

Noah D. Alper's Brief Cases

SUPPORT FROM RIGHT, LEFT AND CENTER

"Selective application of a land tax for the common good—the 'site value taxation' of earlier decades in the twentieth century—is not so easy to dismiss. It gets support from right, left and center: from the right because it encourages individual enterprise instead of the 'federal bulldozer'; from the left because it penalizes unproductive wealth; from the center because it holds out the promise of a more beautiful city without extreme remedies or vast government expenditures. In St. Louis it has found a sympathetic audience among those who have been disappointed by urban renewal, and who charge that some urban projects have simply replaced old slums with new slums."

This was the view of St. Louis Comptroller John J. Poelker, who proposed to the Missouri Tax Study Commission that land be assessed at 100 percent of its true value and that improvements on the land be valued at 25 percent of value. Skeptical observers of Mr. Poelker's plan refer to it as the "George Henry Movement."

The City Comptroller was a featured speaker at the Henry George School conference in St. Louis last summer. His remarks were quoted in the St. Louis Post-Dispatch under the heading "The Single Tax in Urban Renewal—High Land Rate, Low Building Rate Urged as Incentive."

One of the critics of the above view, Donald G. Hagman, casting "a respectful look at Hawaii, where site value taxation has been combined with a governmental zoning and planning authority of exceptional scope and power," held that agencies were not free to force the highest and best use. He concluded however that "planners should know about land value taxation. They should know the power of the concept and its worth as a tool... They should make the practice of using property taxation for land-use planning purposes a tool of their own."

IF IT SIMMERS MAYBE IT WILL BOIL

Basil W. Hall, in his column "Keeping Posted" (Charleston Evening Post) offers evidence that the movement to untax improvements by taxing the location value of land more, offers encouragement to Georgists. He points out that an article he received indicates an "obvious flaw in our system of taxation."

As he described it, "when I put some expensive improvements on my house my real property tax goes up. If I let my property run down my tax would be lower. I can't imagine a more inefficient and illogical way to run a community or government."

He goes on to say that if we took the taxes off improvements and put the burden on land, people "would not be penalized for improving their property." The incentive to speculate in land would end, and urban slums and suburban sprawl would not pay rich dividends.

DEALS AND MORE DEALS IN REAL ESTATE

"A new trend in real estate is sweeping the country, bringing profits to thousands, and like all great ideas, it's simple. Indeed, once you know the tax angle, the successful deal swiftly follows," and this is outlined by the Institute for Business Planning.

But this deal follows on the heels of previous deals, compounding them. The Great American Tax Shift corresponds to England's great shift from land to industry. People are caught in a "killing bind" between high priced land and high priced products and services. Any previous study of economic principles shows that the prevention and solution of problems caused by high priced land, products and services, is to be solved by a reversal of this trend—making land and products and services lower priced.