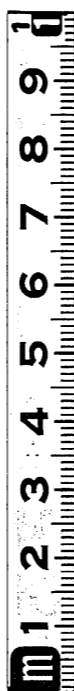


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18-22



from the author

~~London~~ ~~1799~~

ESTIMATE
 OF
 THE PRODUCE
 OF THE
 TAX UPON INCOME;
 WITH
 A FEW OBSERVATIONS
 ON THE
 IMPOLICY OF THE MEASURE.

22

LONDON:

PRINTED BY JOHN LAMBERT.

1799.

ESTIMATE
OF
THE PRODUCE
OF THE
TAX UPON INCOME.

THE public have hitherto entertained very extravagant opinions of the amount of the Tax upon Income. To establish a criterion, by which a tolerable estimate can be formed of its produce, is, perhaps, more difficult in appearance than in reality. We have the triple assessment of last year for our guide, which Lord Auckland, and Mr. Rose, both assert (somewhat speciously), was completely successful*, after assuming the collateral aid of the Voluntary Contributions, and the Tax upon Exports and Imports.

Mr. Rose asserts that Mr. Pitt's estimate of the produce of the Income Tax is too low, we differ with both; but more from Mr. Rose than Mr. Pitt.

The Commissioners of the Tax Office are able guides to lead us through the labyrinth of calculation. They have classed the whole

* Mr. Pitt took the Tax, in his speech for raising the supplies, at 7 millions; it produced about 4 millions. Vide Debrett's Parliamentary Debates, vol. 4, page 277.

inhabitants of England and Wales according to the number of their windows, and their annual contributions by way of Assessed Taxes. In forming any correct statement of the aggregate amount of a direct Tax upon the public, we must take an average, to be collected from each class of the community; if we are minute and descend to particulars, we shall always be deceived. The higher orders and the rich men are known, and comparatively few, but the poor, and the middle orders, are innumerable. It is to the multitude that the financier should look for efficient sources of revenue; and we will venture to assert, that the Tax upon Salt, of last year, will be more productive, than any the Minister has imposed during the present war.

It will be found in the subsequent pages that the number of Taxable Houses in England and Wales, is 791,802. That the number exempted from the Triple Assessment, amounts to 417,619; and that, therefore, 374,183 housekeepers only, were contributors thereto.

We have given in the first place an estimate formed last year of the produce of the Triple Assessment; as it was tolerably correct, it is made the basis of the present calculation. It will scarcely be credited, that in a population of near * nine millions, in England and Wales, 25,251 persons, paid upwards of two-thirds of the whole assessment.

We shall subjoin a copy of Mr. Pitt's estimate of the wealth of the country, on which he builds his Income Tax, at 10 millions; it is taken in the gross. The minor critics, like ourselves, must descend to practical details.

* According to Sir Frederick Eden's State of the Poor, Vol. III. Appendix ccclii. the number of exempted houses is 943,247

which added to 721,000 chargeable houses.

Form a total of 1,664,247.

This number multiplied by 5³. Mr. Howlett's proportion of persons to a house gives a population of 8,986,933.

This estimate is taken from Chalmers, page 195, it is less than the real number by 50,802. See account from the Tax Office, page

ESTIMATED

ESTIMATED PRODUCE of the TRIPLE ASSESSMENT.—1798.

791,802	Persons paying Assessed Taxes.		
417,619	Persons paying Taxes under £. 1, exempted Triple Assessment.		
374,183	Persons who paid the whole of the Triple Assessment		
117,513	Persons paying £. 1. and under £. 2. assessed $\frac{1}{4}$ amount in addition	Old Ass. Taxes. 176,359	Triple Ass. 44,089
256,610	Persons paying £. 2. and under £. 3, $\frac{1}{2}$ amount in addition	218,977	109,488
185,019	Persons paying £. 3. and under £. 5, $\frac{1}{2}$ additional	301,344	226,008
109,683	Persons paying £. 5. and under £. 8. equal to the Amount thereof	313,222	313,222
61,495	Persons paying £. 8. and under £. 10. $\frac{1}{2}$ the amount thereof	139,878	209,817
45,953	Persons paying £. 10. and under £. 12. 10s. twice the amount thereof	142,998	286,996
33,242	Persons paying £. 12. 10s. and under £. 15. 2 $\frac{1}{2}$ the amount thereof	109,376	273,440
25,251	Persons paying £. 15. and under £. 20. 3 times the amount thereof	147,420	442,260
16,827			7,628

(6)

	Old Ass. Taxes.	Triple Ass.
16,827		
7,628 Persons paying £. 20. and under £. 30. 3 $\frac{1}{2}$ times the amount thereof	190,625	667,187
9,199		
4,245 Persons paying £. 30. and under £. 40. 4 times the amount thereof	148,575	594,300
4,954		
1,913 Persons paying £. 40. and under £. 50. 4 $\frac{1}{2}$ times the amount thereof	86,085	387,382
3,041		
1,006 Persons paying £. 50. and under £. 60. 5 times the amount thereof	55,330	276,650
2,035		
704 Persons paying 60l. and under 70l. the same	51,760	258,800
1,331		
382 Persons paying 70l. and under 80l. the same	28,640	143,200
949		
268 Persons paying 80l. and under 90l. the same	22,780	113,900
681		
193 Persons paying 90l. and under 100l. the same	18,335	91,675
488		
318 Persons paying 100l. and under 150l. the same	39,750	198,750
170		
111 Persons paying 150l. and under 200l. the same	19,425	97,125
59		
38 Persons paying 200l. and under 250l. the same	8,550	42,750
21		
13 Persons paying 250l. and under 300l. the same	3,565	17,825
8		
	2 Persons	

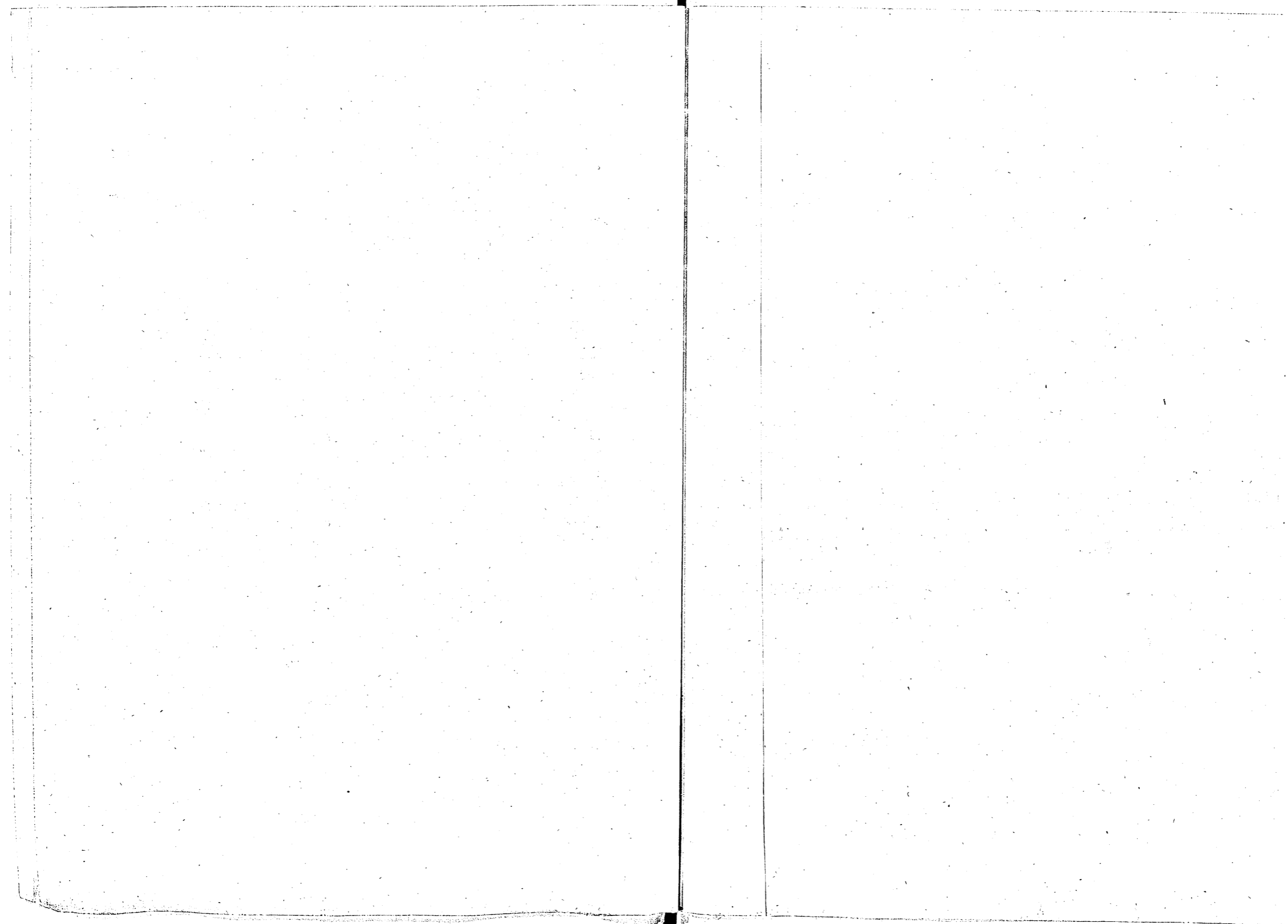
(7)

	Old Ass. Taxes.	Triple Ass.
8		
2 Persons paying 300l. and under 350l. the same	650	3,250
6		
4 Persons paying 350l. and under 400l. the same	1,500	7,500
2 Persons paying 400l. and upwards, the same	820	4,100
	* 2,205,964	
	Total Triple Assessment	4,808,714

The preceding estimate of the produce of the Triple Assessment, last year, amounting to, £.4,808,714, was beyond the truth. After the bill went into a committee, it underwent a variety of modifications, which we have in part adopted; but we made no allowance for the exemptions and abatements, which were considerable; including persons letting lodgings, and having shops and warehouses attached to the dwelling-house. Inn-keepers, academies, and persons having children; and likewise to persons exercising the medical profession. Had we made a proportionate deduction, according to the provisions in the bill, the estimate would have been nearly correct.

* Net produce of the Assessed Taxes for one year, ending 5th April, 1797, £. 1,905,809 11. 9 $\frac{1}{2}$ /. See account laid before Parliament, 17th November, 1797.

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To the Honourable the Knights, Citizens, and Burgeffes, in Parliament assembled.

AN ACCOUNT of the Number of PERSONS who pay ASSESSED TAXES ; distinguishing the fame into Claffes, according to the Amount, from Six Shillings to and upwards, Annually.

Under 6s.	6s. and under 10s.	10s. and under 15s.	15s. and under £. 1.	£. 1. and under £. 1. 5s.	£. 1. 5s. and under £. 1. 10s.	£. 1. 10s. and under £. 1. 15s.	£. 1. 15s. and under £. 2.	£. 2. and under £. 2. 5s.	£. 2. 5s. and under £. 2. 10s.	£. 2. 10s. and under £. 2. 15s.	£. 2. 15s. and under £. 3.	£. 3. and under £. 3. 10s.	£. 3. 10s. and under £. 4.	£. 4. and under £. 4. 10s.	£. 4. 10s. and under £. 5.	£. 5. and under £. 6.	£. 6. and under £. 7.
190,122	129,563	57,716	40,218	33,055	32,064	28,283	24,171	22,060	17,451	16,517	15,563	25,846	18,856	16,753	13,881	22,220	15,468

£. 10. and under £. 12. 10s.	£. 12. 10s. and under £. 15.	£. 15. and under £. 17. 10s.	£. 17. 10s. and under £. 20.	£. 20. and under £. 25.	£. 25. and under £. 30.	£. 30. and under £. 35.	£. 35. and under £. 40.	£. 40. and under £. 45.	£. 45. and under £. 50.	£. 50. and under £. 60.	£. 60. and under £. 70.	£. 70. and under £. 80.	£. 80. and under £. 90.	£. 90. and under £. 100.	£. 100. and under £. 150.	£. 150. and under £. 200.	£. 200. and under £. 250.	£. 250. and under £. 300.
12,711	7,991	5,035	3,389	4,211	3,417	2,544	1,701	1,106	807	1,006	704	382	268	193	318	111	38	13

Total Number of Persons paying Assessed Taxes

Office for Taxes,
28th November, 1797.

J. Hunter.

To the Honourable the Knights, Citizens, and Burgeſſes, in Parliament aſſembled.

Number of PERSONS who pay ASSESSED TAXES ; diſtinguiſhing the ſame into Claſſes, according to the Amount, from Six Shillings to Four Hundred Pounds and upwards, Annually.

under 1s.	£. 1. and under 1s. 5s.	£. 1. 5s. and under 1s. 10s.	£. 1. 10s. and under 1s. 15s.	£. 1. 15s. and under 2s.	£. 2. and under 2s. 5s.	£. 2. 5s. and under 2s. 10s.	£. 2. 10s. and under 2s. 15s.	£. 2. 15s. and under 3s.	£. 3. and under 3s. 10s.	£. 3. 10s. and under 4s.	£. 4. and under 4s. 10s.	£. 4. 10s. and under 5s.	£. 5. and under 6s.	£. 6. and under 7s.	£. 7. and under 8s.	£. 8. and under 9s.	£. 9. and under 10s.
218	33,055	32,064	28,283	24,171	22,060	17,451	16,517	15,563	25,846	18,856	16753	13,881	22,220	15,468	10,500	8,164	7,378

£. 20. and under 25s.	£. 25. and under 30s.	£. 30. and under 35s.	£. 35. and under 40s.	£. 40. and under 45s.	£. 45. and under 50s.	£. 50. and under 60s.	£. 60. and under 70s.	£. 70. and under 80s.	£. 80. and under 90s.	£. 90. and under 100s.	£. 100. and under 150s.	£. 150. and under 200s.	£. 200. and under 250s.	£. 250. and under 300s.	£. 300. and under 350s.	£. 350. and under 400s.	£. 400. and upwards.
4,211	3,417	2,544	1,701	1,106	807	1,006	704	382	268	193	318	111	38	13	2	4	2

Total Number of Perfons paying Aſſeſſed Taxes — — 791,802

J. Hunter.

CHAS. DERING.
BARNE BARNE.
EDWD. MEDOWS.
H. HAYES.

Computation of the Income of Great-Britain, as stated by Mr. Pitt, distinguishing the part Taxable under the Act.

	Annual Income.	Deductions for part under £.60, which will pay nothing; and part under £.200, which will pay, on an average, $\frac{1}{3}$.	Taxable Income.
<i>Landlords Rents</i> 40,000,000 cultivated acres, estimated } at 12s. 6d. per acre - - - - -	25,000,000	$\frac{1}{3}$ 5,000,000	20,000,000
<i>Tenant's Profits</i> , at $\frac{1}{3}$ - - - - -	19,000,000	$\frac{2}{3}$ 13,000,000	6,000,000
<i>Tythes</i> - - - - -	5,000,000	$\frac{1}{3}$ 1,000,000	4,000,000
Mines, navigation, and timber - - - - -	3,000,000	- - - - -	3,000,000
Houses - - - - -	6,000,000	$\frac{1}{3}$ 1,000,000	5,000,000
Professions - - - - -	2,000,000	- - - - -	2,000,000
Proportion for Scotland - - - - -	5,000,000	- - - - -	5,000,000
Income from possessions beyond sea - - - - -	5,000,000	- - - - -	5,000,000
Interest on Funds, after deducting foreign property, and } sums issued to Commissioners, as Sinking Fund, and In- } terest of capital redeemed - - - - -	15,000,000	$\frac{1}{3}$ 3,000,000	12,000,000
Profit on Foreign Trade, suppose £.15 per cent. on } £.80,000,000 capital insured - - - - -	12,000,000	- - - - -	12,000,000
Ditto, Home Trade, at £.15 per cent - - - - -	18,000,000	- - - - -	28,000,000
Other Trade - - - - -	10,000,000	- - - - -	
	£.125,000,000	23,000,000	102,000,000
	£.10 per cent.		10,000,000

ESTIMATED PRODUCE of the TAX upon INCOME.--1799.

374,183	PERSONS paid Triple Assessment, 1798.	
264,500	Persons pay Assessed Taxes from 11. and under 51. in the whole, which includes a great proportion of small farmers who pay nothing, low annuitants, petty shop-keepers, &c. all on an average from 60l. to 100l. <i>per annum</i> , and will pay on the average about 11. 10l. each	Total 396,750
<hr/>		
109,683		
63,730	Persons pay Assessed Taxes from 51. and under 101. in the whole, average Income <i>per annum</i> , 175l. they will pay about 10l. each	637,300
<hr/>		
45,953		
20,702	Persons pay Assessed Taxes from 101. and under 151. in the whole, Average Income, <i>per annum</i> 400l. which will produce	828,120
<hr/>		
25,251		
8,424	Persons pay Assessed Taxes from 151. and under 201. in the whole, Average Income <i>per annum</i> 1000l. which will produce	842,400
<hr/>		
16,827		
4,211	Persons pay Assessed Taxes, from 201. and under 251. in the whole, Average Income <i>per annum</i> 1,500l. which will produce	631,650
<hr/>		
12,616		
3,417	Persons pay Assessed Taxes from 251. and under 301. in the whole, Average Income <i>per annum</i> , 1750l. which will produce	605,475
<hr/>		
9,199		
	C	2,544

9,199		
2,544	Persons pay Assessed Taxes from 301. and under 351. Average Income <i>per annum</i> 2,000l. which will produce	508,800
<hr/>		
6,655		
1,701	Persons pay Assessed Taxes from 351. and under 401. Average Income <i>per annum</i> 2,250l. which will produce	383,700
<hr/>		
4,954		
1,106	Persons pay Assessed Taxes from 401. and under 451. Average Income <i>per annum</i> 2,500l. which will produce	276,500
<hr/>		
3,848		
807	Persons pay Assessed Taxes from 451. and under 501. Average Income <i>per annum</i> 2,750l. which will produce	221,925
<hr/>		
3,041		
1,006	Persons pay Assessed Taxes from 501. and under 601. Average Income <i>per annum</i> 3,000l. which will produce	301,800
<hr/>		
2,035		
704	Persons pay Assessed Taxes from 601. and under 701. Average Income, <i>per annum</i> 4,000l. which will produce	281,600
<hr/>		
1,331		
382	Persons pay Assessed Taxes from 701. and under 801. Average Income <i>per annum</i> 5,000l. which will produce	191,000
<hr/>		
949		
268	Persons pay Assessed Taxes from 801. and under 901. Average Income <i>per annum</i> 6,000l. which will produce	160,800
<hr/>		
681		
193	Persons pay Assessed Taxes from 901. and under 1001. Average Income <i>per annum</i> 7,000l. which will produce	134,100
<hr/>		
488		
		318 Persons

488	318 Persons pay Assessed Taxes from 100l. and under 150l. Average Income <i>per annum</i> 8,000l. which will produce	254,400
170	111 Persons pay Assessed Taxes from 150l. and under 200l. Average Income <i>per annum</i> 10,000l. which will produce	111,000
59	38 Persons pay Assessed Taxes from 200l. and under 250l. Average Income <i>per annum</i> 15,000l. which will produce	57,000
21	13 Persons pay Assessed Taxes from 250l. and under 300l. Average Income <i>per annum</i> 20,000l. which will produce	26,000
8	2 Persons pay Assessed Taxes, from 300l. and under 350l. Average Income <i>per annum</i> 25,000l. which will produce	5,000
6	4 Persons pay Assessed Taxes from 350l. and under 400l. Average Income <i>per annum</i> 30,000l. which will produce	12,000
	2 Persons pay Assessed Taxes 400l. and upwards, Average Income <i>per annum</i> 100,000l. which will produce	20,000
		<hr/> 6,887,320
	Add for persons who do not pay Assessed Taxes, Mifers, Minors, &c. &c. Suppose they possess 2,000,000 <i>per</i> <i>annum</i>	200,000
	Scotland is estimated by Mr. Pitt to produce 500,000l. it will not yield so much in direct contribution, without including persons who pay in England, say	300,000
		<hr/> 7,387,320
	Deduct for Children, Insurance on Lives, Discount on Prompt Payment, Expences of Collecting, Bankruptcies and Deaths, 15 <i>per cent</i>	1,108,098
	Nett Produce of the Tax	<hr/> 6,279,222

It will be seen by comparing the estimated produce of the triple assessment, with the estimated produce of the Tax upon Income, that the receipt from the latter invariably exceeds the former.—In the first classes, however, but in a small degree, but most in the middle class, where the income is averaged from 400 to 2000l. per annum; then it is nearly double; but it comes nearer to the triple assessment as it approaches and reaches the higher classes; perhaps on the principle that they paid a quintuple assessment. Many persons last year delivered in their incomes upon oath, where that has been the case the contribution this year will be the same, which is a strong presumption that this estimate is over-rated; for in order to make the tax efficient according to the Minister's calculation, every person who paid the triple assessment, must pay $2\frac{1}{2}$ times as much this year.

It might have afforded the Minister some light on the subject, if he had taken pains to look into the private expenditure of the country. A very superficial observer can see, that luxury and extravagance has made such strides amongst us, that almost every person lives up to the extent of his income. What is hoarded by the miser, is dissipated by the profligate and thoughtless. It was urged by the Minister as a strong argument for abandoning the triple assessment, and adopting the present measure, that the miser escaped the tax altogether; the object thus obtained, of forcing from the pocket of the fastidious, in a national point of view, is nothing (perhaps 100,000l.) when compared to the establishment of a system of inquisition * into the private concerns of a commercial people! This country stands unrivalled amongst the nations of the earth, for the extent of its individual credit, but credit is of frail materials, if touched with a rude hand it will fly in a thousand pieces, and be irrecoverably destroyed! We have somewhere seen an estimate of the expence of each individual in this country, at eight pounds each: Supposing the population 9 millions, it would make the whole expenditure 72 millions; allowing as income what is deducted for children, for poors-rates, and the ~~triple~~ ^{triple} assessment, about $5\frac{1}{2}$ millions together, it would make the nett taxable

* In all countries a severe inquisition into the circumstances of private persons has been carefully avoided. *Smith's Wealth of Nations*, Vol. iii. p. 298.—See chap. ii. and iii. on *Arbitrary Taxes*.

income 66 $\frac{1}{2}$ millions; somewhat more than our estimate of the nett produce of the tax. Should such be the return of income, it will no longer be a doubt that we are engaged in an *arduous contest*, since our public expenditure in one year (1796) *, was nearly equal to the whole income of the people (though, it must be remembered that it was the æra of a general election.)

WE do not think it necessary to make any specific estimate for those persons who derive their incomes from possessions beyond sea; as it is presumed their contributions are included under the different classes of persons who pay assessed taxes. There are few inhabitants of this country whose hospitalities are upon a more splendid scale than the West-India proprietors; parsimony is not a vice which flourishes under a warm sun; they will therefore only feel the present tax in common with ourselves, and it does not extend to non-residents.

The wealth of the country in its industry is undoubtedly great, but the minister does not make sufficient allowance for the lower orders of the community. The collection from land will fail to a great extent on that account.

Two millions of income arising out of professions, principally the law, ought to be taken out of the estimate altogether: This is a direct charge

* Resolutions of the Committee of Ways and Means; for the Service of the Year 1796, viz.

1795, Nov. 10th.	Annual Grant of Land and Malt	—	—	2,750,000
	<i>Extraordinary Aids</i>			
Dec. 8,	For raising £18,000,000 by Annuities	—	—	18,000,000
1796, Feb. 11,	For raising £2,000,000, by Exchequer Bills	—	—	2,000,000
	For raising £1,500,000 by Ditto	—	—	1,500,000
Feb. 15,	For raising £2,500,000 by Ditto	—	—	2,500,000
April 19,	For raising £7,500,000 by Annuities	—	—	7,500,000
May 2,	For raising £780,000, by a Lottery	—	—	780,000
7,	For applying £3,500,000, out of Monies that shall arise of Surplus of Consolidated Fund	—	—	3,500,000
Oct.	* Navy and Exchequer Bills. funded	—	—	38,530,000
				13,737,022
				<u>£52,267,022</u>

* Earl of Lauderdale Thoughts on Finance, page 3.

upon

upon commerce and agriculture, and what is thus paid is deducted from annual profits. We have made a very liberal allowance for persons who are not housekeepers, and escape the assessed and other taxes altogether; and that we may not deceive ourselves, we have perhaps taken twice as much as it will yield.

It is not yet denied to the people of this country to comment on the measures of the Minister, and though some persons may hold an obscure individual presumptuous for opposing his opinions to the Chancellor of the Exchequer, we however conceive that we have duties to perform to our country as well as he, and though we exerted our feeble arm in vain to oppose this unequal tax in its progress, yet it might have been well for the happiness and prosperity of the country, if this impolitic and irritating tax had never passed into a law! What an exposure of weakness if it produces little more than the triple assessment! What want of wisdom in a Minister thus to goad a brave and generous nation!

London, May 10, 1799.

