

NEW YORK TIMES EDITORIALS IN SUPPORT OF "ENLIGHTENED" TAXATION

Once again, the New York Times has gone on record in support of land value taxation. This marks the fifth time this year the Times has endorsed raising the tax on land and lowering it on buildings.

In May, under the heading "How to Spend Taxes for Jobs," The Times put its weighty finger of blame on New York's tax laws:

"The owners of vacant or underutilized land can usually afford to delay putting it to better use because it is now inadequately taxed. The burden of taxation falls mostly on investors who try to make the land more useful, who create more jobs.

"In that anomaly lies the remedy. Instead of trying so hard to identify expansions worthy of a tax concession, why not try taxing land at a significantly higher rate than improvements? Investors...would then all get the same stimulus to improve their properties and make their businesses grow."

In a July editorial on the move to halt the J - 51 tax program, a concession which encourages landlords to upgrade their properties in return for tax benefits stretched over a nine-year period, the Times noted:

"The way to encourage construction without risking subsidy for luxury developments would be to tax all improvements at a much lower rate than land. If the progressive members of the legislature are truly progressive, let them explore such a reform."

A September 26 editorial asserts that the city's proposal to do away with the board which grants tax concessions on a case-by-case basis "does not go far enough." It continues:

"New York State shortsightedly requires that land and buildings be taxed at the same rate.

"The best way to encourage useful development is to reduce the tax rate on all improvements, while correspondingly raising the taxes on their locational value — on land."

Returning to the fight to save the J - 51 program, the Times wrote:

"Ideally, taxes should be levied more heavily on land value and less on the value of improvements....As a partial substitute, encouraging private investment with programs like J - 51 remains the best immediate strategy."

Most recently, the Times lauded a new proposal to assess all of New York's big buildings at 45 percent of full value, regardless of age or how recently the property was sold. The city argues that this would sharply close the gap on widely disparate assessments which discourage ongoing development.

"This...should demonstrate that the city wants to fashion a tax that will promote construction, investment in improvements and job growth. It is the next best thing to an even more enlightened statewide reform that would tax all improvements at a lower rate than land and stimulate the most productive use of all real estate."

It is said that when the New York Times sneezes, politicians throughout the country catch cold. Georgists who agree and would like copies of all five editorials for their own use, are invited to contact the New York School.