

# THE CHARGER

April 2011

476th Meeting

Vol. 32, #8

*Tonight's Program:*

## **The Fight for Money: The Income Tax Laws of the Civil War**

Did you know? The first Federal income tax was levied to help pay for the Union war effort. In the summer of 1861, Salmon P. Chase reported to the Congress that he would need \$320 million over the next fiscal year to finance the war. He thought he could put his hands on \$300 million by borrowing part of it and raising the rest through existing taxes and sale of public lands. He left it up to Congress to come up with a way to raise the remaining \$20 million.

After weighing their options, the House Ways and Means Committee drew up a bill to tax personal and corporate incomes. This bill, the first income tax measure in the United States, called for a 3% tax on incomes over \$800. Although the bill quickly passed in both the House and the Senate, it was never put into operation. Still, it paved the way for the next bill of its kind.

In 1862, Abraham Lincoln signed a bill that imposed a 3% tax on incomes between \$600 and \$10,000 and a 5% tax on higher incomes. The bill was amended in 1864 to levy a tax of 5% on incomes between \$600 and \$5,000, a 7.5% tax on incomes in the \$5,000-\$10,000 range and a 10% tax on everything higher. This bill was repealed in 1872 and declared to be unconstitutional.

The Confederacy also collected income taxes. It authorized its first national income tax measure in 1863. The Confederate bill that finally passed after great debate was a graduated income tax. It exempted wages up to \$1,000, levied a 1% tax on the first \$1,500 over the exemption, and 2% on all additional income. (Taken from [www.civilwar.org](http://www.civilwar.org).)

*Tonight's Speaker:*

## **Donald Korb**

Currently a partner at Sullivan & Cromwell in Washington, D.C., Mr. Korb is head of the firm's Tax Controversy Practice. He was the Chief Counsel for the Internal Revenue Service from 2004-9. He is best known for developing the litigation strategy that led to great success by the government in tax shelter cases. Prior to serving with the IRS, he was with Thompson Hine in Cleveland. Mr. Korb has been an attorney for thirty-seven years. He is widely recognized as one of the nation's foremost tax lawyers.

*Date:* **Wednesday,  
April 13, 2011**

*Place:* **Judson Manor  
1890 E. 107th Street  
Cleveland, Ohio**

*Time:* **Drinks 6 PM  
Dinner 6:45 PM**

*Reservations:* **Please Call  
Dan Zeiser (440) 449-9311  
Or email [ccwrt1956@yahoo.com](mailto:ccwrt1956@yahoo.com)  
By 9 pm Sunday before meeting**

*Meal choice:* **Beef swiss steak, parmesan whipped potatoes, broccoli, salad, and dessert.**

## CLEVELAND CIVIL WAR ROUNDTABLE

FOUNDED 1957

*President:*     **Lisa Kempfer**     (440) 526-1318  
*Vice President:*   **Paul Burkholder**   (440) 918-0222  
*Secretary:*       **Marge Wilson**     (216) 932-6558  
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### Directors:

|                |              |
|----------------|--------------|
| Dennis Keating | Jon Thompson |
| Garry Regan    | Syd Overall  |
| Jim Heflich    | Gordy Gates  |

*website:* clevelandcivilwarroundtable.com

*email:* pburkholder@ameritech.net

**Editor - THE CHARGER - Dan Zeiser**

## Cleveland Civil War Roundtable Past Presidents

|   |  |
|---|--|
| 2010 Dennis Keating<br>2009 Jon Thompson<br>2008 Terry Koozer<br>2007 John Fazio<br>2006 Dave Carrino<br>2005 Mel Maurer<br>2004 Warren McClelland<br>2003 Maynard Bauer<br>2002 Bill McGrath<br>2001 William Vodrey<br>2000 Bob Boyda<br>1999 Dick Crews<br>1998 John Moore<br>1997 Dan Zeiser<br>1996 John Sutula<br>1995 Norton London<br>1994 Robert Battisti<br>1993 Kevin Callahan<br>1992 Bob Baucher<br>1991 Joe Tirpak<br>1990 Ken Callahan Jr.<br>1989 Neil Glaser<br>1988 Martin Graham<br>1987 George Vourlojianis<br>1986 Tim Beatty<br>1985 Brian Kowell<br>1984 Neil Evans | 1983 William Victory<br>1982 John Harkness<br>1981 Thomas Geschke<br>1980 Charles Spiegle<br>1979 William Bates<br>1978 Richard McCrae<br>1977 James Chapman<br>1976 Milton Holmes<br>1975 Thomas Gretter<br>1974 Nolan Heidelbaugh<br>1973 Arthur Jordan<br>1972 Bernard Drews<br>1971 Kenneth Callahan<br>1970 Frank Schuhle<br>1969 Donald Heckaman<br>1968 Frank Moran<br>1967 William Schlesinger<br>1966 Donald Hamill<br>1965 Lester Swift<br>1964 Guy DiCarlo, Jr.<br>1963 Paul Guenther<br>1962 Edward Downer<br>1961 Charles Clarke<br>1960 Howard Preston<br>1959 John Cullen, Jr.<br>1958 George Farr, Jr.<br>1957 Kenneth Grant |
|---|--|

## PRESIDENT'S MESSAGE

### APRIL 2011

Taxes and History that Happened on April 13

Wars have to be paid for—then and now. At our meeting on April 13, we have a rare opportunity to listen to one of our country's foremost tax experts, Donald Korb, former IRS Chief Counsel (4/15/04 - 12/19/08) present, "The Fight for Money: The Income Tax Laws of the Civil War." Jon Thompson originally asked Mr. Korb to speak during his presidency two years ago. Jon will introduce Mr. Korb and tell the story of his passion for history and why he is two years late! (Scheduling conflict, I surmise.)

It is an interesting coincidence that our meeting is on April 13, the day in 1861 Union held Fort Sumter surrendered to Confederate forces 150 years ago. Looking forward and back in time at other April 13 events gives us an idea as to how far we have come as a nation.

April 13, 1743: Thomas Jefferson, author of the Declaration of Independence, was born.

April 13, 1830: President Andrew Jackson gave a toast during a time of sectional strife: "Our Federal Union: It must be preserved."

April 13, 1970: Apollo 13 was crippled when an oxygen tank exploded as it traveled to the moon.

April 13, 1997: Tiger Woods, 21, became the youngest person to win the Masters Tournament in Augusta, Ga.

Not much happened between 1861 to 1970 other than Lincoln saved the Union, the transcontinental railroad, the telephone, light bulbs, airplanes, TV, penicillin, serving as the arsenal to the world during a couple of World Wars, GI Bill, nuclear power, the Internet, spacecraft, and computers. It is truly amazing what a free capitalistic society founded on the rule of law can accomplish.

I will let Ben Franklin have the last word. He helped write rules we live by and in a letter to a European friend wrote: "Our Constitution is an actual operation and everything appears to promise that it will last: but in this world nothing can be said to be certain but death and taxes." Taxes. It is still a fight for money! Hope to see you April 13!

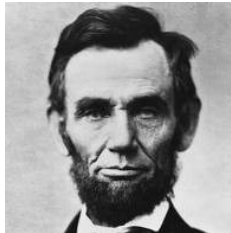
Respectfully,

Lisa

**CLEVELAND CIVIL WAR ROUNDTABLE  
2010/2011 SCHEDULE**

September 8, 2010

***Abraham Lincoln's Effect on  
Constitutional  
Interpretation***

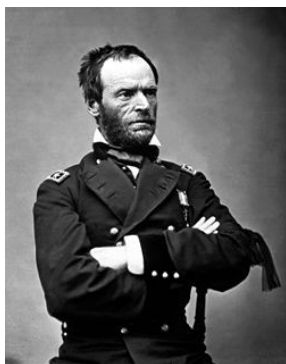


**Wilson Huhn**

October 13, 2010

***William Tecumseh  
Sherman***

**Frank  
Bullock**



November 10, 2010



Dr. Mary Walker

***Civil War Female  
Spies***

December 8, 2010

***Letters From the Front:  
General James A. and  
Lucretia Garfield***

**Ed Haney and  
Deborah Weinkamer**

February 9, 2011

***Lincoln's  
Commando:  
William Cushing***

**William Vodrey**



March 9, 2011

***Dick Crews Annual  
Debate***

*Would foreign intervention have won  
the war for the South?*

**Moderator: William F. B. Vodrey**

April 13, 2011

***The Fight for Money:  
The Income Tax Laws  
Of the Civil War***

**Donald Korb**

May 11, 2011

***Ulysses Grant***

**John Marszalek**



June 8, 2011

***James Garfield Night***

*Garfield's battles in Eastern Kentucky*  
**Scott Longert**

***Letters From the Front: General James A.  
and Lucretia Garfield***  
**Ed Haney and Deborah Weinkamer**

**For membership in the Cleveland Civil War Roundtable, please visit our web site:  
<http://clevelandcivilwarroundtable.com>**

## OHIO REGIMENTAL FLAGS

These images are taken from [www.ohiocivilwar150.org](http://www.ohiocivilwar150.org). If you get the chance, check out the site. There are many more images than can be included here. I took what I thought were the best images.



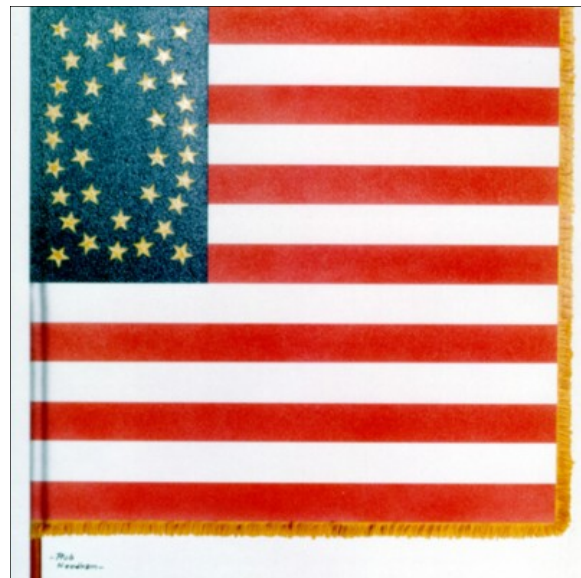
52nd OVI



National colors of the  
1st Ohio Infantry



180th OVI



National colors of  
the 188th OVI





Guidon of the 186th OVI



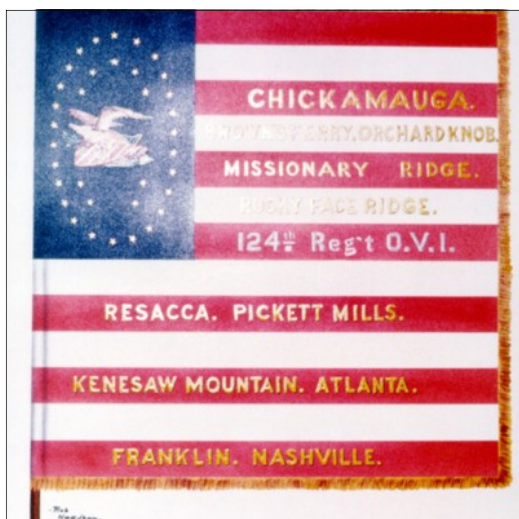
163rd OVI, 163rd ONG



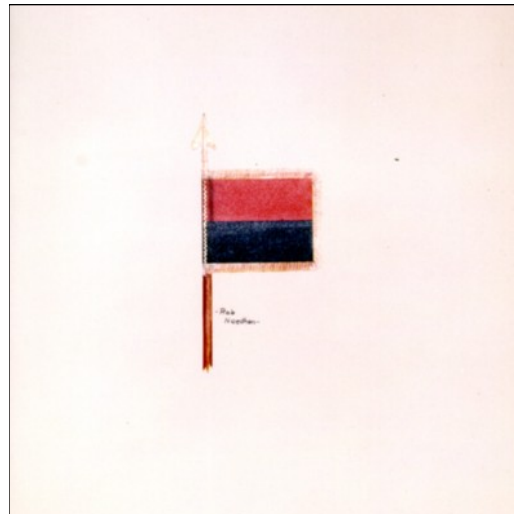
125th OVI



121st OVI



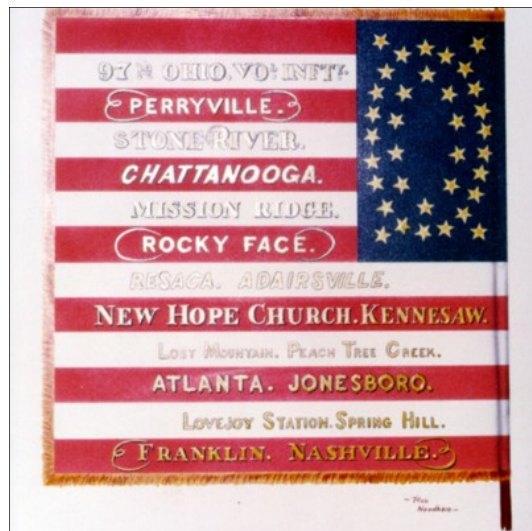
National colors of the 124th OVI



Flank marker of the 125th OVI



114th OVI



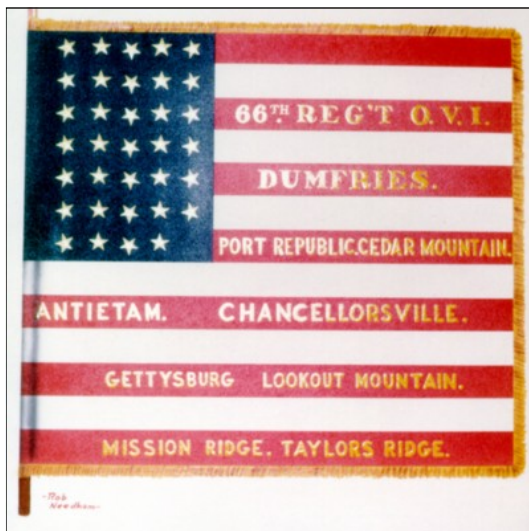
National colors of the 97th OVI



Guidon of the 95th OVI



Flank marker of the 94th OVI

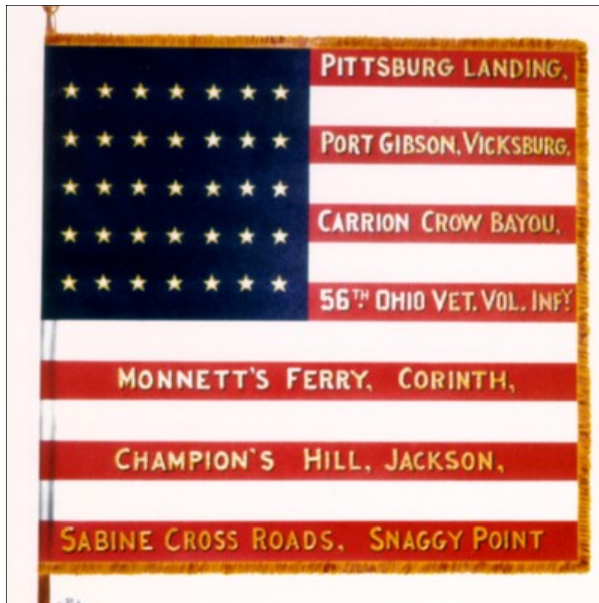


National colors of the 66th OVI



60th OVI





National colors of the 56th OVI



National colors of the 50th OVI

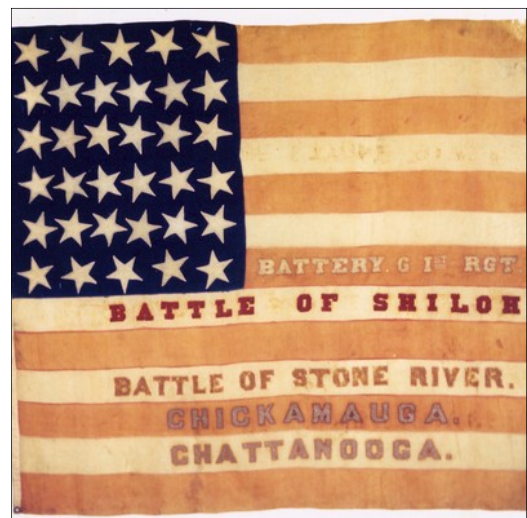


Camp colors of the 45 OVI

National colors of the 20th OVI



National colors of the 8th Ohio



National colors of the 1st Ohio Volunteer Light Artillery, Battery G

## UPCOMING CIVIL WAR EVENTS

- April 7 -** Wilmington, Lecture Series: The 79th Ohio Volunteer Infantry with Gary Kersey  
Bath, Bath Township During the War of the Rebellion  
Alexandria, Civil War Quilt Show
- April 8 -** Bath, A Fugitive's Path: Escape on the Underground Railroad  
Sheffield Village, A Road to Freedom
- April 9 -** Cincinnati, Walking Tour, Cincinnati in the Civil War  
Newark, Movie Screening, "Gone With The Wind"  
Bath, A Fugitive's Path: Escape on the Underground Railroad  
Sheffield Village, A Road to Freedom  
Trotwood, Exhibit "American Civil War Display"
- April 10 -** Columbus, Civil War Kick-Off Event at the Statehouse  
Columbus, Civil War Bus Tour, "Agricultural Fragments of Columbus in the Civil War"  
Twinsburg, U.S. Grant
- April 12 -** Fremont, Exhibit "Civil War: Battlefield and Home Front," Rutherford B. Hayes Presidential Center
- April 19 -** Warrensville Branch of the Cuyahoga County Public Library, "American Civil War," (This is presented by our own Marge Wilson.)
- May 5 -** Bedford Historical Society, "The War Nobody Knows, How Ohio Won the Civil War," Dr. James Bissland, Prof. Emeritus, BGSU
- May 20-22 -** Sunbury, Living History Pageant and Reenactment, General William Stark Rosecrans's Department of the Ohio
- May 22 -** Olmsted Historical Society - Frostville Museum, our own Mel Maurer will portray Abraham Lincoln during the museum's living history encampment.

## Ohio Chautauqua 2011: The Civil War June 22-June 26

Hosted by the Lakewood Historical Society and others, Ohio Chautauqua is a five day traveling tent show that presents history in the compelling form of first person historical characterizations. Each night in Lakewood Park, costumed scholars will portray Abraham Lincoln, Mary Edwards Walker, Major Martin Delany, Mary Boykin Chestnut, and Harriet Tubman. There will also be children's workshops, adult programs, Civil War movies, and Civil War era music.

For more information, visit [www.lakewoodhistory.org](http://www.lakewoodhistory.org).

**NEXT MONTH**  
**ULYSSES GRANT**  
**JOHN MARSZALEK**