

Remarkable Effects of Tax Exemption

THE Tax Exemption ordinance of the City of New York was passed in February, 1921; and exempted for ten years new dwellings up to a maximum of \$5,000 for each house or apartment. Some idea of the effect of this exemption can be had from the following statement of the Department of Taxes and Assessment, showing the exemptions granted to such new construction on the last assessment date, October 1, 1921:

One family houses, 10,200; two family houses, 4,819; total exemption, \$59,108,840. Multifamily (apartment houses), 312, amount, \$24,341,400.

President Goldfogle of the Tax Department says: "In so far as the one and two family houses are concerned, the effect of the exemption was to promote building activity and enable many people to provide for themselves and families comfortable homes."

The exemption ordinance was extended this year, to give a nine-year exemption to new dwellings begun before next April.

According to the *Real Estate Record and Guide* there is "more construction now under way than ever before in the history of this city." Reports of the Superintendents of the building bureaus show that on June 30, 1922, there were under construction in the City of New York, 7,504 one family houses, 6,366 two family houses, and 998 apartments to accommodate 23,791 families; a total of accommodations for about 40,000 families, capable of housing the entire population of a city the size of Atlanta or Omaha. These totals do not include dwellings built as a result of the stimulus of tax exemption and completed after assessment day, but before June 30.

NEW YORK City March building permits valued at \$104,598,500; Chicago March permits, \$19,883,900. Why the big difference? We don't know, for certain; but in New York they exempt new buildings from taxation for 10 years. That at least helps to explain.—H. M. H.