

Higher Assessments on Idle Land

by WOODROW W. WILLIAMS

IN regard to the re-apportionment decision by the Supreme Court, it should be realized that the shift of population from rural to urban areas could not continue indefinitely without a demand for representation. I feel one of the greatest fears from any reduction of rural representation is that the share of state funds granted to local government might be reduced.

It is quite natural that the heavily populated urban centers resent the payment to rural subdivisions of funds which they feel are collected in the cities through sales and other excise taxes, even though a lot of the purchases are made by rural people. This problem has existed ever since the shift in revenue methods during the depression.

At that time the plea became loud that "property" was over-taxed and was carrying too great a share of the load. So the sales tax was offered as a temporary measure to relieve property owners, and the property tax has been a whipping boy ever since.

The Ohio State Constitution requires "all property" to be assessed "at value." But property, land especially, is taxed much below actual value. Fifty years ago land carried half the total tax burden of the nation—local, state and national. Today, with income tax, sales tax, excise taxes, tobacco taxes and so on and on, land carries less than 5 per cent of this burden.

Historically the property tax has been the mainstay for local government and schools, and it has been controlled mostly by local officials. Therefore it is not subject to apportionment by the legislature. Land is taxed lightly, especially if it is left entirely unused, and this favors the speculators, who find it easy to hold for higher prices. But as buildings and

improvements are taxed heavily, this discourages building.

Personal property is taxed heavily, and this hurts the more enterprising farmers or businessmen who keep their machinery and stock in good condition. It seems the enterpriser is penalized while the speculators and absentee landholders are rewarded. Personal property taxes in Ohio have risen two or three times as much as real estate taxes. These have all contributed to inflation, and the services they have provided have contributed to the price of land, which is the first basic cost for anyone who wants to begin to farm or start any other enterprise.

This country grew in freedom because of the vast expanse of cheap land to the west. Our early land disposal laws were designed to limit the amount each man could have, and thus to prevent the growth of a parasitical aristocracy. The property tax has been a bulwark of revenue source for local government, and it could be a powerful force for freedom from state and federal control if only it were revised to reward the enterprisers and producers rather than, as now, those who sit and wait for higher land prices.

I am strictly in favor of free enterprise, limited government, decentralization and local control in preference to state or federal control. Bring respectability back to the property tax by adherence to the state constitution. Restore to local government its old reliable source of revenue!

Woodrow W. Williams a farmer near Columbus Grove, Ohio, is the clerk of his township. He is active in the Ohio Henry George School. Some of this information was published in the *Prairie Farmer*, a mid-west magazine; and in the *Muncie, Indiana, Bluebird Letter*, edited by Elmer Russell Greenlee.