

"Incentive Taxation"

AS Alex J. Duris of Hendersonville, North Carolina continues his series of articles in the Western Carolina Tribune, he says, "the hope lies in incentive taxation or land value taxation." He explains that with a higher tax on land and a lower tax on improvements, the owner is encouraged to make the most of his investment, knowing he will not be penalized.

Furthermore incentive taxation's beneficial effects would cause continual improvements and new buildings which in turn would stimulate manufacture of all materials used in the building industry, as well as new furnishings, office equipment and the vast variety of things that go to make up a modern and progressive community. Workmen of every kind share in the betterment of the community wherever incentive taxation has been permitted to work, he said.

After listing areas around the world where there has been a degree of application, he spoke of Japan's comeback, as well as West Germany's industrial growth, as being due to a tax reform program regarding land and improvements. He suggested that a tax study commission in Hendersonville could get all the pertinent facts from cities already using this method. Once the degree of incentive taxation was decided on, the North Carolina legislature could be asked for legislation permitting it to be in effect. Then most dramatic results would be seen, especially in the city's downtown section.

In his final article he mentioned Hawaii as the first state in the Union to adopt land value taxation modeled on the "Pittsburgh Plan," providing that land and buildings be taxed at different rates. He gives a short history of Pittsburgh's experience with the Graded Tax program and shows

that its enlightened reform has enabled it to survive a difficult period of transition so that it is now well on the way to a new era of industrial, commercial and private growth.

"And Pittsburgh has not needed to call on the federal government nearly as much as other cities," he pointed out, "for it has been able to do for itself things that other communities, because of short-sighted tax policies, have been unable to do for themselves."

Of course, as in all transitions, he admits that somebody gets "hurt." In this case it is usually the land speculator, but his "hurt" is only that he is forced to join the rest of the members of the community in contributing his fair share of the taxes. With highly inflated land prices, young couples starting out in life are severely shackled, also merchants who build a new business are the victims of a highly inflated purchase price of land. Always it is the consumer who must pay.

He concludes by making it clear that he is not indicting anyone in particular, merely the system. While he does not promise that incentive taxation is a final answer for a Utopia, it does simplify many questions. And it offers release "from the present (actual or implied) need to depend on state or federal money, control or direction, thereby again gaining another advantage—a lesser drain in state and federal tax impositions. "That is," he says, "if we have the intelligence to tell governmental units that we can take care of a number of the things at home, which the bureaucrats, in their superior or dictatorial efforts, attempt, and often do, foist on us. And we would to a greater degree, begin to recover individual liberty and freedom which have been the heritage of the nation."