



Congestion charging is a form of LVT

Land value tax alternative could fund the development of Scotland's railways

PETER GIBB, THE Henry George Foundation UK's new chief executive and director of Land Reform Scotland, claimed that LVT is a system of taxation which could fund a bright future for Scotland's rail system.

Speaking at a conference on the future of Scotland's railways, Gibb introduced LVT as the best way to fund public infrastructure development. His paper was well received by the delegates, who included Lewis MacDonald MSP, the Deputy Minister for Transport.

Gibb said: "Currently we require public infrastructure to be put in place at vast pain to the taxpayer, from whom it seems more money can never be enough. We seem to remain blind to the fact that real and

identifiable benefit from the new services the public has provided has been externalised from the infrastructure development process. It is giving huge bounties to private interests, through escalating land value, without any effort or input on their part. The introduction of land value taxation allows the recouping of such unearned profits for the public purse."

The only other options put forward were congestion charging – already a controversial proposal for London – and the issuing of railway bonds.

The need for a system of funding was underlined by Edinburgh councillor Andrew Burns, who said £1 billion was needed to fund the plans for trams and crossrail links throughout the Scottish capital.

Fair tax boosts Fairfax's prosperity

FAIRFAX IN NORTHERN Virginia is to become the first city in the state to tax buildings at a lower rate than the land on which they stand.

A new law authorises Fairfax to treat land and structures separately for tax purposes. Lawmakers hope that the move will help regenerate some of the city's most run-down districts.

Fairfax mayor John Mason said the new powers should be used to target blighted areas such as one of the city's busiest roads, where motels dominate what could

otherwise be valuable commercial property.

One city councillor commented: "This is something that the city of Fairfax has been requesting for years, and now we have finally got it."

Split-rate property taxation emphasises the value of land, discouraging sprawl and speculation while promoting smart growth and wise land use. The tax's adoption has been strongly supported by the American Henry George Foundation under the leadership of Joshua Vincent, who is delighted with the breakthrough.

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trying to whip up support for its campaign against the development tariff.

Tony Vickers, outgoing Chief executive of the Henry George Foundation and Progressive Forum's convenor, is keen to point out that in calling the tariff a land tax, *Property Week* is tarring LVT with the same brush.

He said: "We're not in favour of this tariff and feel it is a dumb tax. LVT is a smart tax that specifically encourages development. It only taxes the property owners who sit on their laurels gathering the benefit from development they have had no part in."

at a meeting of the House of Commons urban affairs subcommittee on tall buildings, Livingstone said: "We are preparing a proposal to recommend that a sizeable proportion of the costs should be borne by a levy on the land around the development. We have seen land values around these projects soar."

Much of the ensuing coverage has focused on the proposed development tariff, put forward in the planning Green Paper (see page 14). With *Property Week* carrying a long piece on the viability of a land levy and