

Synopsis

Using the Documents of Commerce to Fund the Civil War

1862 - 1872

Treatment

The **scope** of this **Revenue Fiscal History** exhibit includes the documentary taxes, or **schedule B**, of the Revenue Act of 1862, from **October 1, 1862 until June 30, 1872**. Thus, the vast majority are **First Issue revenue stamped documents** that show intended tax usage on each stamp. **Also included are some generic (no intended usage) Second and Third issue revenue stamps on documents that were required for just 9 months.** In addition, examples of **Revenue Stamped Paper** are also included. They were authorized by the Revenue Act of 1862 but were not released until mid-1865. Proprietary items taxed in Schedule C such as medicines, playing cards and matches are excluded as these constitute a different field of study.

The twenty-six major tax categories or usages included in this exhibit are as follows:

Agreement, Bank Check, Bill of Lading, Bill of Sale of Ship, Bond Surety, Bond Other, Certificate, Charter Party, Contract, Conveyance, Entry of Goods, Express, Foreign Exchange, Inland Exchange, Insurance, Lease, Life Insurance, Manifest, Mortgage, Original Process, Power of Attorney, Probate of Will, Protest, Receipt, Telegraph and Warehouse Receipt. **The organization is predicated by the definitions in the Revenue Act of 1862 and its subsequent amendments. The government statutes and schedules, along with privately printed broadsides such as the ones on the title page, all listed the usages in alphabetical order, thus this exhibit follows their lead.**

Balance may appear uneven as there can be multiple items shown for a document type.

Some categories had only one rate for one specific transaction that did not change during the entire period. Other categories had up to seventeen different rates or a variety of classes of documents that fit into the document type. This exhibit may show more than one example of a particular tax rate if the example adds to the variations that can occur or shows an important historical aspect.

Completeness - Thirty major document types were taxed. This exhibit shows all but four of these categories. Those are: Gauger's Return (1 recorded), Lottery Ticket (none recorded), Measurer's Return (four recorded) and Passage Ticket (8 recorded). Within some categories, there are tax rates with no examples recorded and rates with 1-5 recorded. Some of these have not been on the market in many years and therefore, they are not shown at this time. See Mahler, c: 1999.

Importance, Knowledge & Study

The **importance** of the tax act, and the stamps that were issued (almost 1.5 Billion), can be seen by the impact this tax burden had on businesses and the public. Everyone was affected by the tax to fund the war effort and pay down the resulting debt, even as they endured the hardships of a nation at war.

Philatelically, this exhibit documents the first national use of adhesive revenue stamps and represents the different document types and detailed tax rates over the entire ten year period.

The **Study and Research** of Revenue-Stamped Documents of the Civil War was greatly advanced by the extensive efforts and publishing of a rate book in 1988 and a catalog in 1999 by Michael Mahler.

Personal Study was required to **analyze and evaluate** each document in this exhibit and to **interpret the transaction taking place and explain the tax.** Information pertinent to an important person or place of historical importance or an important document fact is shown via a double red line box.

Condition, Rarity

Condition of some documents can be very fragile as many have been folded in archives for over 150 years. Others were stored carelessly and show wear and damage. Stamps, because of the pressure to produce them quickly, were frequently released in poor quality. The stamp's condition is secondary to the document type and tax rate being demonstrated. Overall, the condition is the best available to this exhibitor.

The **challenge** in Fiscal History is to find documents in relatively good condition that show the varied tax rates and have the appropriate text and stamps on the page being presented. **Obligatory and Early Matching uses are prized by collectors due to their relatively short history.** Many transactions were complex and multiple taxes could apply. The **difficulty of acquisition** would preclude anyone from being able to develop even a fraction of the exhibit material today without considerable time and effort. **The rarity of particular items noted in the descriptions are based on Mike Mahler's 1999 book and continuing research as regards to population. This data is italicized.**

Presentation

Each frame consists of 8.5"x11" and 11" x 17" pages plus 1 board for the Insurance tax rate.

- Major Tax types are identified by a rectangular box (Left with black text and light blue background) which introduces and describes the tax and a rate table which shows tax rates throughout the cycle. If a document appears on that page, the tax calculation appears in black text within a box on the right. Penalties for avoiding the taxes are also noted.
- Continuing rate examples will have the tax type (left) italicized and gray text above a black line and the rate will be on the right side, also gray, above the line to allow a quick tax computation without referring to the rate tables.
- Sub-headings with gray text are also above a black line will show different tax sub-categories within a specific tax, if applicable. This is utilized for Certificates and Power of Attorney taxes. At the top of each page, a chapter heading or sub-heading will be continued or a new one presented so the flow can easily be determined.
- Some documents may be presented folded to show payment of the tax. Scans of other pages or reverse of a document to show dates, amounts or other information may be used. Each document description will show the **transaction date first** to allow the viewer to track the amendments being taxed which is shown second followed by the transaction description.

This exhibit retains the alphabetical tax sequence as the government intended instead of trying to shoehorn rates into buckets such as personal property or transportation. According to Michael Morrissey: "THERE IS NO GOOD WAY TO DO THIS AS THERE ARE TOO MANY INTERSECTING AND OVERLAPPING CATEGORIES." The result is that you have to "hide" items that do not easily fit into a specific category. Receipts which can cover several general categories including anything where money changes hand or property was delivered. Mr. Mahler scored 97 points at Stamp Show 2016 with the same format for a similar Civil War Era Revenue Fiscal History exhibit.

Revenue stamps of each specific tax usage were to be used exclusively on its matching document type per the law effective October 1, 1862. This began the **Obligatory Matching Use (OMU)** period. However stamp production could not meet the demand, so on December 25, 1862 that requirement was rescinded by Congress, allowing any documentary stamp to be used as long as the correct tax was paid. These **Early Matching Use (EMU)** period documents, pairing document type with stamp type even though not required, are highly prized through approximately mid-year, 1863. **Nominally Illegal Use** and **Postage Used as Revenue** were inappropriate or illegal and, while usually still paying the rate, are very uncommon, especially on documents other than checks and receipts. These are noted with italicized text. Incorrect payments also use italicized text. Double red borders indicate important historical information or rare attributes of the document.

Highlights of the Exhibit

Because of their short period of use, **OMU & EMU** documents are all be highlighted. They are noted with the following graphics:



Some documents have rarer stamps but as the focus is on the document type and tax, they are not necessarily called out but add to the overall impression of the exhibit. **Rare usages such as the Certificate of Damage (6 known), Charter Party (less than 10 known), Warehouse Receipt (less than 10 EMUs), the Letters of Administration EMU (less than 5 known), Bond and Bill of Lading EMUs (less than 7 known), Sale of Ship (7 recorded for the 1863 rates), Original Process Judgement Note (fewer than 10 Recorded) among others show the difficulty in developing an exhibit such as this.** The condition on many items is exceptional for their relative age.

References

- A Catalog of United States Revenue-Stamped Documents of the Civil War Era by Type and Tax Rate", c: 1999 by Michael Mahler
- "United States Civil War Revenue Stamp Taxes", c: 1988 by Michael Mahler
- <http://www.robinsonlibrary.com/social/publicfinance/revenue/incometax/1862.htm>
- "The Boston Revenue Book", c: 1899 by the Boston Philatelic Society. Quaterman Publications Inc.
- "Exhibiting Fiscal History circa 2016", <https://storage.googleapis.com/wzukusers/user-12912141/documents/56f9f2017993c2L8hoGq/Quest.pdf>

Special Note: The first contribution in 1988 by Mr. Mahler assembled all the statutes and rulings necessary to understand the complex tax rates and how they were interpreted. **His later catalog in 1999 greatly enhanced the field of Revenue Fiscal History study by illustrating and explaining the material and making a first attempt at setting rarity and values for the documents.** It is the most important resource on the subject and was the foundation for this exhibit. The difficulty of exhibiting in this category would be almost impossible without his thorough research.