

INCOME TAX RATIFIED BY DELAWARE'S VOTE

Similar Action by Wyoming and
New Mexico Gives Two Over
the Majority Needed.

CONGRESS NOW FREE TO ACT

President Will Issue Proclamation
Adding New Amendment to Constitu-
tion—Result of Four Years' Effort.

Special to The New York Times.

WASHINGTON, Feb. 3.—The first change in the Federal Constitution in forty-three years was made certain to-day through the ratification of the income tax amendment by the Legislatures of Delaware, Wyoming, and New Mexico. This will be known as the Sixteenth Amendment. Its text reads:

Article 16. The Congress shall have power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration.

The assent of three-fourths of the States was necessary to the adoption of the amendment. Up to to-day thirty-five States, or one less than the required three-fourths, had ratified the proposed Constitutional change. With Delaware, Wyoming, and New Mexico recorded in the affirmative, the ratification has been accomplished with two votes to spare, and it is expected that New Jersey will fall into line before the amendment is proclaimed. When the Secretary of State of the United States has been notified by the governments of Delaware or Wyoming, or both, the President will issue a proclamation, setting forth that the Sixteenth Amendment has been added to the Federal Constitution.

The last previous amendment, the Fifteenth, which prohibited restriction of the voting franchise on account of race, color or previous condition of servitude, was proposed to the States by Congress on Feb. 27, 1869. It was proclaimed a part of the Federal Constitution on March 30, 1870, having been ratified by twenty-nine of the thirty-seven States.

Tax Rate Undecided.

A Washington dispatch printed in THE NEW YORK TIMES to-day told of the preparations of the Ways and Means Committee to draft an income tax bill. Nothing has occurred to change the prospect of such legislation. But until all the tariff schedules have been revised, and estimates obtained from experts as to how much revenue will be derived under them, the rate to be levied on incomes and the individual incomes that will be exempt cannot be determined.

If the Democratic members of the Committee should ascertain that \$100,000,000 would be required from sources of direct taxation to make up that amount of loss in revenue through tariff reductions, the amount could be obtained, according to estimates in the committee's possession, by re-enacting the present corporation tax and imposing a new levy of one per cent. on individual incomes of more than \$5,000. The corporation tax is bringing an annual revenue of approximately \$30,000,000 and an income tax of one per cent, with the \$5,000 limit, would, it is estimated, bring \$70,000,000 additional.

It is not likely that the Ways and Means Committee will propose an income tax of more than one per cent. Should a larger revenue than \$100,000,000 be required, it will probably be raised by increasing the corporation tax.

The Income Tax bill of 1893, which was declared unconstitutional by the United States Supreme Court, provided in its original form for taxing all incomes over \$5,000 a year. Congressmen were then receiving an annual salary of \$5,000 and objection was made to the \$5,000 exemption that it carried the inference that Senators and Representatives had provided for the exemption of their official salaries. This criticism caused the Democratic managers in Congress to reduce the exemption to \$4,000. A Senator or a Representative now receives a salary of \$7,500, so that, with the \$5,000 exemption contemplated, he would be taxed on \$2,500 of his official income.

In a statement to-night Representative Hull said he favored making the new tax an integral part of the financial system of the United States to remain in full force without regard to the character of tariff bills that Congress may enact from time to time

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