Fun Tax Facts

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Fun Tax Facts

By: Sheetal Partani, EA, MST

Hat tax

Beginning in 1784, the British government levied a tax on men’s hats. The rationale behind the tax was that the number of hats owned would be relative to the owner’s wealth and that if you are poor, you would own fewer hats or perhaps no hat. In addition to the number of hats, wealthy people would more likely own more expensive hats.

This tax was partially funded through a mandatory retailers’ license costing £2 in London and five shillings elsewhere.\(^1\) The tax paid by the purchaser was dependent on the cost of the hat; the greater the cost of the hat, the higher the tax. Men’s hats were required to have a revenue stamp located inside the lining of the hat to demonstrate that the tax had been paid. Hefty fines could be levied for those who failed to pay the hat tax\(^2\) and the death penalty could be imposed on the owners of the hats if they used fabricated revenue stamps. This tax was repealed in 1811.

Shoe toll

In 1901 in Curaçao, The Queen Emma Bridge\(^3\) was built to connect two parts of the city of Willemstad. The government decided to charge a toll, but only for those wearing shoes at the time of crossing the bridge: two cents per person for those wearing shoes and no toll for those crossing barefoot. The idea behind the tax was to target people who owned luxury goods (shoes) and to create a progressive tax. However, this attempt to target the rich backfired. To avoid the tax, some people who owned shoes started crossing the bridge barefoot. However, the poor were at times too proud to admit that they could not afford the toll and often borrowed shoes to cross the bridge. The tax was ultimately repealed.

Other interesting tax facts

- The Rolling Stones, Rod Stewart, and David Bowie chose to go into exile rather than pay the United Kingdom 95 percent of their earnings in tax during the 1960s and 1970s.\(^4\)

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In the United States, March 1 was initially the deadline for paying income taxes. In 1919 the date was moved to March 15 and in 1955 the date was moved again to the current date of April 15. The reason behind these changes was likely that the government needed more time to process the tax returns as the number of tax filers increased during this time period.

Joseph Nunan, who was the IRS Commissioner from 1944 to 1947, was sent to prison for tax evasion in 1954. Nunan was arrested for evading over $90,000 in taxes and failing to report $1,800 of winnings from a wager that Harry Truman would win against Thomas Dewey in the 1948 presidential election.

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