

# Estimation of Income Tax Revenue and Incidence

BY CLIFFORD G. HILDRETH

AGRICULTURAL EXPERIMENT STATION  
IOWA STATE COLLEGE OF AGRICULTURE  
AND MECHANIC ARTS

AGRICULTURAL ECONOMICS SUBSECTION  
RURAL SOCIAL SCIENCE SECTION



RESEARCH BULLETIN 300  
APRIL, 1942  
AMES, IOWA



April, 1942

Research Bulletin 300

# Estimation of Income Tax Revenue and Incidence

By CLIFFORD G. HILDRETH

AGRICULTURAL EXPERIMENT STATION  
IOWA STATE COLLEGE OF AGRICULTURE  
AND MECHANIC ARTS

AGRICULTURAL ECONOMICS SUBSECTION  
RURAL SOCIAL SCIENCE SECTION

AMES, IOWA

## CONTENTS

	Page
Summary .....	779
Introduction .....	783
I. Description of the method.....	783
Understatement .....	789
Imputed incomes .....	793
Deductions .....	797
Earned income credit.....	797
Exemptions .....	801
Results .....	803
II. Examination of the method.....	809
Inflating the 1935-36 distribution.....	809
Averaging .....	812
Nonreporting .....	813
Loss of surtax associated with high normal tax rates....	814
III. Historical test of the method.....	819
Normal tax revenue for 1934.....	819
Normal tax revenue for 1935.....	820
Normal tax revenue for 1936.....	820
Normal tax revenue for 1937.....	821
Normal tax revenue for 1938.....	821
Normal tax revenue for 1939.....	822