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"All Date Trees Shall Be Taxed"

THE Erie Land Tax Association of Erie, Pennsylvania, appreciates the encouraging letters and gifts that have been received from HGN readers. Wylie Young, Executive Director, reports that in speaking to local groups, he finds nearly all have now heard of LVT, but many feel they still do not understand it. That, he says, is going to be the biggest problem.

ELTA members are strongly committed to great civic loyalty and they want their city to be the first to distinguish itself and lead the way for others in what would inevitably be an enormous forward step in city planning. ELTA keeps saying to Erie newspaper readers: "the tax on real estate is not too high. Rather, the tax on buildings is too high and the tax on land is too low. THINK!"

When Erie's mayor said they had to get some of the tax off real estate and find a broader base, ELTA replied with the following advertisement in the morning and evening newspapers:

"An Oriental ruler was once in the same fix. He needed more money. So he decreed that all date trees should be taxed. The people responded in kind. They cut down their date trees and the kingdom was impoverished. When the mayor starts looking he may discover that there are only two kinds of tax bases. First, labor products, or labor itself, which amounts to the

same thing. Second, land, or more specifically, land sites. Real estate includes both land and labor products, for all buildings are products of human labor.

Any tax on any labor product discourages and hinders the production of that product. In Erie buildings carry 6½ times as much of the real estate tax as does land.

"A tax on land value tends to reduce the price of land for any who might wish to use it. Land cannot be taxed out of existence. It is always there. But if you own vacant or underdeveloped land and the tax goes up you will either use it or sell it. This is why we say land can be taxed into use. No one will ever know how many buildings were never built in Erie because of the tax on buildings.

"Cure: Shift the tax from buildings to land value. It is not the tax on real estate that is too high. The tax on buildings is too high and the tax on land is too low. By using land value as the tax base you can reduce the taxes on buildings and still raise the same amount of money. In doing so you will set the stage for thousands to build on land that is no longer too high in price to acquire, and to enjoy buildings exempt from any future tax."

