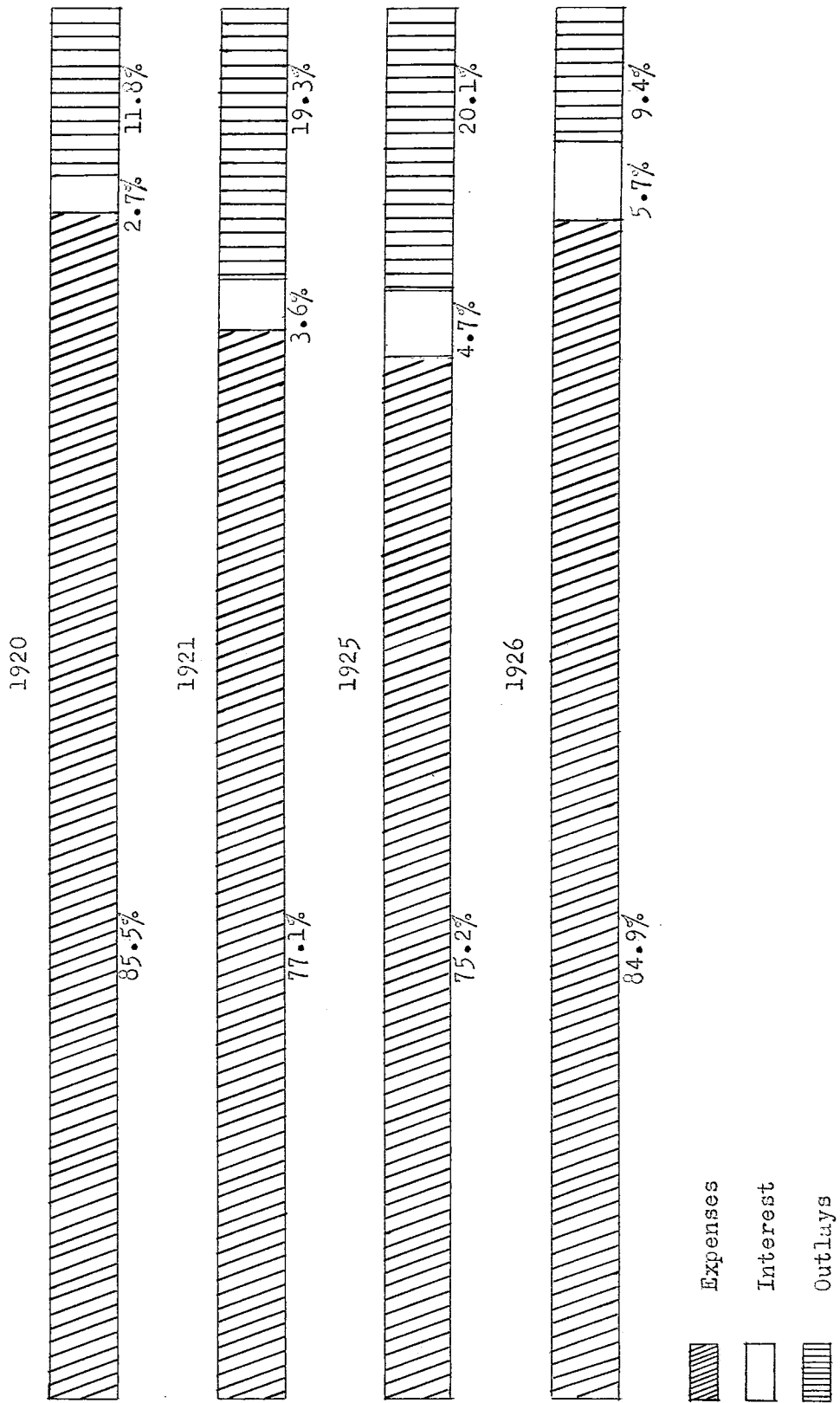
Amounts:

	1920	1921	1925	1926
EX- PENSES:	\$762,398.22	\$813,070.50	\$1,105,453.42	\$1,143,372.71
INTER- EST	24,459.75	37,570.61	68,547.61	76,246.31
OUT- LAYS	105,312.99	203,632.45	296,235.57	126,965.38
TOTAL	\$892,170.96	\$1,054,273.56	\$1,470,236.15	\$1,346,584.40

Percentages:

	1920	1921	1925	1926
EX- PENSES:	85.454 %	77.121 %	75.189 %	84.909 %
INTER- EST	2.742 %	3.564 %	4.662 %	5.662 %
OUT- LAYS	11.804 %	19.315 %	20.149 %	9.429 %
TOTAL	100.000 %	100.000 %	100.000 %	100.000 %

FIGURE IX



GOVERNMENTAL COST PAYMENTS: TOTAL

and School Libraries. All salaries paid to teachers, school district secretaries, superintendents, principals, janitors, et cetera, are included under this head. The expense of the County Superintendent of Public Instruction is not included here but is under County Officers' Salary and Expense. School expense for the calendar year was obtained in the manner indicated on page ten of this study and included the same items.

Miscellaneous and General expense costs contain the two items of Advertising Expense and Miscellaneous Ordinary expense. Advertising of the County through the chambers of commerce of the towns and cities within the county and by means of the County Fair account for the money expended under the first head, while all expenses which would not fall under the head of Court House expense, County Officers' Salary and Expense or other items disbursed from the Ordinary County Fund, are carried under the head of Miscellaneous Ordinary.

Interest cost payments consider the items of Interest on County Bonds, Interest on School Bonds, Interest on Registered County Warrants, Interest on Registered School Warrants, and Interest on Temporary School Loans.

Outlay payments were for County Buildings and Improvements, Road Equipment and School District outlays.

All School payments, both cost and non-cost with the exception of Liquidation of Unpaid School Warrants, Interest on School Bonds and Redemption of School Bonds, were taken from

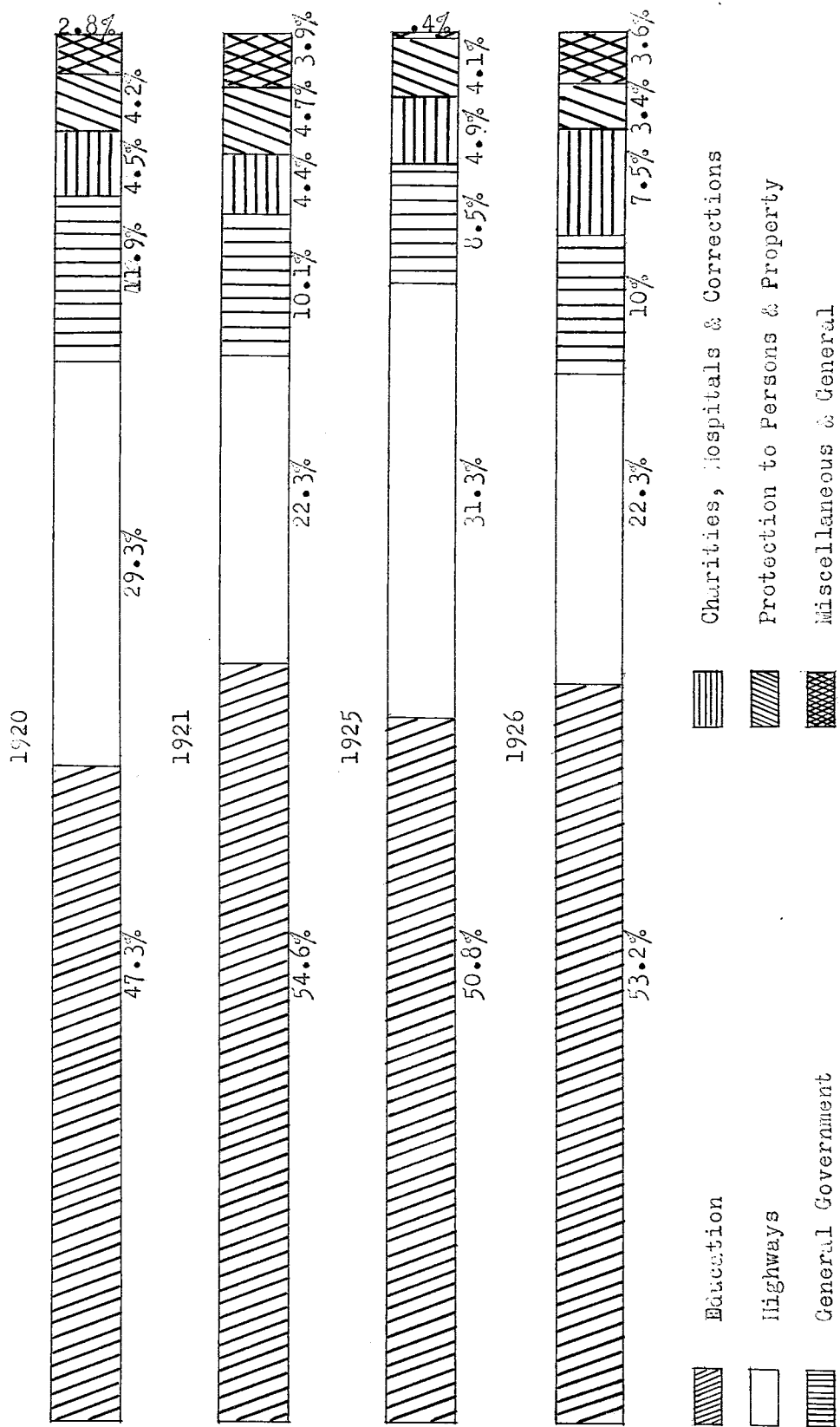
TABLE X
GOVERNMENTAL COST PAYMENTS
EXPENSES:
Amounts:

	1920	1921	1925	1926
EDUC.:	\$360,666.16:	\$444,038.10:	\$561,392.24:	\$607,761.75
HIGH.:	223,239.76:	181,080.52:	346,289.41:	254,829.54
GEN.:	:	:	:	:
GOV.:	90,669.72:	81,799.18:	94,211.92:	114,116.22
CHAR.:	:	:	:	:
HOSP.:	:	:	:	:
COR.:	34,249.04:	35,922.66:	53,955.33:	86,364.59
PROT.:	:	:	:	:
PERS.:	:	:	:	:
PROP.:	32,263.69:	38,519.09:	45,238.20:	39,015.11
MISC.:	:	:	:	:
GEN.:	21,309.85:	31,710.95:	4,366.32:	41,285.50
TOTAL	\$762,398.22	\$813,070.50	\$1,105,453.42	\$1,143,372.71

	Percentages:			
	1920	1921	1925	1926
EDUC.:	47.307 %	54.613 %	50.784 %	53.155 %
HIGH.:	29.281 %	22.271 %	31.326 %	22.288 %
GEN.:	:	:	:	:
GOV.:	11.893 %	10.061 %	8.522 %	9.981 %
CHAR.:	:	:	:	:
HOSP.:	:	:	:	:
COR.:	4.492 %	4.418 %	4.881 %	7.553 %
PROT.:	:	:	:	:
PERS.:	:	:	:	:
PROP.:	4.232 %	4.737 %	4.092 %	3.412 %
MISC.:	:	:	:	:
GEN.:	2.795 %	3.900 %	.395 %	3.611 %
TOTAL	100.000 %	100.000 %	100.000 %	100.000 %

Key: Education. Highways. General Government. Charities.
Hospitals & Corrections. Protection to Persons & Property.
Miscellaneous & General.

FIGURE X



GOVERNMENTAL COST PAYMENTS: EXPENSES

the books of the County Superintendent of Schools, which books were on the basis of school year rather than calendar year. The method as explained on page ten was used to convert these figures to a calendar year basis.

Table and Figure IX show the total of Governmental Cost Payments for the four years embraced by this study. Expenses are by far the largest item and the Interest payments are the smallest. Interest payments increased 300% in amount from 1920 to 1926 and doubled as a percentage during the same period. Expense payments are a larger percentage of the whole in 1920 and 1926 than in 1921 and 1925. The reverse is true of percentage Outlay payments. In amount, all items increased each year except Outlay payments which decreased in 1926 as compared with 1925. Indications are that governmental costs of the County are increasing every year.

Table and Figure X show the composition of Expense payments. Education is the largest item, taking more than 1/2 of all the expense payments each year except the first. Highways are second in importance, General Government expense third, Charities, Hospitals and Corrections fourth, every year except 1921, in which year it stood fifth; Protection to Persons and Property was fifth in 1920 and 1925, fourth in 1921 and sixth in 1926. Miscellaneous and General was last every year except 1926, when it was fifth.

In 1920 and 1925, Educational costs were proportionately lower and Highway costs proportionately higher than in

TABLE XI
GOVERNMENTAL COST PAYMENTS: INTEREST

Amounts:

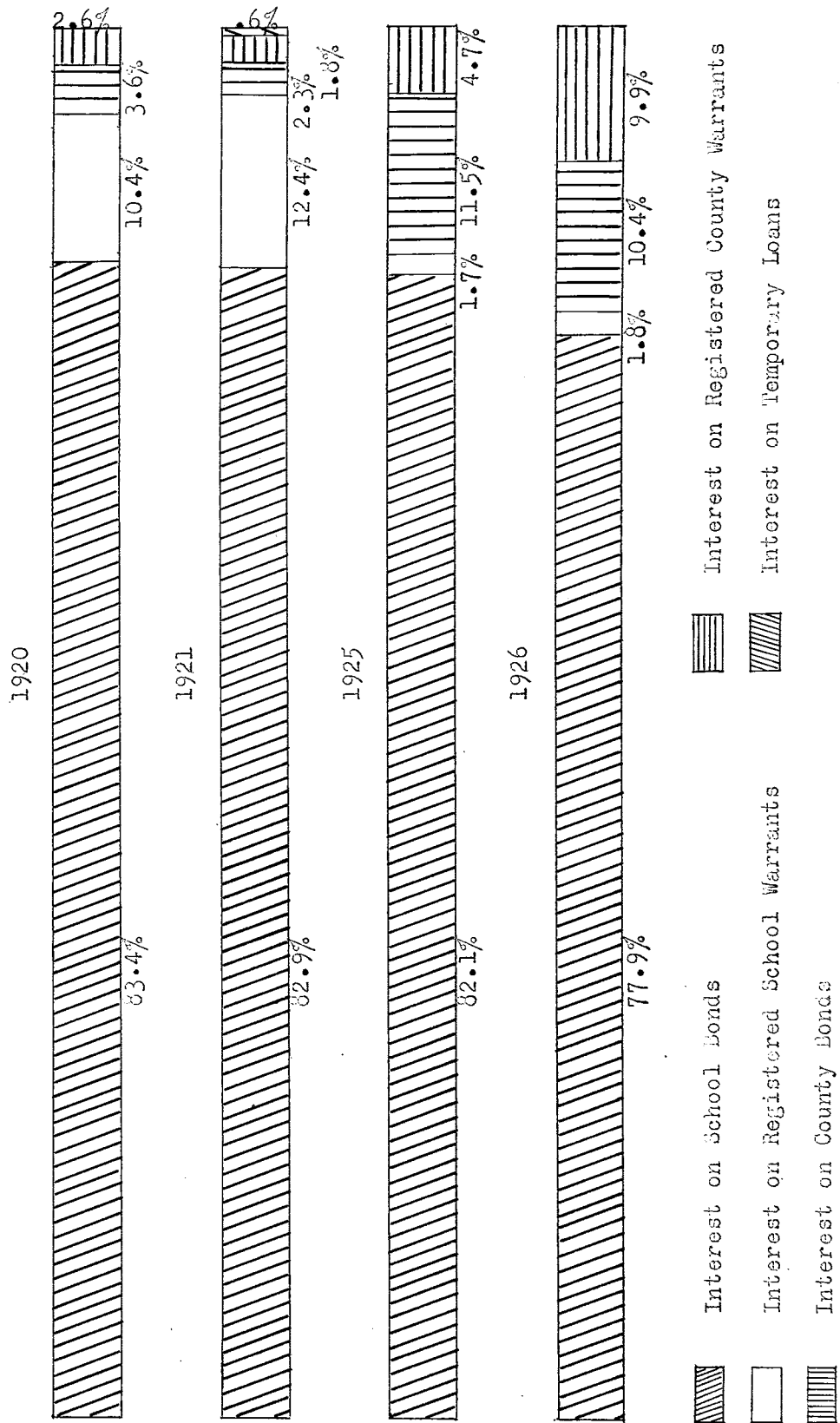
	1920	1921	1925	1926
1	\$ 20,404.26	\$ 31,135.78	\$ 56,307.25	\$ 59,360.64
2	2,539.68	4,661.97	1,135.68	1,407.80
3	882.20	882.22	7,894.39	7,894.60
4	633.61	666.49	3,209.84	7,583.27
5		224.15		
TO-				
TAL	\$ 24,459.75	\$ 37,570.61	\$ 68,547.16	\$ 76,246.31

Percentages:

1	83.420 %	82.873 %	82.141 %	77.854 %
2	10.383 %	12.408 %	1.657 %	1.846 %
3	3.607 %	2.348 %	11.517 %	10.354 %
4	2.590 %	1.774 %	4.682 %	9.946 %
5		.597 %		
TO-				
TAL	100.000 %	100.000 %	100.000 %	100.000 %

Key: 1. Interest on School Bonds. 2. Interest on Registered School Warrants. 3. Interest on County Bonds. 4. Interest on Registered County Warrants. 5. Interest on Temporary Loans.

FIGURE XI



GOVERNMENTAL COST PAYMENTS: INTEREST

1921 and 1926. No reason can be given for this trend nor can it be explained why General Governmental costs are lower proportionately in 1925 than any other year. Payments for Charities, Hospitals and Corrections show a marked increase in 1926 due in the main to the increased standard of expenditure occasioned by the new County Hospital and Poor House. Payments for Protection to Persons and Property do not show much change save that they are inexplicably lower in 1926 than at any other time. Miscellaneous and General expense payments vary rather widely from year to year. This variation is due to the fact that out of Miscellaneous Ordinary expenses, which expenses are included under this general head, have been subtracted all outlay payments for County Buildings and Improvements as indicated by the County Clerk's Annual Inventory. In 1926 outlays consumed the entire payments under this head.

In amount, payments for Education and for Charities, Hospitals and Corrections, are the only ones to increase each year. All payments are larger in 1926 than in 1920 showing that the trend of governmental costs is upward. Highway cost payments are shown to fluctuate each year in accordance with the emergencies and contingencies which arise.

Table and Figure XI consider Interest cost payments. Interest on School Bonds is the largest item every year. It composes from almost $\frac{4}{5}$ of the total in 1926 to over $\frac{5}{6}$ of the total in 1920, decreasing slightly in percentage each year.

TABLE XII
GOVERNMENTAL COST PAYMENTS: OUTLAYS

Amounts:

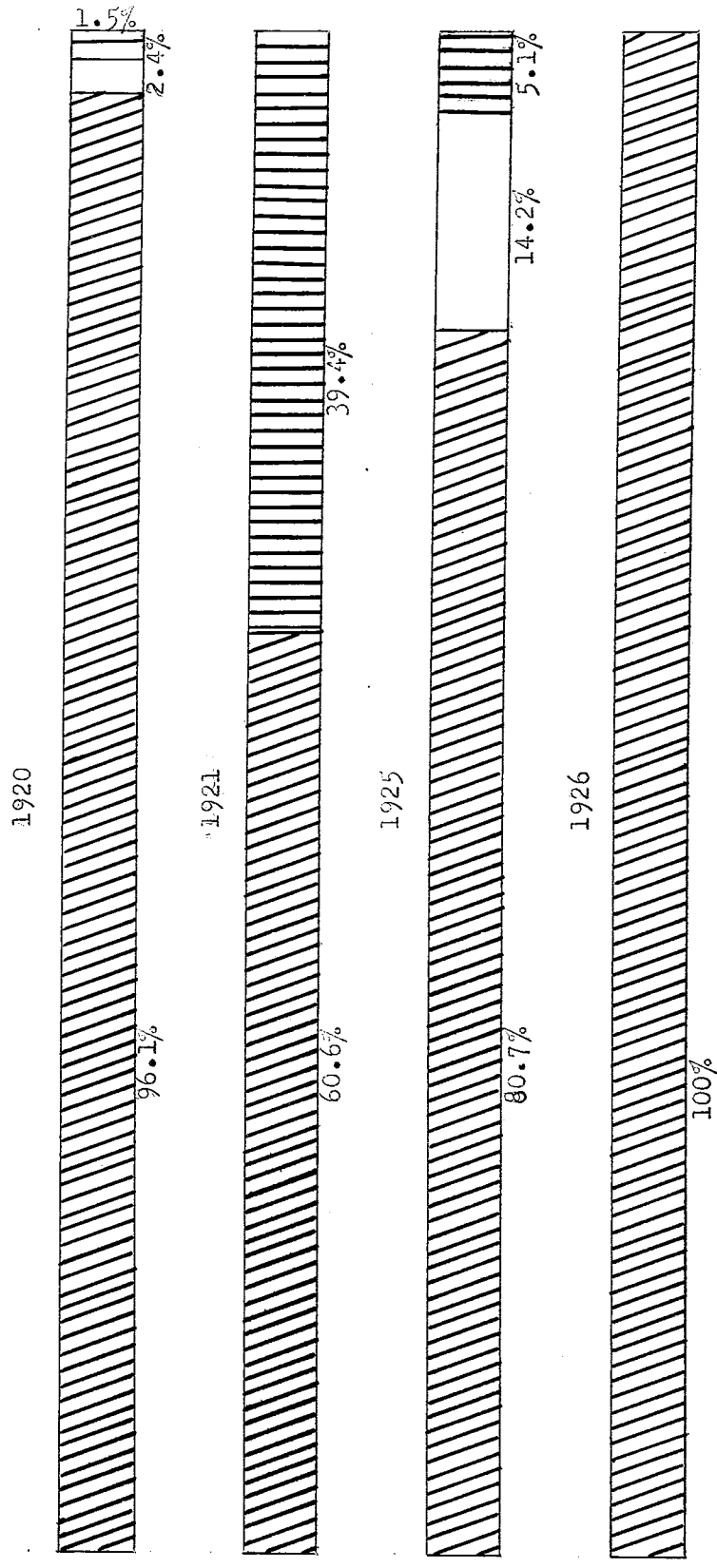
	1920	1921	1925	1926
1	\$101,212.99	\$123,381.12	\$239,164.15	\$126,965.38
2	2,500.00		42,071.42	
3	1,600.00	80,251.33	15,000.00	
TO-				
TAL	\$105,312.99	\$203,632.45	\$296,235.57	\$126,965.38

Percentages:

	1920	1921	1925	1926
1	96.107 %	60.590 %	80.734 %	100.000 %
2	2.374 %		14.202 %	
3	1.519 %	39.410 %	5.064 %	
TO-				
TAL	100.000 %	100.000 %	100.000 %	100.000 %

Key: 1.School District. 2.County Buildings & Improvements.
3.Road Equipment.

FIGURE XII



▨ School District

□ County Buildings & Improvements

▤ Road Equipment

GOVERNMENTAL COST PAYMENTS: OUTLAYS

Interest on Registered School Warrants payments are second in importance in 1920 and 1921 and last in importance in 1925 and 1926. It is possible that the increased levy for teachers' minimum salary in these last two years was responsible for the decrease in Interest on Registered School Warrants Payments. Interest on County Bonds, on the other hand, have increased materially in importance in 1925 and 1926 as compared to 1920 and 1921. As has been explained elsewhere, the increase in County Bond Interest payments is due to bonds issued to cover the costs of construction of the new County Hospital and Poor House. Payments for Interest on Registered County Warrants increased in 1926 over 100% above the 1925 payments and in 1925 over 350% above the 1921 payments. This increase would indicate that the collections of 1924 and 1925 were insufficient to meet all demands in these years. The levy for Liquidation of Unpaid County Warrants was increased in 1924 and in 1925 to insure the collection of sufficient funds to liquidate the out-standing warrants of 1925 and 1926.

Interest on Temporary School Loans appears only once and is of insufficient importance to require mention.

In amount, payments for Interest on School Bonds increase each year, being larger by approximately 200% in 1926 than in 1920. It is of interest to note the great decrease in amount shown by payments for Interest on Registered School Warrants in 1925 and 1926 from 1920 and 1921 and the correspondingly great increase in amount of payments for Interest on County

TABLE XIII
NON-GOVERNMENTAL COST PAYMENTS

Amounts:

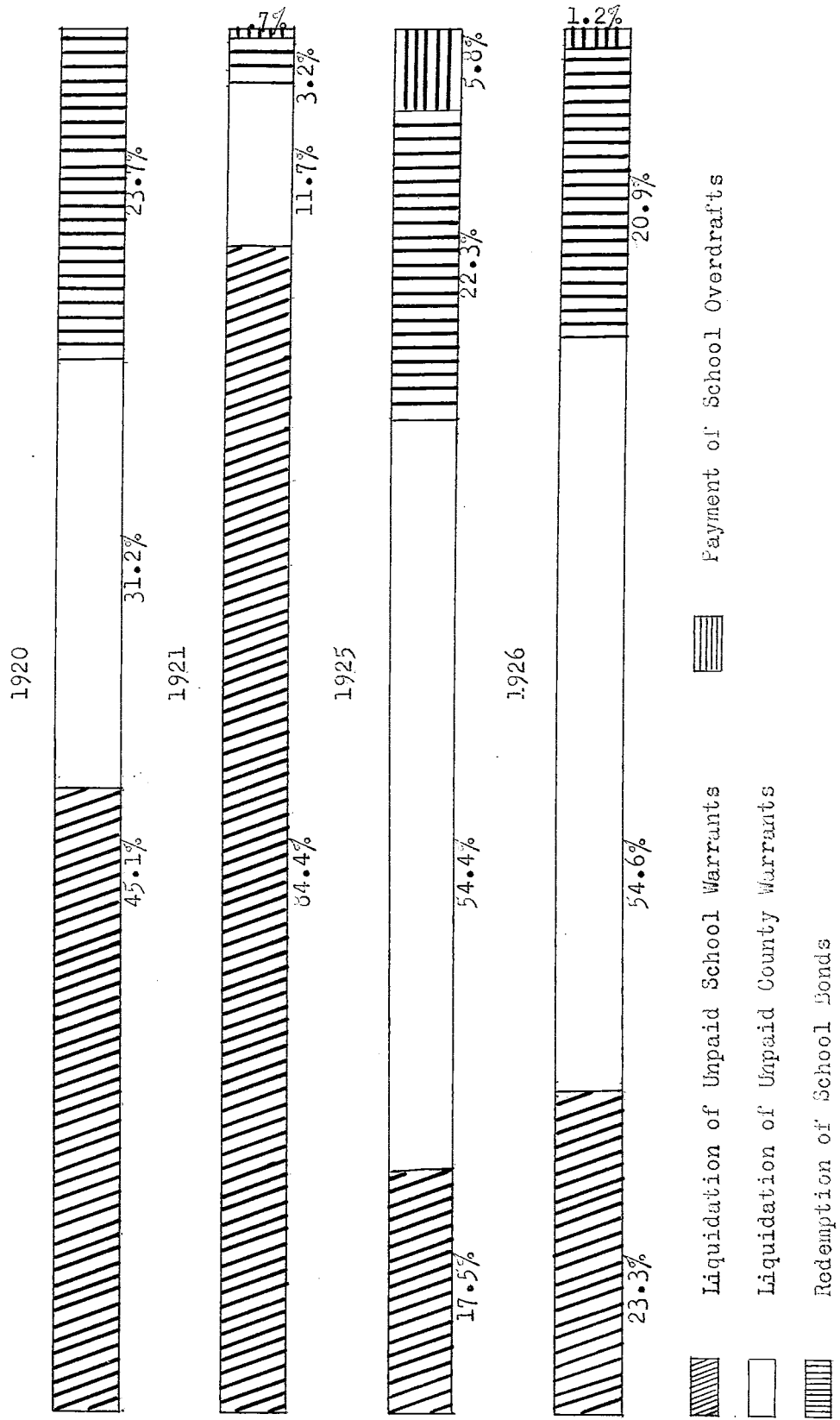
	1920	1921	1925	1926
1	\$ 31,388.92	\$147,953.69	\$ 19,470.79	\$ 30,349.11
2	21,703.77	20,559.85	60,702.41	71,277.77
3	16,549.24	5,603.94	24,879.69	27,291.93
4		1,274.96	6,410.83	1,582.25
TO-TAL	\$ 69,641.93	\$175,392.44	\$111,463.72	\$130,501.06

Percentages:

	1920	1921	1925	1926
1	45.072 %	84.356 %	17.468 %	23.256 %
2	31.165 %	11.722 %	54.459 %	54.619 %
3	23.763 %	3.195 %	22.321 %	20.913 %
4		.727 %	5.752 %	1.212 %
TO-TAL	100.000 %	100.000 %	100.000 %	100.000 %

Key: 1.Liquidation of Unpaid School Warrants. 2. Liquidation of Unpaid County Warrants. 3.Redemption of School Bonds. 4.Payment of School Overdrafts.

FIGURE XIII



NON-GOVERNMENTAL COST PAYMENTS

Bonds, and Interest on Registered County Warrants in 1925 and 1926 over the payments of 1920 and 1921.

Table and Figure XII show Outlay payments. Outlay payments for Schools are by far the largest items, although in 1921 Payments for Road equipment made up approximately 2/5 of the total. Payments for County Buildings and Equipment were the largest proportionately in 1925. Equipment for the County Hospital and Poor Farm occasioned the greater part of the payments from this fund this year.

Outlay Payments for Schools increased in amount up to 1925 and decreased considerably in 1926.

Non-Governmental Cost payments are shown in Table and Figure XIII. Payments for Liquidation of Unpaid School Warrants are the most important items in 1920 and 1921 and are third in importance in 1925 and second in 1926. Making up 45% of the total in 1920, they compose 84% of the total in 1921. In 1925 and 1926 they have dropped in percentage to 17.5% and 23% respectively. Payments for Liquidation of Unpaid County Warrants stood second in importance in 1920 and 1921 and first in importance in 1925 and 1926, comprising over one half of the payments for outlays in these last two years. Redemption of School Bonds payments did not vary much in percentage in 1920, 1925 and 1926. In 1921, for some unknown reason, payments for this purpose were lower than usual. Payment of School Over-drafts is an item of little importance.

TABLE XIV
SCHOOL COSTS

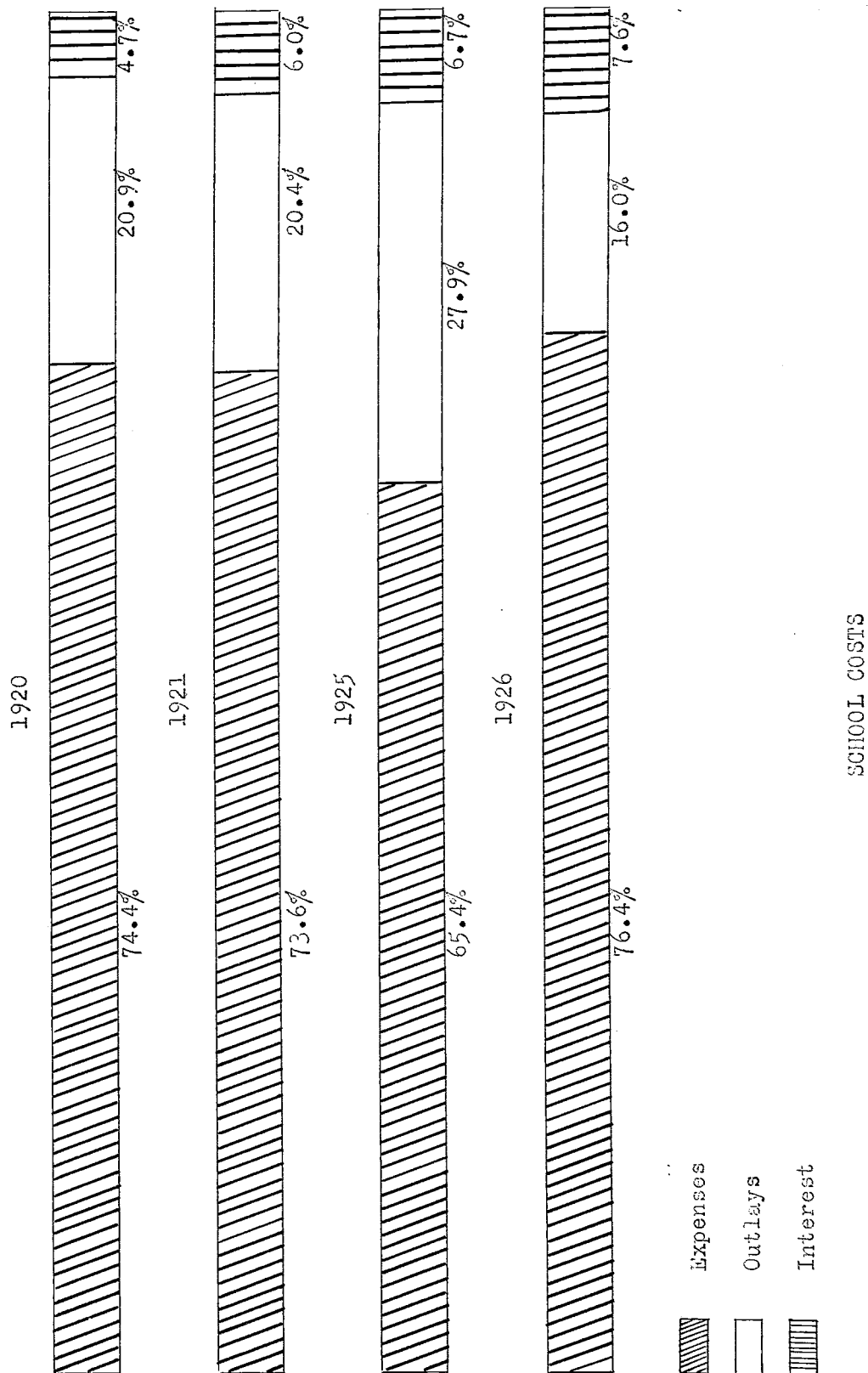
Amounts:

	1920	1921	1925	1926
EXPENSES:	\$360,666.16:	\$444,038.10:	\$561,392.24:	\$607,761.75
:	:	:	:	:
OUTLAYS :	101,212.99:	123,381.12:	239,164.15:	126,965.38
:	:	:	:	:
INTEREST:	<u>22,943.94:</u>	<u>36,021.90:</u>	<u>57,442.93:</u>	<u>60,768.44</u>
TOTAL	\$484,823.09	\$603,441.12	\$857,999.32	\$795,495.57

Percentages:

	1920	1921	1925	1926
EXPENSES:	74.391 % :	73.584 % :	65.430 % :	76.400 %
:	:	:	:	:
OUTLAYS :	20.876 % :	20.446 % :	27.875 % :	15.961 %
:	:	:	:	:
INTEREST:	<u>4.733 % :</u>	<u>5.970 % :</u>	<u>6.695 % :</u>	<u>7.639 %</u>
TOTAL	100.000 %	100.000 %	100.000 %	100.000 %

FIGURE XIV



Payments for Liquidation of Unpaid School Warrants are higher in amount in 1921 than any other year by 45%. All Non-Governmental Cost payments are higher in 1926 than in 1920.

School Costs are divided into their component parts in Table and Figure XIV. School Expense payments make up from 2/3 to 3/4 of total School costs. Outlays are second in importance, 1925 seeing the greatest outlay for School. These items stand in about the same relationship to each other all four years. As noted elsewhere, Expenses increase each year in amount. Interest also has increased every year in amount.

Tables XV and XVI were included to show the relative importance of each item of expense making up the total expense of the County. It is unnecessary to comment on these Tables. Their use as a reference is recommended to better understand the costs of the County government.

TABLE XV
TOTAL EXPENSES

Amounts:

	1920	1921	1925	1926
A :				
1: \$	9,025.16	\$ 6,565.36	\$ 9,428.01	\$ 6,919.74
2:	67,121.89	74,354.47	84,434.96	91,482.37
3:	14,522.67	879.35	348.95	15,714.11
T. \$	90,669.72	\$ 81,799.18	\$ 94,211.92	\$ 114,116.22
B				
4: \$	17,782.71	\$ 19,381.75	\$ 23,126.14	\$ 20,701.04
5:	11,966.63	14,532.13	14,507.78	13,145.30
6:	157.15	430.55	1,586.07	1,023.00
7:	1,951.15	3,474.96	5,476.54	3,526.07
8:	406.05	699.70	541.67	619.70
T. \$	32,263.69	\$ 38,519.09	\$ 45,238.20	\$ 39,015.11
C				
9: \$	223,239.76	\$ 181,080.52	\$ 346,289.41	\$ 254,829.54
D				
10: \$	26,788.00	\$ 23,410.96	\$ 35,285.50	\$ 73,759.09
11:	4,544.71	4,597.50	9,605.00	4,235.50
12:	2,916.33	7,914.20	9,064.83	8,370.00
T. \$	34,249.04	\$ 35,922.66	\$ 53,955.33	\$ 86,364.59
E				
13: \$	360,666.16	\$ 444,038.10	\$ 561,392.24	\$ 607,761.75
F				
14: \$	850.00	\$ 1,075.00	\$ 4,366.32	\$ 1,760.00
15:	20,459.85	30,635.95		39,525.50
T. \$	21,309.85	\$ 31,710.95	\$ 4,366.32	\$ 41,285.50
GT. \$	762,398.22	\$ 813,070.50	\$ 1,105,453.42	\$ 1,143,372.71

Key: A-General Government. B-Protection to Persons & Property. C-Highways. D-Charities, etc. E-Education. F-Miscellaneous & General. 1.Court House. 2.County Officers' Salary & Expense. 3.Election. 4.District Court. 5.County Court. 6.Justice Court. 7.Jail. 8.Coroner. 9.Roads. 10.Support of Poor. 11.Blind Benefit. 12.Mothers' Compensation. 13.Schools. 14.Advertising. 15.Miscellaneous Ordinary. T-Total. GT-Grand Total.

TABLE XVI
TOTAL EXPENSES

Amounts:

	1920		1921		1925		1926
A							
1:	1.184 %	:	.808 %	:	.853 %	:	.605 %
2:	8.804 %	:	9.145 %	:	7.638 %	:	8.001 %
3:	1.905 %	:	.108 %	:	.031 %	:	1.375 %
T.	11.893 %		10.061 %		8.522 %		9.981 %
B							
4:	2.332 %	:	2.384 %	:	2.092 %	:	1.811 %
5:	1.570 %	:	1.787 %	:	1.312 %	:	1.150 %
6:	.021 %	:	.053 %	:	.143 %	:	.089 %
7:	.256 %	:	.427 %	:	.496 %	:	.308 %
8:	.053 %	:	.086 %	:	.049 %	:	.054 %
T.	4.232 %		4.737 %		4.092 %		3.412 %
C							
9:	29.281 %	:	22.271 %	:	31.326 %	:	22.288 %
D							
10:	3.514 %	:	2.879 %	:	3.192 %	:	6.451 %
11:	.596 %	:	.566 %	:	.869 %	:	.370 %
12:	.382 %	:	.973 %	:	.820 %	:	.732 %
T.	4.492 %		4.418 %		4.881 %		7.553 %
E							
13:	47.307 %	:	54.613 %	:	50.784 %	:	53.155 %
F							
14:	.111 %	:	.132 %	:	.395 %	:	.154 %
15:	2.684 %	:	3.768 %	:		:	3.457 %
T.	2.795 %		3.900 %		.395 %		3.611 %
GT.	100.000 %		100.000 %		100.000 %		100.000 %

Key: A-General Government. B-Protection to Persons & Property. C-Highways. D-Charities, etc. E-Education. F-Miscellaneous & General. 1.Court House. 2.County Officers' Salary & Expense. 3.Election. 4.District Court. 5.County Court. 6.Justice Court. 7.Jail. 8.Coroner. 9.Roads. 10.Support of Poor. 11.Blind Benefit. 12.Mothers' Compensation. 13.Schools. 14.Advertising. 15.Miscellaneous Ordinary.
T-Total. GT-Grand Total.

SOURCE AND DISTRIBUTION OF REVENUE IN COLORADO

Revenues

The Colorado State Government secures the most of its revenue from the General Property Tax, although the importance of this tax has decreased steadily in importance since 1922. Bearing approximately $\frac{2}{3}$ of the State tax in 1924, it contributed but a little over $\frac{1}{2}$ of the State tax in 1925 and 1926. 1918 saw the General Property Tax at its peak as a percentage of the total State tax, which year it contributed slightly in excess of $\frac{3}{4}$ of the total. It was not until 1924 that it was reduced below the 1914 figure. The actual returns as well as the percentage dropped at this time (1924) below the figures for 1922 and 1923. Each year since 1923 has seen further decrease in collections of the General Property Tax for State purposes in percentage and amount.

Business and Non-Business License taxes in the form of the Gasoline Tax, the Insurance Premium Tax, Fish and Game License taxes, Motor Vehicle License taxes, Permits, and other business licenses have been the greatest factors figuring in the reduction of the General Property Tax. In 1915 these taxes supplied $\frac{1}{6}$ of the State Tax total and in 1925 and 1926 more than $\frac{1}{3}$ of the total Tax was secured from these taxes.

The Gasoline Tax has been the greatest single item figuring in this reduction. Initiated in 1920 as a source of

revenue it contributed about 1/16 of the State Tax revenue of that year. In 1925, 1/6 of the total Tax revenue of the State was received from this tax, and in 1926 a slightly larger percentage was received.

The Inheritance Tax is, next to the General Property Tax and the Gasoline Tax, the largest single tax. This tax, however, varies a great deal from year to year as to its returns and is not to be relied upon to the same extent as are the other taxes.

In amount, Business and Non-Business License taxes increased almost 170% from 1920 to 1926 and the Gasoline Tax increased more than 340% from 1920 to 1926.

In 1926, taxes made up 69.8% of the total revenue of the State, the remainder being secured in the form of special assessments, fines, subventions, grants, earnings of general departments, etc. In 1919, taxes supplied 74% of the total State Revenue.

Expenditures

The State of Colorado spent a greater proportion of its revenue for Education than for any other purpose. Following Education in importance are Charities, Hospitals and Corrections, and Highway expenses. Educational disbursements took 35.7 cents out of every dollar disbursed in 1926. Charities, Hospitals and Corrections accounted for 19.9 cents and Highway expenses made up 16.5 cents of the 1926 disbursement dollar. These three items made up 72.1% of the total disburse-

ments from the State in 1926.

In 1919, Colorado paid 29.6 cents out of every expense dollar for Education. Highways were second in importance and absorbed 19.6 cents of the expense dollar, while Charities, Hospitals and Corrections, accounted for 17.3 cents of the expense dollar. These three expense items took 56.5% of all money disbursed for expenses by the State in 1919.

-
6. All data regarding collections and disbursements of Colorado State Revenue was secured from Financial Statistics of States, published yearly by the United States Bureau of Census, or was obtained from Census material compiled by The Division of Agricultural Finance of the Bureau of Agricultural Economics. The year as considered here is the fiscal year which ends November 30th of the calendar year mentioned.

MAJOR NATIONAL RESOURCES AND EXPENDITURES

Revenues

The Federal Government at this time receives more revenue from the Income and Profits Tax than from any other source. Prior to 1917 both Customs and Excise taxes contributed more to the support of the United States Government than the Income Tax. In 1917, the Federal Income Tax receipts exceeded the receipts from Customs and in 1918, the Income and Profits Tax contributed more than any other tax to the support of the Federal Government. In 1920, the year of greatest collections from the Income Tax, receipts from this tax were more than twice as large as the Customs and the Excise taxes combined, the receipts from the former being 58.93% of the total and, from the latter, 26.63%.

In 1926, although bearing not quite so large a share of the Government receipts, 50.02%, the Income Tax is, nevertheless, the most important tax by a comfortable margin. The Income Tax, together with the Customs and Excise taxes made up 85.56% of the total Ordinary Receipts of the Government in 1920 and 86.23% of the total Ordinary Receipts in 1926.⁷

Expenditures

Among the expenditures of the Federal Government in 1920, expenditures for Military Functions rank first fol-

7. Annual Report of the Secretary of the Treasury. 18.1926.

lowed by Public Debt expenditures and expenditures for Ordinary Civil Functions. This year these three expenditures made up 90.7% of all Federal expenditures. In 1926, the Public debt expenditure is the largest single item. Expenditures for Military Functions rank next with expenditures for Ordinary Civil Functions taking third place. These three divisions accounted for 88.9% of all Federal expenditures in 1926.

Since 1921, expenditures for Public Debt have been the largest item comprising 47.5% of the total that year. This item increased in 1924 to 50.4% of the total, but made up only 43.2% of all Federal expenditures in 1926. Expenditures for Military Functions have accounted for the next largest expenditures, which expenditures have decreased in percentage from 36.3% in 1922 to 29.8% in 1926. Expenditures for Ordinary Civil Functions were at a peak in 1920, bearing 28.3% of the total. Expenditures for this purpose were proportionately the lowest in 1922, when they comprised only 12% of all Federal expenditures. In 1926, 15.9% of the total went for Civil Functions.

The chief expenditures under Civil Functions are those for Public Domain, Works and Industry, which expenditures make up from 2/5 in 1922 to 4/5 in 1920 of all Ordinary Civil Functions. Good Roads accounted for more than 1/3 of the expenditures under the heading Public Domain, Works and Industry in 1926.

Looking at Federal Expenditures from a slightly different angle, wars, past and future, cost the government directly and indirectly, approximately 93% of all warrant disbursements in 1920; and 88% and 87% of all Federal warrant⁹ disbursements in 1925 and 1926 respectively.

From 1920 to 1925, the trend of Federal expenditures has been downward, although the expenditures of 1923 show a slight advance above those for 1922. Expenditures in 1926 were slightly above those for 1925 and 1924 but were below those expenditures of 1923, 1922, 1921 and 1920.

8. Ibid. 31.

9. Source:- Annual Report of the Secretary of the Treasury, 1926, and Statistical Abstract of the United States, 1926.

RÉSUMÉ

It is evident that local taxes concern the farmer the most and that Federal taxes concern him the least, while state taxes occasion only casual notice.

The general property tax which is the basis of local taxation discriminates against the farmer in particular and the owner of real estate as a class. It is generally considered impossible of efficient administration in that inequalities of assessment exist between districts in the same county, farms in the same district, and counties in the same state. Since there is little possibility of eliminating it as the chief source of local revenues for some time to come it is well to consider the purposes for which it is expended that the utmost may be received for every dollar collected.

In local tax matters, expenditures and taxes for those things which are relatively unimportant have too long occupied the attention of the taxpaying public, while more important expenditures and taxes too frequently are neglected. It is well enough to consider all expenditures large and small but the relation of one expenditure with another should be kept clearly in mind.

It has been the observation of the author that small items such as salaries of county officials have been unduly emphasized by most rural taxpayers, while the items of roads and schools have passed unnoticed.

Tables XV and XVI show the relationship between the detailed expenditures of the County. For example: County Officers' Salary and Expense on the average consumed 1/12 of the total expenses of the County; Education accounted for more than 1/2 and Highway expenses amounted to approximately 1/2 of the whole expense.

It is beyond the scope of this treatise to consider expenditures in relation to benefits received, which is in the last analysis the truest way to judge the efficiency of a tax system. However, more attention should be given to the expending of money for schools and highways than to any other item of local expenditure, not that expenditures for these items are more likely to miscarry, but such expenditures are larger than expenditures for other items.

More widespread publicity and education regarding county and state taxation is essential as these are the foundation stones of a sane tax program. In a local paper the following headlines appeared recently: "Assessed Val-¹⁰uation of School District Lower; Levy is Slightly Higher." So far as the taxpayer in this district was concerned, the statement that the valuation was lower, meant nothing unless it so happened that it was his own valuation which was lower. It is the higher levy which will influence his tax, for his district tax is the district levy times the assess-

10. Fort Collins Express-Courier. November 3, 1927.

ed valuation of his property. Such statements are misleading. Most taxpayers would gather the impression from reading this article that the taxes payable for the next year would be lower than the former taxes while the opposite is likely to be the case.

Most taxpayers still believe that either the treasurer, to whom they pay their taxes, or the assessor, who assesses their land, is responsible for the taxes which they pay. The treasurer acts only as a collector, while the assessor's responsibility ends with the assessment.

The County commissioners and the district school officers are responsible for the local levies and it is to them that the taxpayers must address all recommendations for changes in levies and expenditures. These levying authorities are easily reached and even controlled by the taxpayer. In the school district this is especially true, where many matters of tax policy are put to a direct vote of the taxpayers of the district. In the county the district commissioner is usually anxious to please his district and recommendations are seldom cast aside without consideration.

Most tax notices show only the amount of the total tax levied against a certain piece of property. Many notices give the total tax of the owner assessed against all of his property and include the tax on his personal possessions as well as on his real estate. No trouble has

been taken to divide the total tax into its component parts. The levies for various purposes within the State, county and school districts are always shown on the back of the tax receipt, should one take the trouble to loon on the back of one's receipt after the taxes are paid.

One of the most important steps in tax education in the past few years is the division of the total tax into its component parts. Mr. Homer F. Bedford, County Assessor of Weld County, sends out tax notices through the Treasurer's office which divide the tax on each piece of property into State, county and school district taxes.

It should be the aim of every public official and every local newspaper to disseminate accurate information regarding the tax finances of the county and school districts in a manner that will produce results. Every citizen should attempt to understand his local tax situation and to act intelligently in regard to local tax problems. This will be an aid to clearer thinking on the part of the taxpaying public.

OUTLOOK

The immediate outlook for relief from taxation on farm property is not particularly promising. County and state expenditures are increasing in amount each year and will in all probability continue to increase indefinitely. It is unlikely that any permanent retrenchment of expenditures will take place. Increased expenditures suggest new expenditures and public functions are growing.

While expenditures are on the increase, it does not necessarily follow that the farmer's tax burden will become increasingly greater. Other means of securing revenue may be found which do not draw so heavily upon real property.

As taxes become more burdensome and local authorities become less able to cope with the taxation of property used in state and interstate business, a taxing authority with a wider jurisdiction must be appealed to. Sources of taxation must be considered from a state and from a national viewpoint.

Schools and roads are generally coming to be recognized as having more than a local sphere of interest. Education is certainly an interest of society as a whole, while highways no longer connect several localities in the same township but are state and national trade routes.

The support of these two large departments of local expenditures at least in part, from outside sources will

remedy many of the evils now existent in local taxation.

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