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COMMENT

TREASURY DEPARTMENT ON LAND VALUE TAXATION

One of our good friends, Lawrence D. Clark, Sr. wrote to President Reagan proposing land value taxation. This was referred to the Treasury Dept. from which Mr. Clark received a reply to the effect that the property tax is traditionally a local form of taxation; that the U.S. Constitution only permits taxation levied in proportion to population; and that the 16th amendment was required to allow taxation of incomes.

This letter is actually a form letter the like of which has been sent by the Treasury Dept. as a response to Georgist letter-writers for many years. It is nice to know that there have been enough petitions to the government from Georgists to warrant maintaining a standard reply; but not so nice that the reply is meant to fend off the petition.

While it is true that most Georgist efforts have been local, it is also true that a national land value tax would be closer than any other current national tax to the original Constitutional specification. Land values, after all, do arise in proportion to population.

As a matter of fact, the Federal government did levy a tax on the land values of the nation, pro-ratable among the States, several times - in 1798, 1813, 1816 and 1861.

Even the 16th amendment which gives the power to tax incomes "from whatever source derived" would certainly seem to give the broadest possible discretion in deciding which incomes pay how much and which are tax exempt - which has been amply demonstrated in practice.

The trouble is not so much in the constitutionality - or even in precedence - it is in the indisposition of our government to embark upon the course of land value taxation that we propose. So that throws the ball back to us. It makes it a matter of converting enough people of leadership and influence to our ideas.

The constitutionality is the least of the problems. As indicated, I believe the U.S. Constitution already permits land value taxation on a national level. If it is interpreted as not permitting it, an amendment will be adopted when we are ready, as the 16th amendment was adopted.

But when will we be ready? That's the trillion dollar question!

RC
