

STATE REVENUE NEWSLETTER

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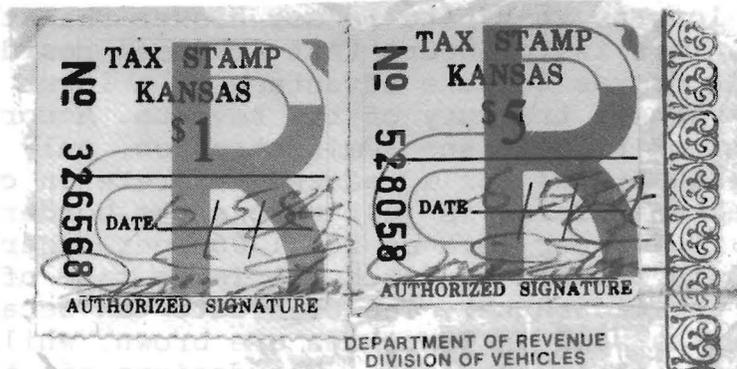
Volume 24, No. 4

Nov. - Dec., 1986

Whole No. 173

KANSAS MOTOR VEHICLE DOCUMENTARY TAX STAMPS

By Ronnie Bostik



Effective January 1, 1978, Kansas imposed a tax on the retail sale of new and used motor vehicles. The law requires that dealers affix appropriate tax stamps to the vehicle title, the manufacturer's certificate or the statement of origin at the time of retail sale. This tax replaced an annual inventory tax. The amount of the tax is determined by the weight of the vehicle and whether it is new or used. The table below shows the tax rates and the changes that have taken place since the tax was first imposed.

WEIGHT (LBS)	TAX RATE. RATE FOR USED VEHICLES IN ().			
	1/1/78	7/1/79	1/1/82	7/1/85
Motorcycles & motorbikes				
0-3000	\$1 (\$1)	\$1 (\$1)	\$1 (\$1)	\$2 (\$2)
3001-4000	\$3 (\$2)	\$3 (\$2)	\$6 (\$5)	\$9 (\$7)
4001-4500	\$5 (\$3)	\$5 (\$3)	\$8 (\$6)	\$11 (\$8)
4501-8000	\$7 (\$5)	\$7 (\$5)	\$10 (\$8)	\$14 (\$11)
8001-1600	\$9 (\$7)	\$9 (\$7)	\$12 (\$10)	\$16 (\$14)
16001-48000	\$11 (\$9)	\$30 (\$15)	\$33 (\$18)	\$45 (\$25)
48001 or over	\$15 (\$11)	\$30 (\$15)	\$33 (\$18)	\$45 (\$25)
	\$30 (\$15)	\$30 (\$15)	\$33 (\$18)	\$45 (\$25)

There are currently sixteen denominations in the set of stamps used to pay this tax. All are pressure sensitive. They are: \$1 grey; \$2 brown; \$3 red; \$5 blue; \$6 green; \$7 yellow; \$8 orange; \$9 purple; \$10 purple;

STATE REVENUE

\$11 pink; \$12 yellow; \$14 maroon; \$15 orange; \$18 brown; \$30 blue green and \$33 pink. These stamps can not be purchased by collectors, but it is possible to obtain them on the appropriate documents.

TEXARKANA, ARKANSAS SPECIAL CIGARETTE TAX RATE AND STAMPS

Under Arkansas law, whenever there is an Arkansas city with a population of 5000 or more just across the state line from another city with a population of 5000 or more, the cigarette tax in the Arkansas city will be equal to that of the state on the other side of the border, as long as that rate is not higher than the regular Arkansas tax rate. This is to insure that Arkansas residents do not cross the border in droves to take advantage of a lower tax rate and thus deprive the Arkansas treasury of tax revenue. According to the Arkansas Department of Finance and Administration, only Texarkana, Arkansas currently qualifies for a reduced tax rate on cigarettes under this statute. Texarkana, Texas is just across the border. The normal Arkansas tax rate is 21¢ per pack of 20 (1.05¢ per cigarette) but in Texarkana the rate is reduced to match the Texas rate of 19.5¢ per pack of 20 (.975¢ per cigarette). The cigarette tax decals used on packs of 20 cigarettes sold in Texarkana are brown, while the decals used elsewhere in the state are green. The designs are the same. On packs of 25 cigarettes sold in Texarkana, the regular Arkansas 25 cigarette decal is used and the taxpayers are given a refund for the overpayment.

KENTUCKY STATE REVENUE COLLECTION BRINGS BIG BUCKS!

Lot 479 in Robert E. Lippert's (23800 Greater Mack, St. Clair Shores, MI 48080) September 5 & 6, 1986 public auction was described as "Kentucky State revenue collection in 15 volumes (3 ring binders), f-vf, examination a must. Est. Net \$500.00." A full page in the auction catalog was devoted to photos of items from this lot, including a beautiful "SPECIMEN" overprint on Kentucky B11. Lot 480 was described as "Kentucky State revenue hoard, many 1,000's by sheet, part sheet, etc, please examine. Est. Net \$200.00." The two lots were combined and sold together for \$5000.00! This does not include any buyer's premium, as Lippert has happily resisted the move toward such premiums. We hope that this material will come on the market as individual stamps soon!

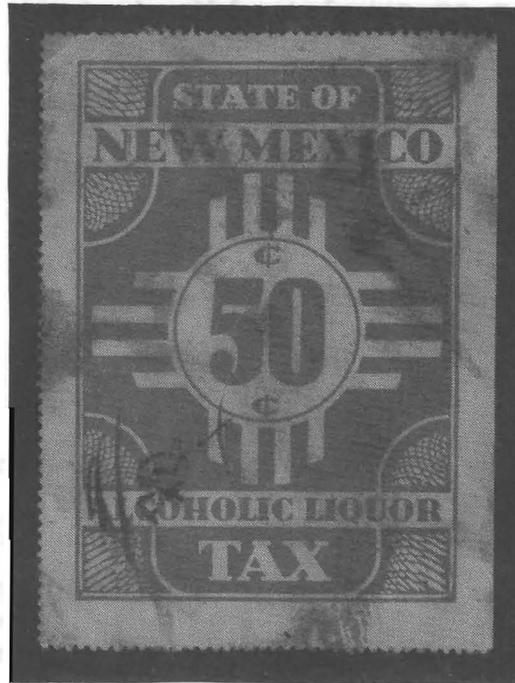
GEORGETOWN, GEORGIA BEER TAX STAMP.



The illustrated stamp (shown twice actual size) is green on white with pressure sensitive gum. It is in poor condition, but was the only copy found in the Brundage collection. Can anyone report another copy or other denominations?

THE FIRST BEER, WINE AND LIQUOR STAMPS OF NEW MEXICO

By Ronald E. Leshner, Sr.



Some of the western states used the term "liquor" to encompass beer, wine and liquor in their first attempts at taxing alcoholic beverages at the end of Prohibition. Previous articles have examined the use of "liquor" tax stamps in Nevada (SRN, Jan.-Feb/Mar.-Apr., 1984) and Wyoming (SRN Jan.-Feb., 1985). A similar situation prevailed in New Mexico. Effective June 1, 1934, New Mexico taxed alcoholic beverages according to the rates shown in Table I.

All of the first stamps used to pay the tax on beer, wine and liquor are inscribed "Alcoholic liquor." Hubbard's B1 and B2 were obviously used on quarter barrels and half barrels. However, it is likely that 2 of the stamps listed under the liquor section (and incidentally also the most frequently encountered) were used on cases of beer. Cases of 24 12 ounce bottles would require a tax of just under 7½ cents and it is likely that Hubbard's L7 was commonly used in this way. Likewise, a case of 12 quarts or 24 pints would be taxed at just under 10¢. So it is likely that the 10¢ stamp (Hubbard L8) was used on these size cases.

The wine categories present a more complex situation which is

TABLE I

1934 NEW MEXICO ALCOHOLIC BEVERAGES TAX RATES

Beer (in case or keg)	\$1.00/barrel
Wine (less than or equal to 14% alcohol)	10 cents/gallon
Wine (from 14% to 21% alcohol)	20 cents/gallon
Wine (from 21% to 24% alcohol)	40 cents/gallon
Wine (over 24% alcohol)	60 cents/gallon
Wine (naturally sparkling)	60 cents/gallon
Wine (artificially sparkling)	30 cents/gallon
Liquor	80 cents/gallon

TABLE II

WINE TAX ON COMMON SIZE BOTTLES

SIZE	RATES - Per Gallon				
	\$.10	\$.20	\$.30	\$.40	\$.60
½ pint	\$.0625*	.0125	.01875*	.025	.0375*
1/10 gallon	.01	.02	.03*	.04	.06*
pint	.0125	.025	.0375*	.05	.075
1/5 gallon	.02	.04	.06*	.08*	.12*
quart	.025	.05	.075	.10	.15
½ gallon	.05	.10	.15	.20	.30*
gallon	.10	.20	.30*	.40	.60*

*No stamp of this denomination is listed in either Cabot's 1940 or Hubbard's 1960 catalog.

presented in Table II. The law provided for fractional amounts down to 1/16 gallon (½ pint) and required that the stamps be placed on the containers. It is therefore likely that the following denominations would have been found on bottles of wine: 1¢, 1¼¢, 2¢, 2½¢, 4¢, 5¢, 10¢, 15¢, 20¢ and 40¢. Very few of the denominations required by the 30¢ rate for artificially sparkling wines are known, but this is hardly a type of wine that is eagerly sought or commonly found.

The rate for liquor was 80¢ per gallon and would have required the following: ½ pint, 5¢; 1/10 gallon, 8¢*; pint, 10¢; 1/5 gallon, 16¢*; quart, 20¢; ½ gallon, 40¢; gallon 80¢. The asterisked denominations are not listed in either Hubbard or Cabot. There is one noteworthy comment on the stamps used for liquor. The most frequently encountered bottle size for whisky is the fifth, which would have required a 16¢ stamp. Why isn't a stamp of this denomination known? At best this rate would have required 3 of the known denominations to pay, an unlikely situation. Was the fifth actually sold in New Mexico?

AD CORNER

IOWA DUCKS IMPERF. Trade my Iowa duck stamps, 1972 and 1973 imperf. pairs for your state hunting and fishing stamps that I need. I especially want duck stamps. I have other stamps to trade also.
DALE C. STOVER 1616 14th ST., SILVIS, IL 61282. (1)

ALABAMA LOCAL tobacco and liquor decals. Approvals from the Brundage collection. Also some from other states (Georgia, Missouri) as well as proofs, essays, etc. Inquiries welcome. TERENCE HINES, PSYCHOLOGY DEPARTMENT, PACE UNIVERSITY, PLEASANTVILLE, NY 10570-2799. (1)

WEDDING SALE. Just married. W.VA res. trout 74-77, 45¢ each; non-res. trout 72-77, 75¢ each; nat'l forest lic. 72-77, 45¢ each; nat'l forest fish 65-67 & 69-71, 45¢ each, 68, \$1 each. CA pheas. 72, 73, \$2 each; ducks, 71/72 VF signed, \$65; 72/73 VF NG unsigned, \$290; 74/75, 75¢; 75/76, \$19; 76/77, \$1.50; 77/78 (\$1), \$19; 78/79, \$3. KY trout, 72-77, \$2 each. KS Marion Co. ducks, sold in sheets of 10 only: 1955, 1956, 1959, \$100 per sheet; Marion Co. fish, 1957, 59, 63-65, 68-70, \$20 per sheet. TX dove 1971-74, 75¢ each, 75, \$5, 76, \$2; archery, 75 - 76, 75¢ each, 77, \$1. NEVADA Colo. river special use, 1954, 57-77, 40¢ each; non-res. upland game, 1966-72, \$1 each. SD ducks, Bennett Co., 1974-78, including RARE 1978 green, set of 5, \$100; 1950 \$1 waterfowl, mint NH VF RARE, \$215. IA ducks, 1972-75, XF, MINT, NH, set, \$300. Also have other mint SD and used KS, NE & IA. Will trade only for mint NE 1962 upland game, or pre 1914 NE hunting permits.
PHIL PFEIFFER, 641 S. 21st ST., LINCOLN, NE 68510 (0)

HANOVER, NEW HAMPSHIRE. Covers from Hanover, Hanover Center and Etna, NH wanted. I'm interested in covers from all periods, especially modern (1900 to date) with special delivery, registration, certified mail or auxiliary postal markings (Return to sender, etc.). Also interested in covers addressed to these three towns showing receipt or auxiliary markings. Send photocopy for offer. I'll pay a minimum of \$5 for any cover I need. TERENCE HINES, PSYCHOLOGY DEPARTMENT, PACE UNIVERSITY, PLEASANTVILLE, NY 10570-2799. (2)

Advertising rates: Minimum of \$1 for up to 25 words. 5¢ each for additional words. No charge for name and address. 3 insertions for the price of 2, 5 for the price of 3. Short trade ads accepted free for one insertion only, but these may be resubmitted. Send ad and payment to SRS Treasurer Harold A. Effner, Jr., 425 Sylvania Ave., Avon-by-the-Sea, NJ 07717.

SRS PUBLICATION TAKES LARGE BRONZE AWARD AT AMERIPEX '86 in Chicago. Terence Hines' "Revenue Stamps of the New England States" won a large bronze.

Borrow from the SRS Library. See full Library listing in the last issue!

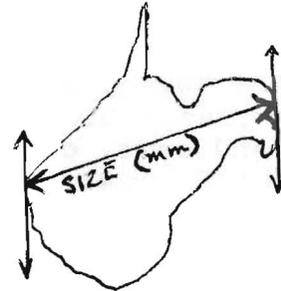
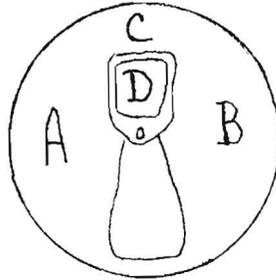
WEST VIRGINIA SOFT DRINK TAX LIDS

By Dr. John Cahoon

Hubbard's 1960 State Revenue Catalog lists several soft drink tax stamps for West Virginia. The first (and only?) report of a West Virginia tax stamp in the form of an impression on a metal can lid appeared in the November, 1966 State Revenue Newsletter (whole # 66, page 15). Member R. Lichtenberger described it as "... an outline map of West Virginia with the value '1' centered within the map. In a semicircle above the map are the words 'WEST VIRGINIA TAX PAID'."

I wish to report here that these lids are still in use on West Virginia soft drinks. The current lids show only the outline map and no words. Several sizes of the map have been seen. In an attempt to categorize these, I offer the following descriptions in terms of size and placement of the map. The map size is measured from the westernmost edge to the easternmost edge (a diagonal measure) as shown in the illustration below, in millimeters. The map has been found in four different locations, A through D, as shown in the illustration below.

<u>SIZE (mm)</u>	<u>PLACEMENT</u>
5.5	D
5.75	A
7	A, C
7.25	B
9.5	D
13.5	B



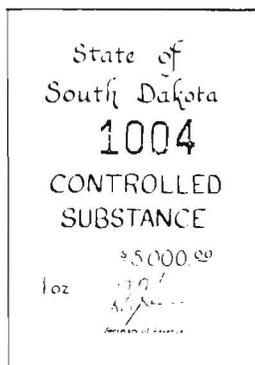
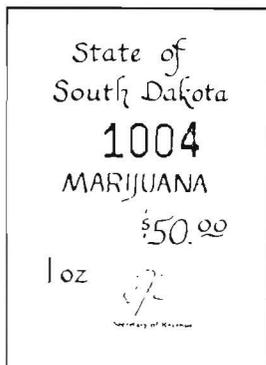
Mounting these can be a problem! I personally cut the full lid circle from the can. This is then mounted in a cut out in cardboard. The cardboard is selected thin stock similar to note pad backing. A black back sheet is used. This covers the piece of magic transparent tape used to hold the can lid to the cardboard. An overlay sheet of black is then used with cutouts to show the whole circle of the lid. The entire piece is then enclosed in a sleeve type sheet protector made of clear plastic. Labels may be mounted as desired.

Examples will be made available gratis for an SASE or other suitable trading material. Send requests to Box 391, Grand River, OH 44045. Information and comments on this type of material are most welcome!

SRS ELECTIONS!!! It's "Thrill of Victory, Agony of Defeat" time again with another SRS election set to appear in the Jan.-Feb. issue. Anyone who wishes to run for any of the elective offices should write to SRS Secretary Terence Hines. His address is Psychology Dept., Pace University, Pleasantville, NY 10570-2799. Nominations close Dec. 31, 1986.

SOUTH DAKOTA MARIJUANA AND CONTROLLED SUBSTANCE STAMPS

By Terence Hines

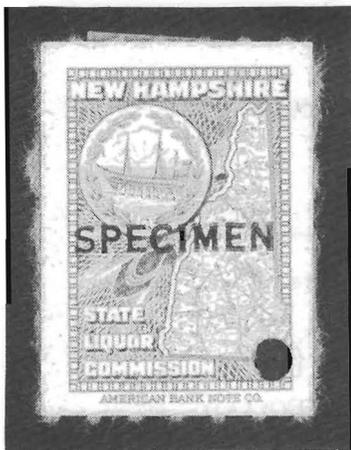


Like Arizona, South Dakota requires dealers in illegal drugs to obtain licenses from the state and affix stamps to the illegal drugs sold. For a description of the Arizona stamps, which are available at face value from the State Revenue Society, see the July-Aug./Sept-Oct. 1984 State Revenue Newsletter (whole # 166). As in the case of the Arizona law, the South Dakota law is simply a way of increasing the penalty when a dealer is arrested for selling illegal drugs and found to be without a license or the required stamps. Unlike Arizona, the South Dakota license fees a very high, \$500 for a marijuana dealer's license and \$1000 for a controlled substance dealer's license. The state does not sell the stamps to collectors who do not have licenses. Unfortunately, the fees are too high for the State Revenue Society to purchase a license, as it has done in order to obtain the Arizona stamps. The South Dakota Department of Revenue kindly provided photocopies of the stamps so they could be illustrated here. The marijuana stamp is printed, appropriately enough, in green and has a face value of \$50 for one ounce. The Controlled substance stamp is red with a face value of \$5000, also for one ounce. Both stamps bear the signature of the Secretary of Revenue, R. V. Johnson.



Shown at left is the current Texas bedding stamp. It is printed in yellow-orange or yellow and thus may not reproduce well. The serial number is black and the stamp, apparently regardless of shade, is round. 6¼. The illustration is twice actual size.

- J. DePitts

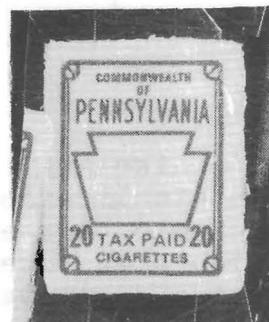


Illustrated at left, twice actual size, is a new New Hampshire discovery. It is a copy of the 195? NH liquor seal, LS6, with a "SPECIMEN" overprint in very dark blue and a small hole punched in the stamp. It is thus very similar to the "SPECIMEN" overprints with punched holes found on the 1939 Vermont cigarette tax decals (C5a, C7a and C10a), also produced by the American Bank Note Company. Did the ABNC provide such "SPECIMEN" copies for all the state decals they produced?

- T. Hines

Shown at right, twice actual size, is the current Pennsylvania water transfer cigarette tax decal. This is bright yellow with black inscriptions and design.

- T. Hines



OKLAHOMA MOTOR VEHICLE TAX STAMP.

In the Sept. - Oct. Newsletter (page 43) information was requested on a \$2.50 stamp for this tax. This stamp DOES NOT EXIST and never did! The tax in question was increased from \$2 to \$3.50 effective January 1, 1985. There was never a \$2.50 rate or stamp. My assumption that such a rate and stamp existed was based on a typographical error contained in a letter from the Oklahoma Tax Commission.

- T. Hines

JOIN THE AMERICAN REVENUE ASSOCIATION!!

Many SRS members are also members of the American Revenue Association, but some are not. For anyone with an interest in any facet of revenue collecting, ARA membership is a real delight. A high-quality journal is produced ten times a year. There are auctions, sales of literature and articles on just about every type of revenue stamp you've ever heard of, and some that you haven't heard of. All this for only \$15 per year! A membership application is available from Bruce Miller, ARA Secretary, 701 South First Ave., # 332, Arcadia, CA 91006.

WHY DID UTAH SELL ITS OLEOMARGARINE

TAX STAMP REMAINDERS IN 1961?

By Mach Matesen & Carter Litchfield

In 1961 when the Utah State Tax Commission started selling Utah oleomargarine tax stamp remainders to philatelists at less than face value, collectors assumed that Utah's tax on oleomargarine had been repealed. And when new Utah oleomargarine tax stamps were issued in 1969, it was natural to assume that the tax had been reimposed.

A new study of the Utah tax laws and of the reports of the Utah State Tax Commission reveals that both these assumptions were wrong. Utah taxed oleomargarine continuously from 1929 to 1973, but the method of collecting the tax differed during three distinct periods:

1929 - 1959	Tax collected by stamps placed on shipping cases.
1959 - 1969	Tax collected by return.
1969 - 1973	Tax collected by stamps placed on individual packages of oleo.

Hence, the 1961 sale of the Utah oleo tax stamp remainders only reflected a change in the manner in which the oleo tax was collected. With the tax being collected by return, the old stamps were no longer needed and the Tax Commission decided that it could sell them as surplus remainders.

References.

- Biennial Report of the Utah State Tax Commission, 1957-1958, pp. 13-14; 1963-1964, p. 7; 1965-1966, pp. 9-10; 1967-1968, p. 7.
Matesen, M.E., State Revenue Newsletter, Nov. 1969, p. 82; Jan. 1970, p. 46.
Pruess, K., State Revenue Newsletter, April, 1961, pp. 53, 56; Sept., 1961, p. 9.
Utah session laws concerning oleomargarine tax: 1929, chapter 91; 1959, chapter 7; 1969, chapter 189; 1971, chapter 154.



Illustrated at left (enlarged 100%) is what I at first thought was just a copy of the 3¢ red Alabama tobacco tax decal from the 1936 series, Hubbard # T20. But it's not a decal. The design is actually imprinted on stiff, white cardboard. Is it a proof of some type? Perhaps. But another possibility, and one I think more likely, is that it was possible to have the decal design actually printed on packs of cigarettes and tobacco, thus avoiding the considerable effort of hand applying a decal to each pack. Can anyone confirm this?

- Terence Hines

UTAH'S "NON-REVENUE" CIGARETTE STAMPS

By M. E. Matesen



During a 1969 vacation stop, I visited the office of the Utah State Tax Commission located, at the time, in the rotunda complex of the capitol. That visit led to the acquisition of a small strip of ten of the then unreported 5¢ pressure sensitive oleomargarine stamps. More importantly, though, was an opportunity to glimpse at what I would term a "philatelic treasure trove" of obsolete tax stamps. These had been tucked away on the far back shelves of the storage vault under the rotunda. In my naivete I asked what disposition was going to be made of these gems and was told that they were scheduled to be hauled to the furnace and burned. Luckily lack of time and manpower would eventually stay that fate.

My story would have ended here, or at least been relegated to "philatelic gossip" except that early in 1980 I learned that the state had turned these gems over to a local Salt Lake City stamp dealer. The stash consisted of the 5¢ and 10¢ oleomargarine pressure sensitive stamps in strips as well as varied cigarette stamps that were in full and broken sheets, along with some singles. The majority of the cigarette stamps had laid undisturbed for over forty years. All could be purchased at rather reasonable prices and were quickly snapped up.

One of the most interesting stamps this group had to offer was a heretofore unreported cigarette stamp overprinted "NON / REV" in red (see illustration above). Previously reported overprints of this type were first reported by the late Charles Hermann in 1942 and subsequently listed in Hubbard's (1960) State Revenue Catalog. Hubbard listed a 1¢ orange and a 2¢ bright violet stamp with the overprint in red (#s C26 and C27) and a 2¢ bright violet with the overprint in black (# C27a). The new stamp is a 1½¢ grey.

Why, one might ask, would there have been a need for converting revenue stamps into "non-revenues"? The answer to this question can be obtained by reviewing some of the Utah Tax Commission records and reports from the era (1941-1943) when these stamps were issued.

By way of background, when the Utah cigarette tax legislation was drafted it was phrased in such a way as to allow cigarettes to be imported into the state without first having the appropriate revenue stamp(s) affixed. Wholesalers who shipped cigarettes into the state applied the appropriate stamps prior to distribution and sale.

This legislative loophole gave bootleggers a golden opportunity to move cigarettes into the state without being challenged by the Tax Commission since it was not necessary to affix stamps until the cigarettes were at the wholesale level and ready for distribution. At the request of the Tax Commission the legislature re-worked the applicable sections of the cigarette tax law in such a manner as to require all tobacco products to be stamped prior to being shipped into the state. This change, followed by additional non-legislative action, would lead to the creation of the "NON REV" overprints.

The final action which actually fostered the creation of the stamps came when the state attorney general ruled, in 1941, that United States government agencies, such as canteens and similar establishments at Army posts, were outside the taxing jurisdiction of the state. Thus the Tax Commission was confronted with a situation that was comparable to what had occurred before. Specifically, unstamped cigarettes could once again be moved into the state. We can assume that the Tax Commission didn't wish to relinquish the control measures that stamps had heretofore provided. It also had to comply with the attorney general's ruling. To both maintain the control and comply with the ruling, select stamps were overprinted "Non REV" to reflect that no tax was being imposed on the cigarette packages to which they were affixed. By this means, the entry into the state of unstamped cigarettes was again prevented.

The first "NON REV" stamps were intended for individual packages of cigarettes but this soon gave way to strips of stamps being pasted to the exterior of the cigarette cartons. Later, the overprinted single stamps were replaced by a carton stamp inscribed "200 cigarettes" (see illustration, page 54). These carton stamps were printed in sheets of 50 (5 x 10) that were straight edged on all sides. Thus, only 24 stamps per sheet had perforations on all four sides. As to the quantities of these stamps actually used, the Tax Commission reports reflect that in October, 1941, when the ruling was implemented, non-revenue stamps sufficient for 32,370 packs were issued for that month. This figure is of particular interest when compared with the statistics of a mere ten months later which show a ten fold increase, with 303,440 being issued for August, 1942. The reason(s) behind this sudden influx of tax exempt cigarettes is open to conjecture. What is known is that after being in use for less than two years, they were discontinued as of June 1, 1943.

References.

- Hermann, C., State tax notes. Weekly Philatelic Gossip, March, 1942, p. 64.
- Matesen, M., Bee buzz in Utah. State Revenue Newsletter, Nov. 1969, pp. 82-83.
- Matesen, M., Utah cigarette history notes. State Revenue Newsletter, Sept., 1973, pp. 63-66.
- Utah Tax Commission, Biennial Report, 1941-1942, p. 66; 1943-1944, pp. 63-64.

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