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## SEPARATE ASSESSMENT OF SITE VALUE

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Single-taxers will agree that it is difficult to find language which expresses their purpose with adequate brevity and clearness. Much of what single-taxers have said is easily misunderstood; much of it has been so misunderstood. Many who should be with us are doubtless for that sole reason indifferent or in the camp of the enemy.

The National Committee of the National Single Tax League of the United States, as a part of an effort to correct this evil, uses the term "site value" as the name of what it proposes as "the sole basis for revenue taxes." Site value it defines as "the value that the development of society adds to land." The term may sometimes conveniently be expanded into "site value of land."

It is hoped that these terms will, at least, not positively mislead and confuse as have all the various terms which they are intended to supplant. Even the classic "the value of land irrespective of improvements;" in addition to its objectionable length, is likely to leave an inquirer in doubt as to whether, under our proposal, Improvements are to be exempted or not,—whether the portion of the selling price due to improvements in the land is intended to be deducted in arriving at the taxable value of the tract, or is intended to go unnoticed and so automatically be included in the taxable value. Such a value would plainly be, in a certain sense, a "value irrespective of improvements." It would be a value in which improvements had not received attention in assessing and consequently a "value irrespective of improvements."

### A Site-Tax Bill

In order to forestall ambiguities of this kind, and to bring generally to light the nature and extent of site value and to whoso land site

value attaches, the Massachusetts Single Tax League has prepared a bill for separate assessment of site value which we reprint below. This bill was introduced into the 1918 session of the Massachusetts Legislature, and will be reintroduced in the next session. At its first appearance it secured the volunteered and warmly welcomed approval of the Tax Commissioner of the Commonwealth, his approval being at least a clear-cut approval of the principle. The details he did not go into, and it is likely that on closer study of the bill he, like the promoters of the bill themselves, may have amendments of value to propose. It is reasonable to hope that with the growing interest in taxation this or an equivalent measure may not be long delayed. Such a measure is obviously an essential part of the single tax regime, and should have attention of single-taxers accordingly.

Massachusetts has been for years separately assessing land and buildings, but improvements in land are still lumped with land as in many other States. It seems clear that separate assessment of land improvements is as logical as the separate assessment of buildings—if the latter should be separated, so should the former.

Among other advantages, such a law will direct attention to the relatively great importance, in farming, village and even suburban communities, of land improvements. In helping to make clear the difference between the site value which we propose to tax and the gross selling value of improved land, now usually assumed in popular thought to be the value of land, this law should help to create the widespread welcome for the single tax which it deserves. Moreover, a specific measure for this purpose forms a very convenient introduction for a discussion of single tax among farmers and other land owners. It should be borne in mind that this is a Massachusetts bill. In States with different timber conditions, trees could not be so readily disposed of as land improvements. States with greater mineral resources might need more specific treatment of mineral lands.

The bill is as follows:

## AN ACT

To require the separate assessment of buildings, land improvements and the site value of land.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

Section 1. Section fifty-nine of Part I of chapter four hundred and ninety of the acts of the year nineteen hundred and nine is hereby amended by substituting for the requirement numbered "Seventh," the following: Seventh. The value of real estate assessed, specifying separately the three following values, to wit: (a) the value of buildings exclusive of land; (b) the value of land improvements; (c) the site-value of land. The value of land improvements is herein understood to mean, for each tract of land assessed, the portion of the value of each such tract due to the clearing, draining, cultivating, fertilizing, grading, and fencing thereof; and to the presence thereon of trees, shrubs and other vegetation, including standing timber and growing crops; and to all existing growing crops; and to all existing improvements in, on or to each such tract, other than buildings; and to improvements in abutting highways to the extent of the amount paid by the owner as special assessments for local betterments but not in excess of such amount. The site value of land is herein understood to mean for each tract of land assessed the portion of the fair cash value of each such tract which remains after subtracting therefrom the value of land improvements as hereinbefore defined and therein included.

Section 2. The tax commissioner shall and is hereby authorized to prescribe such changes in the form of all blanks, records and reports as may be necessary in order that the separation of values required by section one of this act may be correctly recorded and reported.

Section 3. On every tax bill issued by the cities and towns of the Commonwealth for taxes based on the assessment of April 1st of the year nineteen hundred and nineteen or on subsequent assessments

shall be stated separately the assessed value of and the amount of the tax on (a) buildings, (b) land improvements, (c) the site-value of land, all as defined in section one hereof.

Section 4. This act shall take effect on April first in the year nineteen hundred and nineteen.