

BERGEN BAR TAX BULLETIN

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Tax Law Committee

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Current Items: The Landlord's Game

Leave it to Elizabeth “Lizzie” Magie, who patented a game in 1904 called “The Landlord’s Game.” Her goal? To teach people about the economic pitfalls of land grabs and rent gouging. Lizzie designed two sets of rules: one where everyone shared wealth and the other where one player bankrupted the rest. Fast forward to Charles Darrow, who played a modified version of her game with friends, polished the design, and sold it to Parker Brothers as his own original creation. Not quite the textbook definition of originality!

Parker Brothers released the standard board game in November 1935 for just two dollars. Meanwhile, Magie’s patent was bought out for a mere 500 bucks—no royalties, while Darrow became a millionaire. The original landlord game featured generic street names, but between 1929 and 1931, a group of Atlantic City enthusiasts made local modifications, replacing those names with streets from their own community. Jesse Raiford added fixed prices to the properties, mimicking real-world values and the socioeconomic landscape of their city. That game is now known as “Monopoly.”

The official age recommendation for Monopoly is at least eight years, requiring only basic math and reading skills. But don't worry if you're a bit younger—there’s a Monopoly Junior, perfect for ages 4 to 7, with simpler rules and smaller dollar amounts. While you don’t need a PhD to play, the game does require some fundamental skills: basic arithmetic, reading comprehension, resource management, and a sprinkle of luck.

If you’ve read this far, kudos for your tenacity! We’ll get to the tax information soon—but first, let’s visualize that iconic playing board. Picture yourself rolling the dice, hoping to avoid landing on the dreaded “Go to Jail” space. But wait! What if you land on it? No problem—right in the middle of the board lies the coveted “Get Out of Jail Free” card. This little gem allows a player to escape jail without paying the \$50 fine or rolling doubles. It can be kept until needed or traded to another player for a friendly cash deal.

Now, let's pivot to the federal tax part of our discussion. Imagine a group of highly skilled lawyers gathered around a conference room table, perhaps enjoying a casual game of Monopoly. Each lawyer has one “Get Out of Jail Free” card tucked away, should their client face a potential tax audit.

Now imagine a playful twist, where a single memo could grant an endless “Get Out of Jail Free” card for tax audits! This seems almost too good to be true! And yet, it just happened! In a one-page memo from the Department of Justice to IRS, a new “card” was created – something that has never been done before. Tax experts of all parties find it an almost impossible pill to swallow. A get out of jail free card usable forever and beyond! But so it is. What possible explanation could exist? I have listened to tax experts who scratch their heads trying to explain how this could have been worked in a Democracy. They obviously have never played Monopoly.