

EVEN LIBERTARIANS CAN LOVE A LAND VALUE TAX

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Local architect Ken Doyno made some very good points in his recent essay, "A Perverse Property Tax" (Dec. 22 Forum). In fact, he comes encouragingly close to reinventing 19th-century American social and economic philosopher Henry George's prescription for both economic decline and poverty -- the single tax on land values.

The current property tax is a mix of both good (land value tax) and bad (tax on buildings and other improvements). Doyno recognizes the latter's perverse incentives, as it punishes with higher taxes those who improve their property, and rewards with lower taxes those, such as slumlords and speculators, who let their properties deteriorate or sit idle.

Especially heartening about Mr. Doyno's piece was his negative view of payroll taxes, which bear little if any relation to infrastructural benefits received, and his advocacy of a tax that correlates with those benefits. Such a tax is the land value tax. The Pittsburgh Downtown Partnership has found that its self-imposed 0.5 percent land value tax (in place since 1996) provides it with funds needed for improvements that make visiting Downtown more enjoyable and that it thus can pay for itself in terms of greater foot traffic for Downtown businesses.

Finally, Mr. Doyno goes part way toward proposing a fairer system of school taxation, when he intimated that only those who benefit from schools should pay for them -- for example, residents and not hospitals. Even better, in my view, would be for parents to pay (cont'd on page 4)

January-February 2003, Groundswell Page 3

EVEN LIBERTARIANS CAN LOVE LVT (cont'd from pg. 3)

a set fee for any child in the public schools. Failure to do this has resulted in other perverse public policies in many municipalities. Specifically, in order to prevent having to pay for the educations of myriad new residents -- mostly poor and with multiple children -- many municipalities with good schools have enacted extremely restrictive zoning regulations that require huge lots for each house, such that only the rich can afford.

"Pay for what you get and get what you pay for" is a good motto for local government to live by, and land value tax, a tax even a Libertarian can love, fits the bill perfectly. More information about this tax and its benefits can be obtained from the Philadelphia-based Center for the Study of Economics' Web site, at www.urbantools.net.