

WCoTA TAX HISTORY GROUP ON 26 FEBRUARY 2019

The WCoTA Tax History Group met at the new CIOT Headquarters in Monck Street on 26 February to hear a presentation from Gottfried Schellman, one of our Liverymen and a Vice President of the CFEE, as well as a leading authority on taxation in Austria and a partner in Mueller & Schellman, a boutique tax advisory group. Gottfried's theme was the history of taxation in the Austro-Hungarian Empire from mediaeval times to the early 20th century. He began with its relationship to the feudal system in rural areas, through the abolition of serfdom in 1848, and the introduction of customs and excise duties in urban areas. He also covered the contributions in the 18th century of the Empress Maria Theresa and the Emperors Joseph II and Leopold II, with the introduction of land taxes based on cadastral values and their eventual abolition at the urging of the nobility and the Catholic Church. The 19th century saw the development of income taxes for businesses and then, in 1849 and in part through the influence of William Pitt's legislation in the UK, individuals as well. Gottfried examined how this system was developed and implemented, and then replaced by a more comprehensive system of taxing individuals and companies which lasted until the German occupation in 1938. Finally he looked at the "divorce agreement" between Austria and Hungary of 1870 which gave rise to the first double taxation agreement in history, and the first treaty between Austria and Prussia (1899), and examined how the Austrian Code of Fundamental Rights (1867) still operates today. This led to questions with a contemporary ring-for example whether the Code's prohibition of "exit taxes" , originally imposed on departing serfs, is relevant to similar charges which might be imposed today. Gottfried's fascinating and wide-ranging survey inevitably ended with discussions in which the B[rexit]-word was heard, although he left his audience wondering how Austrian feudal lords might have implemented land tax rates which varied according to the attractiveness of the taxpayer's spouse.....