In Lucas v. Earl, a husband and wife had contractually agreed to treat all future income as jointly owned property. For the years 1920 and 1921 Guy Earl and his wife filed separate tax returns, each including one-half of Earl's salaries. Joint tax returns were not yet allowed and graduated tax rates provided a lower amount of tax if the income were split between husband and wife. The IRS asserted that the full amount of the salaries should have been taxed to Guy Earl himself. In holding that the salaries were taxable solely to the husband, the Supreme Court stated:

[T]his case is not to be decided by attenuated subtleties. It turns on the import and reasonable construction of the taxing act. There is no doubt that the statute could tax salaries to those who earned them and provide that the tax could not be escaped by anticipatory arrangements and contracts however skilfully devised to prevent the salary when paid from vesting even for a second in the man who earned it. That seems to us the import of the statute before us and we think that no distinction can be taken according to the motives leading to the arrangement by which the fruits are attributed to a different tree from that on which they grew.