

The connection

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1. **Some things never change.** Today, **April 15**, is Tax Day. From its beginnings the United States raised revenue. Whiskey and tobacco taxes provided much of the government's early revenue. But, financing the Revolutionary War was expensive and the United States struggled to raise funds from the thirteen states: *Resolved, That these United States be called on to pay in their respective quotas of fifteen millions of dollars in the year 1779, and of six millions of dollars annually for 18 years from and after the year 1779, as a fund for sinking the emissions and loans of these United States to the 31st day of December, 1778, inclusive.* (source: *Library of Congress*)
2. **What would he say today?** Homer S. Cummings, chairman of the Democratic National Committee during the **Woodrow Wilson** administration, counted the income tax among the most notable accomplishments of the Democratic Party. (source: *Library of Congress website*)
3. **PLAY BALL!** On **April 15**, 1947, Jackie Robinson put on his first Brooklyn Dodgers uniform (number 42) and broke the Major League Baseball "color line". Dodgers general manager Branch Rickey signed a contract with Robinson to play for the team on October 23, 1945. Robinson then spent a year on a minor league team to sharpen his skills. Rickey, who called the move baseball's "great experiment," chose Robinson because of his excellent athletic record and strength of character. The first player to "cross the color line" would have to be able to withstand intense public scrutiny and to avoid confrontation even when met with insults and hostility. (source: *Library of Congress website*)
4. **Pirates vs. the President? Walk softly and carry a big stick.** In May 1904, a naturalized American citizen named Ion Perdicaris was captured from his villa in Tangier by a Moroccan pirate named Ahmad Ibn Muhammad Raisuli who sought ransom and the release of his followers. As a show of strength, President Theodore Roosevelt sent an entire naval squadron to Tangier, demanding his release. The Republican's chant at their June 21st-23rd national convention in Chicago, which renominated President Theodore Roosevelt, was "Perdicaris alive or Raisuli dead." On June 25th, Moroccans paid a ransom of \$70,000 and numerous prisoners were exchanged for Perdicaris. It was not revealed until the 1930s that Ion Perdicaris had renounced his U.S. citizenship during the American Civil War to protect his South Carolina plantation from confiscation by the Confederate government. At the time of his kidnapping, he was actually a citizen of Greece, but the incident allowed the United States to flex its growing muscle on the world stage. www.historyforsale.com
5. **Too Old to Learn New Tricks?** On **April 15, 1955**, in the city of Des Plaines, Illinois, a great American institution began. And, like most successful American institutions it made no sense on paper. A year before, a hotshot entrepreneur, invested his entire life savings to become the exclusive distributor of a milk shake maker called the Multimixer. Hearing about a hamburger stand in California owned by two brothers that were running eight Multimixers at a time, he packed up his car and headed West. It was 1954 and he had never seen so many people served so quickly. Knowing that you probably could not start a nationwide chain of "French Fry Joints" he asked the owners if he could possibly franchise their fast food hamburger joint. The story goes that one owner asked the Multimixer distributor who they could get to open the stores and he suggested himself. The enterprising entrepreneur was convinced that he could sell 8 of his Multimixers to each store. It concept would be a completely illogical thing called a fast food restaurant. This hotshot kid was a 55-year-old guy named Ray Kroc; the owners Dick and Mac McDonald. (mcdonalds website)
6. **Tax & April 15th Trivia:**
 - The Gettysburg address is 269 words, the Declaration of Independence is 1,337 words, and the Holy Bible is only 773,000 words. However, the tax law has grown from 11,400 words in 1913, to **over 7 million words** today.
 - There are at least **480 different tax forms**, each with many pages of instructions. Even the easiest form, the 1040E has 33 pages in instructions, and all in fine print.
 - The IRS sends out 8 billion pages of forms/instructions each year. Laid end to end, they would stretch **28 times around the earth**.
 - Nearly **300,000 trees** are cut down yearly to produce the paper for all the IRS forms and instructions. The total number of computers thrown out the window, or kicked with a frustrated foot is unknown.
 - American taxpayers spend \$200 billion and 5.4 billion hours working to comply with federal taxes each year, more than it takes to produce every car, truck, and van in the United States. Taxes eat up **38.2% of the average family's income**; that's more than for food, clothing and shelter combined www.popculturemadness.com
 - **Divorce filings** usually begin to peak on and around April 16, since spouses then have access to a lot of financial information (you probably don't need to share that with the kids, but it's kind of interesting, isn't it?).
 - In 1894, President Cleveland tried to implement yearly taxes. The **Supreme Court denied** this and claimed it was unconstitutional.
 - The Articles of Confederation in 1781 **relied on states to donate money** as opposed to having taxes. Obviously, that didn't work.
 - The federal income tax was **authorized by the 16th Amendment** to the Constitution, ratified on Feb. 3, 1913. The amendment reads, "The Congress shall have the 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 17th Amendment, which established popular election of U.S. senators nationwide, was ratified on April 8, 1913. That made **1913 one of two years** in which more than one constitutional amendment took effect since the adoption in 1791 of the first 10 amendments, known as the Bill of Rights.

- The Continental Congress ratified **preliminary articles of peace** ending the Revolutionary War with Great Britain on **April 15, 1783**. International intrigue and intense negotiation preceded the formulation of these preliminary articles.

- 7. Death and Taxes.** Abraham Lincoln was assassinated on April 15, though it was completely unrelated to taxes.
- 8. To complicate an ongoing HBC debate.** *The Mortgage Forgiveness Debt Relief Act of 2007 generally allows taxpayers to exclude income from the discharge of non-recourse debt on their principal residence. Debt reduced through mortgage restructuring, as well as mortgage debt forgiven in connection with a foreclosure, qualify for this relief. This provision applies to debt forgiven in calendar years 2007 through 2012. Up to \$2 million of forgiven debt is eligible for this exclusion (\$1 million if married filing separately). The exclusion doesn't apply if the discharge is due to services performed for the lender or any other reason not directly related to a decline in the home's value or the taxpayer's financial condition. While Texas in a non-recourse state, it does allow in some cases the financial institution to obtain a deficiency judgement for the shortfall in debt coverage from the sale of the home. (source: www.irs.gov)*
- 9. You should still read the fine print.** Under the American Recovery and Reinvestment Act of 2009, qualifying taxpayers who purchase a home by between January 1, 2009 and November 30, 2009 may receive up to \$8,000, or \$4,000 for married individuals filing separately. Taxpayers can claim the credit either on their 2008 tax returns due April 15 or on their 2009 tax returns next year. Further, under the Recovery Act, the earlier repayment requirements have been eliminated as long as the home is not sold within three years. Taxpayers who haven't filed their 2008 returns but are buying a home soon can request a six-month extension to October 15. This step would be faster than waiting until next year to claim it on the 2009 tax return. Even with an extension, taxpayers could still file electronically, receiving their refund in as few as 10 days with direct deposit. (Various: www.irs.gov)
- 10. If he gets laid off of his day job.** What billionaire investor is a part time actor and has appeared as himself on a soap opera? Hint #1: The Soap Opera is All My Children. Hint #2: This billionaire appeared not once but twice in this TV series. Hint #3: He plays himself in this show. Hint #4: He also played the part of James Madison in an animated TV series called "Liberty's Kids: Est. 1776" Who else but Warren Buffett. He appeared in the All My Children Episode 9869 on May 8, 2008 and Episode 9870 on May 9, 2008. He has also appeared in five documentaries. (source: www.popculturemadness.com) Some of his better known quotes:
 - It is better to be approximately right than precisely wrong.
 - You only have to do a very few things right in your life so long as you don't do too many things wrong.
 - Nothing sedates rationality like large doses of effortless money.
 - Investors... should try to be fearful when others are greedy and greedy when others are fearful.

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