

The Single Tax Review / Spring, 1906

The Editors

THE \$3,000 EXEMPTION PROPOSAL. THE HEARING  
BEFORE THE LEGISLATIVE COMMITTEE AT ALBANY.

The bill for the exemption of real estate improvements to the extent of \$3,000 was introduced in the Assembly of the State of New York by J. Sidney Bernstein, a young lawyer and Democratic Assemblyman from Manhattan Borough, and in the Senate by John S. Hawkins, a Democrat and Senator from the Bronx. It was referred to a joint committee of the Assembly and of the Senate, which was to have met in the Senate Chamber at 8 o'clock P. M., Thursday, March 29th. Accordingly the delegates representing the League to Partially Exempt Real Estate Improvements, everyone a Single Taxer, consisting of Fred Cyrus Leubaer, Durbin Van Vleck, Leonard Tuttle, Joseph McQuinn, H. B. Maurer, Dr. C. Zuchtman, William Ryan and Edward Polak left New York for Albany.

Senator Hawkins said the outlook for a joint hearing or any hearing at all that day was uncertain. The Senate and Assembly were so full of business that they did not adjourn until 6 o'clock the day before, and it was probable it would be that hour before they would adjourn that day. The delegation conferred with Assemblyman Wade, the chairman on Taxation and Retrenchment, in the Assembly, and it was finally decided to meet again Wednesday, April 4th, 1906. In the meantime, however, the Senate adjourned, and the Committee on Taxation and Retrenchment of the Senate had met. They were very much in a hurry, as they wanted to take the earliest train for home. The Legislature does not sit Friday or Saturday.

Edward Polak led off with his talk, which dealt with the figures on the assessment roll, showing what increase in the rate would be if \$3,000 worth of improvements were exempted. He also read a letter from Comptroller Kelsey, of the State of New York, approving of the exemption, but saying it should be made mandatory instead of permissive. When they saw that the Comptroller endorsed the measure "they sat up and took notice." Mr. Polak stated that it was a local option measure and the cities

could decide for themselves as to how much "exemption" they would desire to allow.

Mr. Van Vleck followed with a very able and convincing argument, giving his experience as an assessor and showing what a gain it would be to the city and to the citizens if "exemption" was in operation.

he committee was intently interested, asking a number of questions, which Mr. Van Vleck satisfactorily answered.

Mr. Leonard Tuttle next spoke and claimed the attention of the committee from the start. He spoke of the lack of opportunity a flat dweller has to procure a home and showed that if "exemption" were a law every man having a building lot in the suburbs or a little money could own a home. He showed that by keeping his savings in the bank they were exempt from taxation, but if he built a home it was taxed. This he considered unfair.

It was growing late by this time and the chairman of the committee was impatient to go away and said he would be obliged to close the hearing. The rest of the committee were very much interested, which fact was evinced by the questions which they asked of the previous speakers. Mr. Fred Cyrus Leubusher quickly arose and started to address the committee by saying he was president of the Metropolitan League of B. and L. Associations of the State of New York, having a membership of over 100,000. This evidently caught the attention of the chairman of the meeting and he paid attention. Mr. Leubusher said in part, "All countries recognise the principle of exemption to a certain extent where a man had to make a living. They exempted from taxation incomes below a certain amount. In this country they exempted in some States the manufacturing plants for a certain number of years. The income tax had provided that no income of \$4,000 or under should be taxed. The mortgages of B. and L. Associations were exempted from taxation up to \$3,000. And the savings banks deposits were exempted from taxation."

He showed by illustration and eloquent arguments that the "exemption" was based on justice and was for the best interest of the community as a whole. When Mr. Leubusher finished he said he would send in a brief. One of the committeemen asked if he would not prefer to have

the bill reported out of the committee. Two of the committeemen then and there expressed themselves as in favor of the bill. Messrs McQuinn, Ryan, Maurer were ready to address the committee, but the hour was late and they refrained from so doing.

From what has transpired it looks as if the committee will report favorably; if so the fight will be on the floor of the Legislature, There is at least a dozen legislators pledged to support and work for this bill. It now remains for individuals and societies to write to their representative and to the committees, urging the passage of the "Exemption Bill."

This completes the first chapter in the agitation for the \$3,000 exemption. The labor has fallen mainly upon the "Bronx League for the Partial Exemption of Improvements from Taxation," of which Edward Polak is President, Thomas Hand Vice President and Dr. Samuel Greenbaum is Treasurer.

The agitation has covered a period beginning from last July, and over 2,000 letters have been written and received. In his argument before the Senate committee Mr. Polak spoke in part as follows:

"I believe the people as a whole will be benefited if this bill becomes a law It is a measure that is universal in its application and affects alike the rich and the poor. It is not a partisan measure, it is not class legislation. It is not promoted by any political party and therefore is not open to criticism that 'there are politics in it'."

"We mean by this proposed measure to exempt real estate improvements to the extent of \$3,000; that all improvements of whatever nature that attach to the land are exempted from taxation for no more than \$3,000. "This measure is permissive. It permits each city to exempt real estate improvements from taxation up to \$3,000 and as much less as the board of supervisors or alderman, or whatever legally constituted body may be in the city affected, so desires. It cannot then be charged that in some localities where the improvements are not so valuable this measure would decrease to any perceptible extent the revenue to be derived in that particular city."

"This bill is to permit the various cities to exempt real estate improvements from taxation except for state and county purposes; i. e., the exemption only applies for city purposes. It is, therefore, a local option measure, as each city has the right to say what amount of improvements are to be exempted."

"There are some who would make this law mandatory throughout the State. They would make it so that each city would be obliged to exempt real estate improvements to the extent of \$8,000. We have no objection to that, and if the committee sees fit, in their wise judgment, to amend this bill thus, we will agree to it willingly."

"Our good friend, Controller Kelsey, of the State of New York, is one of the men who believe in making this measure mandatory. In his report to the Legislature, which was made February 14, among other things, he said: 'While deprecating the extensive granting of exemptions from taxation by special legislation, it would not be inequitable to relieve from taxation the homes of citizens not exceeding \$3,000 in value', and in a letter to me recently he said: 'The law should exempt them (the property owners) from taxation in every part of the State equally'."

"This measure is not a new one. It was introduced in this body a few years ago, but it was comparatively new then and it had very little support, and, therefore, was not reported out of committee. But to-day we have the endorsement and support of a great many building and loan associations throughout the State. Very many civic bodies and local associations have passed resolutions indorsing this measure. Public men in all walks of life and belonging to all political parties have indorsed this measure over their own signatures and we have letters which will bear out our statement."

"We have an organization in the Greater City of New York which has an enrolled membership of some twenty-five thousand."

"In the largest cities, particularly New York City, a large number of our people are herded in tenement houses like so many cattle. Some of the rooms in which they dwell never see the light of day. Vice, misery and poverty abound in these quarters. In its report the Board of Health

of the City of New York stated that 65 per cent, of the children born into the world living in these quarters die before they reach the age of five years, and that 85 per cent, of those stricken with pulmonary diseases—consumption, the great white plague —come from these quarters.”

“As these buildings have been torn down, tenants have been compelled to crowd into the remaining tenements, thus making the conditions still harder and the rents necessarily higher.”