

**TAX ON PROPERTY IMPROVEMENTS
PENALIZES THOSE WHO WANT TO
IMPROVE THEIR LAND**

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The current financial, social and environmental problems of Washington are formidable, but they can be resolved if the Legislature will take proper action.

Our state is afflicted with two basic problems: a very regressive tax system and traffic gridlock.

The regressive tax system that bears most severely on workers at the bottom of the income structure includes an upside down property tax that cannot be corrected without a constitutional amendment.

The property tax is a levy at a single rate on two elements that are entirely different: (1) property improvements that are the result of human effort, and (2) land, which is the result of nature.

The tax on property improvements severely penalizes property owners who build, improve and maintain their property. Over the useful life of a building, the taxes can eventually exceed the original cost of the structure. But, the tax on land recovers only a fraction of the enormous community investment in (continued on page 6)

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infrastructure, public services, schools, etc., that is reflected in the price of land which in city such as Seattle may exceed \$400 per square foot in the central commercial district. The upside down property tax is the prime cause of urban decay, urban sprawl, environmental degradation and social problems.

It is generally admitted that a tax on anything will result in less of it and inferior quality. But a land tax will not cause a reduction in the amount of land by a single square foot!

Adequate government revenue can be derived by a land tax and would prevent the enormous community investment in infrastructure, schools, etc. from being scooped into the pockets of slum lords (cont'd on p. 9)

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and land speculators who under the current system get riches while they sleep!

Traffic congestion is the result of most vehicles occupied by no one except the driver, transporting empty space, and will not be resolved by building more highways.

Vehicle license fees should be determined as a function of vehicle gross weight capacity that will generate the revenue to maintain the highway-street system and creation of a public transit service that will enable people to travel rapidly in comfort.

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