

Too Many Taxes

by RUSSEL CONKLIN

EVERYBODY complains about taxes —too many kinds, too much money, too many forms to fill out. And many of us serve as unpaid tax collectors. We must keep books and make deductions from payments to others and then fill out tiresome forms and make remittances. All in all, taxation in any form is a nuisance and a burden. Wouldn't it be nice if the whole thing could be simplified? Wouldn't one tax be better than 100, especially if it were just and fair? Well, there is a way:

Those who know sometimes call it a *single tax*. Others refer to it as *incentive taxation*, *tax on unearned increment*, *land value taxation*, *ground rent*, *site value taxation*, and other terms. Many people use derisive names such as "crack-pot idea," "socialism," and other less complimentary words. The idea is simple enough: Just untax all personal property and improvement on land and put the tax on land values.

Certainly it would be better to have a tax on something that couldn't be hidden or just not declared. Land is fixed, its value is what people are willing to pay for its use. The supply is permanent and will not depreciate. In fact, its value constantly rises. Such a tax would be easy to collect. Such a tax would not be passed on to consumers. Such a tax represents the value bestowed by the community on the land. Because rent is based on people. The more people, the higher the rent.

Russel Conklin, former Mayor of Great Falls, Montana, has snatched a little time from his duties at Conklins Great Falls Commercial College, to send us three welcome articles. In the first, herewith, he added to his signature, "Unpaid Tax Collector." In forthcoming articles he refers to himself as "Pseudo Statesman," and "Weary Taxpayer." Look for these in February and March.

Indirect taxes we now have increase the cost and the profit on every item taxed. A direct tax on land values would decrease the price of land. Rent would rise, but selling price of land would tend to go down. Unused lots and vacant buildings would either be sold or improved and used.

Under our present system, the landowner who improves his property pays a penalty in the form of increased assessment. The land value tax would hit the speculator, and the owner who improved his land would not be taxed any more because he did so. Every tax we pay today (save only that part which applies to the land) raises the cost of the things we use. Many productive activities are not undertaken because of the increased tax. Our present system taxes production. The Single Tax falls on unearned income only. Today the speculator profits and the producer is penalized.

How simple it would be to reverse the process. Incentive taxation is the answer.

The most necessary reform that I know of is the exemption of improvements and the taxation of land values only.

—George Foster Peabody