

Questions on Land-Value Taxation

HAROLD S. BUTTENHEIM, Editor of The American City, recently sent these questions to The Henry George News saying that he had found them rather puzzling and wondered whether we would like to invite comments from our readers. He has not introduced them for the purpose of attacking or undermining any proposals by Henry George. On the contrary, as a participant on programs, and a member of committees on land use, he has been for many years a consistent advocate of land-value taxation. These are questions which his colleagues in the planning and housing associations have frequently used in reply to his arguments. He passes them on because he has not yet found convincing answers.

1

Does anyone have an approximate estimate as to the total annual economic rent of land in the United States as a whole, or for the states whose laws require separate assessment of land and improvements? If so, how do such totals compare with current governmental budgets — national, state and local?

If, through the taxing power, the entire economic rent were collected for public purposes, would such funds be enough to cover even the current totals of municipal, county and school district expenditures?

2

One of the strongest arguments for land-value taxation is the fact that it would discourage the holding of land out of use.

What is the best answer to the counter-argument of the city planners that urban congestion—too intensive use of land—is a major evil in parts of almost all cities, and that any system of taxation that would stimulate this evil is against the public interest?

3

How nearly 100 per cent tax on the economic rent of land would produce the most desirable results?

If 100 per cent were taken, what inducement would there be for builders to use the best sites, or for farmers to till the best land?

If less than 100 per cent were taken, how would land speculation be prevented?

Whatever the percentage—80 per cent, 90 per cent or 100 per cent of the economic rent—how would land values be determined and the tax rate fixed when the sales value of land had diminished greatly or disappeared as a result of site-value taxation?

Would the assessor estimate the land value of a particular piece of property at what it would be if that property—and that property alone—were exempt from taxation?

4

If land were the only source of taxation, would not much land be abandoned by present owners, thus depriving local governments of much revenue now derived from vacant land held for speculative purposes? And would not the necessary result be higher taxes on land productively used? [This is answered in the next column, *Econo-quiz*.]

5

What is the best method of taxing timber land, coal land, oil land etc., to prevent depletion of natural resources on the one hand, and monopoly of profits on the other?

6

How should sites be assessed which a municipality desires for future schools, parks, playgrounds etc., but which it is not now ready to buy?

7

If, as Henry George says, "there can be no just title to an exclusive possession of the soil," does this apply as among cities, states and nations?

8

It is claimed that taxes levied upon land values cannot be transferred by the owner to the purchaser or tenant. Is not this so only in respect to such taxes as do not increase the real value of land?

Let us assume that a city issues bonds for important public improvements—say a sewage disposal plant and a new high school and a park and playground system. The interest on these bonds means additional taxes on all of the real estate in the city. The improvements, however, increase land values by attracting new residents and by making the city a more desirable place for those already there. Landowners are thus enabled to secure higher prices from future purchasers or tenants. Does not this mean that the added taxes are paid by the future purchasers or tenants, and is it not desirable that this should be so?

9

Is advocacy of income and inheritance taxes and gasoline taxes, for national and state revenues, incompatible with advocacy of land-value taxes for municipal and county revenues?