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## *The Graded Tax League of Pennsylvania: a History*

By STEVEN B. CORD

THE GRADED TAX LEAGUE has been trying to influence at least one city in Pennsylvania or elsewhere to switch to land value taxation. Although it has not yet succeeded in accomplishing this, it has made some definite progress toward its goal.

In 1913, the Pennsylvania Legislature authorized Pittsburgh and Scranton to change their city real estate tax system gradually so that the tax rate, instead of falling equally on land and building values, would be twice as high on land as on buildings. This was started in 1914 and was completed in 1925.

State law did not authorize the adoption of this Graded Tax system, for so it was called, by any of Pennsylvania's 48 other officially designated cities. So, around 1950, the Henry George Foundation of America, a Pittsburgh-based organization, established the Graded Tax League of Pennsylvania to arouse support for a law which would enable these cities (excepting Philadelphia for technical reasons) to adopt the Graded Tax as it existed in Pittsburgh and Scranton, if the local city council so approved. This campaign was led by two men experienced in politics: Charles R. Eckert, one-time U.S. Congressman, and Percy R. Williams, former Chief Assessor of Pittsburgh. They enlisted the enthusiastic support of State Senator Bernard B. McGinnis of Pittsburgh who introduced and actively supported the necessary bill. Some of the city councils throughout the state were induced to endorse the bill by resolution. Fortunately, no formidable opposition arose at this stage and the bill was passed unanimously in the Senate and by a vote of 184 to 1 in the House of Representatives. The bill was signed by the governor on August 17, 1951. All the Pennsylvania cities except Philadelphia were then free to follow the example of Pittsburgh and Scranton by vote of their local city council.

With this notable victory achieved, the G.T.L. set about to transform local option into local adoption. It acquired a business office and enlisted Percy Williams as part-time Executive Director—two steps necessary to maintain continuity. It also enlisted the aid of volunteer citizens and coordinated publicity and political efforts. Charles Eckert died in 1959; his will provided generously for the work of the League. Percy Williams and others visited many mayors and city councils throughout the state, addressed conventions of the Pennsylvania League of Cities, and conducted

an extensive correspondence. A particularly intensive campaign was launched in Erie.

There were many nibbles, but no bites. The reasons were varied: apathy, opposition by one or two big central-city landowners, no strong local organization to get grass-root support, etc. It was found that the hardest tax of all to change was the local property tax. Liberals and conservatives alike would sooner vote for local sales taxes, income taxes, head taxes and federal taxes rather than consider changing the property tax system.

Nonetheless, another victory occurred at the state level in 1959. Some question had arisen as to whether the 1951 law enabled the 48 cities to go beyond Pittsburgh and Scranton, where land values can be taxed at no more than twice the rate on buildings; could these 48 cities remove taxation on improvements altogether if they so desired? Senator McGinnis introduced a bill specifically granting this power and it passed overwhelmingly.

Still none of the third-class cities took the bait, so in 1966 the Graded Tax League organized a new campaign. A series of ten letters was sent out at two week intervals to leading local politicians and urban renewal authorities throughout Pennsylvania, explaining various aspects of the Graded Tax idea. It was felt that the Graded Tax had too many facets to be readily understood and supported by a previously uninformed person; explaining these various facets one at a time might achieve greater understanding. This particular G.T.L. campaign has elicited much favorable comment and there have been a number of requests for further information from the 48 cities in question. As yet no city has taken advantage of the state local option law and started the switch to the Graded Tax, but certain recent developments have been very promising indeed.

If there are others who are interested in urban renewal and tax reform and wish to organize similar campaigns in their own states or localities, they can obtain information by contacting Percy R. Williams, Graded Tax League, 404 Magee Building, Pittsburgh, Pa. 15222.

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