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SCHOOL OF LAW

NORTH CAROLINA LAW REVIEW

Volume 12 | Number 3

Article 6

4-1-1934

Book Review

North Carolina Law Review

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Recommended Citation

North Carolina Law Review, *Book Review*, 12 N.C. L. REV. 287 (1934).

Available at: <http://scholarship.law.unc.edu/nclr/vol12/iss3/6>

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BOOK REVIEW

The Federal Gift Tax. By Kingman Brewster, James S. Y. Ivins and Percy W. Phillips. 1933. New York. Clark Boardman Co., Ltd. Pp. xi, 145.

The attempts of both the federal government and the states to close loopholes available for avoiding estate and inheritance taxes have frequently led to a merry race between government and taxpayers in which the latter have generally taken the initiative. It was undoubtedly in recognition of this fact that Congress incorporated provisions for a gift tax in the Revenue Act of 1924. This tax, however, had but a short life. The general philosophy of the period accepted the view that tax reduction was the sole desideratum, and sacrificed revenues that might have been wisely used to reduce the national debt in order to promote a policy believed to be conducive to achieving prosperity for all. The year 1932, however, found the nation again confronted with a need for revenues to reduce the rate of growth of federal governmental deficits. Furthermore, the Supreme Court's decision in *Heiner v. Donnan*, 285 U. S. 312, had considerably increased the difficulties of the government in preventing avoidances and even evasions of the estate tax. The gift tax, in a modified form, was restored to the federal tax system by the Revenue Act of 1932.

The present volume is concerned almost entirely with an exposition of the provisions of this new gift tax law. The paucity of judicial decision interpreting it and the prior gift tax law have necessarily compelled the authors to adopt a different approach. They have analyzed the law's provisions, indicated the problems of construction that are likely to arise, discussed some of the more difficult of these, to some extent given reasons for their own interpretations, and shown how it ties in with certain provisions of the estate tax system. This is as much as could be done with the available materials. The task has been well and clearly performed, from the general angle of those acting as consultants for taxpayers. The statute and forms appear in appendices. The book should prove a valuable guide to those engaged in federal tax practice.

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