

PROPERTY TAX REFORM

Reviewed by Gilbert Herman

Property Tax Reform, edited by George E. Petersen. Published by the John C. Lincoln Institute and the Urban Institute. Paper bound, 188 pp., \$4.95. 1973. Available from Urban Institute, 2100 M St. N.W., Washington, D.C. 20037, USA.

This book contains a series of critical essays on current proposals to reform the property tax system. Among the subjects discussed are property tax relief measures, school tax financing, zoning and assessment administration. Attention is paid to the "circuit breaker" concept now in vogue whereby property taxpayers, especially the elderly, are given rebates when the tax exceeds a certain percentage of household income. Analysis is also made of the effects of the property tax on housing supply and maintenance and on the sufficiency of property tax revenue for local government.

There are chapters by Dick Netzer, John Shannon, Henry Aaron, Mason Gaffney, David C. Long, George E. Peterson, Bruce W. Hamilton, William H. Oakland and Richard R. Almy. Disappointingly most of the articles do not differentiate between the land value and building components of the property tax. Especially welcome, therefore, is the chapter by Prof. Gaffney on "Strengthening the Property Tax" which ranges over various problems on the subject and speaks of the need to convert the property tax into a site value tax. Superficial reforms, "property tax relief", etc., are criticized by Prof. Gaffney, but one measure appears to be agreed upon by all reformers - and that is the need for more uniformity in the assessment and administration of the property tax.