

PRELIMINARY DRAFT PLAN FOR AN ECONOMY IN VICTORIA BASED UPON LAND TAX

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Basic Requirements

1. All sites of land in Victoria, apart from Crown land, will be valued. Improvements on the land will be disregarded. The value will be expressed as an annual rental value for the land. Valuations to be open to public scrutiny at municipal offices.

2. A tax will be levied on each site of land, as a percentage of the annual rental value of the site. This percentage will be increased in equal steps each year, so that in a period of a number of years the land tax will be equal (or nearly equal) to the annual rental value. The land tax will reduce the sale price of sites, so that at the end of the period of years the sale price of sites will be nothing (or nearly nothing).

In order to have a definite example, it will be supposed that the initial percentage is 10%, and that 10 equal steps in a period of 10 years will bring the land tax to 100% of the annual rental value. (It may be better to have 10 equal steps of 9.5%, bringing the land tax at the end of the period to 95% of the annual rental value, so that there should always be a small residual sale price presumably equal to approximately one-half of the annual rental value.)

3. There will be no exemptions and no gradations in the levying and the collection of the land tax. If any reductions are to be made it must be by a "Subsidy Commission" which receives funds from the consolidated revenue of the State and passes an agreed subsidizing amount to the receiving body, and reports fully to Parliament and to the public on each body receiving a subsidy, and the value of the subsidy. Each such body must submit annually to a Corporate Affairs Department or similar body an audited balance sheet which shows the land tax as a cost, and the subsidy. This information must be available to the public.

4. Land tax shall be paid regularly at 1-2- 3- 6- or 12-monthly intervals, and as frequently as desired.