

## Misapplication of a True Land Value Tax

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FROM time to time there have been enacted in one country or another, fiscal laws which appear to be based on the land value tax principle. On the contrary, they are burdens bearing upon capital and labor applied to the respective land, discouraging production and making distribution more unjust. Such are, for instance, the so-called development charges (applied at the time the improvement is built), plus value imposts (levied when the property is transferred), improvement permissions, etc.

These taxes, besides being a fine on the men who produce, convey a false idea of the land value tax, resulting in confusion which tends to neutralize the Georgist position. For a land value tax to be true it must (1) bear upon the true value of all land (city and country) either used or vacant, irrespective of the value of improvements; and (2) it must be applied annually.

Under these conditions it becomes a single tax (a) to abolish the other taxes, (b) to absorb the whole economic rent as nearly as possible, and (c) not to exceed the economic rent (else it would cease to be a single land value tax as it would involve part of the taxes now levied on the earnings of labor and/or capital).