

Let's Get Taxes Down to Earth

by WALTER W. GERVER

ARE you complaining about high taxes? Well, you're in style and doing what everybody else is doing. Everybody, that is, except the fortunate few who own valuable land which others would like to use.

Have you ever observed how taxes propagate themselves in a vicious circle? Taxes—slums—slum clearance; then more taxes (to pay for this first round of slum clearance)—more slums—more slum clearance; still more taxes—still more slums—still more slum clearance, etc. But the tax on land constitutes only a small fraction of the total tax intake of our great country.

The building trade is hampered by the exorbitant price of land, plus taxes on every bit of material that goes into a building, plus taxes on the completed building. If it's a two-story building, you pay a two-story tax. For a ten-story building it's a ten-story tax. But the fellow who holds off for a higher price for a bit of his land, on which somebody wants to build, pays no more than a small token tax.

How much could this fellow get for his land if there were no public services which were either provided by the government, or were necessarily under governmental control, such as

streets, water supply, sewage systems, electricity, gas, police and fire protection, public schools, etc.? What would happen to land values in any sizeable city if all such services should suddenly cease? The landowner gains comparatively more from these services than anyone else, yet they are gains for which he, as landowner, renders no service in return.

Now let's return to our ten-story building with a ten-story tax. Has it ever occurred to you that you can *tax buildings out of use*? Yes, you can also tax them out of repair. That's why we have slums. All this can be changed if we once come to realize that we can *tax land into use*. If the owner of a piece of valuable land is compelled to pay an adequate tax he will be glad to put that land to use, or he will sell it to someone who will. This is the sensible thing to do. And unless we do it, we will face much higher taxes than we are already paying. Let's get that ten-story tax off of the ten-story building, and levy it on the land, where it belongs. Let's get taxes down to earth! Let the landowner render service in return for his gains by collecting public revenue from the value of land.