

# The Contemporary Tax Journal

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Volume 12  
Issue 1 *The Contemporary Tax Journal Volume  
12, No. 1 – Spring 2023*

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Article 4

5-9-2023

## Fun Tax Facts

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### Recommended Citation

Khandelwal, Rachana (2023) "Fun Tax Facts," *The Contemporary Tax Journal*: Vol. 12 : Iss. 1 , Article 4.  
<https://doi.org/10.31979/2381-3679.2023.120104> <https://scholarworks.sjsu.edu/sjsumstjournal/vol12/iss1/4>

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## Fun Tax Facts

By: Rachana Khandelwal, MST

### Long Faces Behind the Nobel Prize

Alfred Nobel, the notable Swedish scientist, left behind a handwritten will which stated his desire to leave behind a legacy. Nobel was Swedish by birth, died in Italy, but having spent most of his time in France left most of his movable assets in a French bank, with the notable exception of his horses that he moved to Sweden shortly before his death.

It was important for the French courts to decide Nobel's tax residency to determine his tax liability and the legality of his will. As a man who detested lawyers and without immediate heirs, the validity of the self-written will was challenged by his extended family. The courts decided that Sweden was the legal domicile based on his stabled horses. This, in turn, meant that Swedish law applied to the execution of the will, leading to the creation of the Nobel Foundation.

Had there been no horses, the prestigious Nobel Prize wouldn't have materialized, so thank the horses!<sup>1</sup>

### Disappearing Ink Addressed by the U.S. Tax Court

Taxpayer Lou Ann Bassan of San Francisco filed a small case petition in U.S. Tax Court to dispute an IRS penalty. She mailed a \$60 check to the court for the petition filing fee. A few weeks later, the court returned the check because it turned out to be blank. The court notice stated the mail was “irradiated” which erased the ink on the check.

So how was the check irradiated? In 2001, following an anthrax (bio-terrorism) scare in mail sent to U.S. senators and news agencies, the U.S. Postal Service began irradiating all mail sent to government agencies in Washington D.C. which caused certain inks to vanish. Acknowledging the issue, the Tax Court waived Ms. Bassan’s petition filing fee.<sup>2</sup>

### A Buggy Tax

Amish communities in parts of Indiana pay a “buggy tax” as compensation for road damage caused by horse-drawn buggies which they primarily use for transportation. An \$80 tax per buggy (as of November 2022) is collected from each Amish family, per buggy. For a buggy sold in the middle of the year, the new owner pays the tax irrespective of any tax paid previously.

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1 Elin Hofverberg, Alfred Nobel’s Will: A Legal Document that Might Have Changed the World and a Man’s Legacy, Library of Congress, Dec. 7, 2015; available at <https://blogs.loc.gov/law/2015/12/alfred-nobels-will-a-legal-document-that-might-have-changed-the-world-and-a-mans-legacy/>.

2 Kelly Phillips Erb, The Case of Disappearing Ink—A US Tax Court Mystery, Oct. 1, 2022; available at <https://news.bloombergtax.com/tax-insights-and-commentary/the-case-of-the-disappearing-ink-a-us-tax-court-mystery>.

This is similar to a “wheel tax” paid at vehicle registration in many cities and counties across the U.S.<sup>3</sup>

### **The Emperor’s New Tax**

On September 17, 1859, Joshua Abraham Norton declared himself to be “Norton I., Emperor of the United States”. Shortly thereafter, he also declared himself to be the “Protector of Mexico”. He was a bankrupt businessman from San Francisco whose eccentricities and antics as the self-proclaimed “Emperor” endeared him to the local populace. His fame rose, and merchants used it to sell souvenirs and keepsakes in his name. In turn, to meet his living expenses, Norton collected an “Imperial tax” which the people of San Francisco happily paid.<sup>4</sup>

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3 Krystal Shetler, “Amish, counties come to agreement on a 'buggy tax',” Times-Mail, Sept. 21, 2020 available at <https://www.tmnews.com/story/news/2020/09/21/amish-counties-come-to-agreement-on-a-buggy-tax/115979680/>.

4 Dieter Martin, Emperor Norton I: the rise of a San Francisco cultural icon 1859-1880, Western Washington University, 2009; available at <https://cedar.wvu.edu/cgi/viewcontent.cgi?referer=&httpsredir=1&article=1020&context=wwuet>.