Planners get the scoop on LVT

by Tom Gihring, Seattle, WA

The Georgist message has gotten the full attention of urban planners in an article which just appeared in the profession’s most widely read and most highly respected journal. Dr. Tom Gihring’s article, “Incentive Property Taxation: A Potential Tool for Urban Growth Management,” appeared in the Winter issue of the Journal of the American Planning Association, Vol. 65, No. 1, 1999, pp. 62-79. The article is based upon an analysis of a hypothetical application of the two-rate tax in Clark County, Washington. Dr. Gihring, Seattle-based planning consultant, presented his study findings at the July conference of the Council of Georgist Organizations, in Portland, Oregon. The article makes the case that the incentive benefits of Land Value Taxation coincide with the planning objectives embodied in Urban Growth Management, a legal mechanism adopted by several states which seeks to prevent urban sprawl and promote a more efficient regional land use pattern. Study results support the conclusion that UGM goals of centralization, intensive land utilization, and infill development, are supported through the incentives built into the anti-speculative LVT system. “Land value taxation appears to hold much better prospects for promoting efficient use, dampening land price inflation, and discouraging land speculation than does the conventional tax system,” the article concludes.

Professional planners could become among the strongest allies of the Georgist movement. They are always looking for practical means to strengthen their plans, and the LVT is a logical tool for implementing them. Planners, however, are not always comfortable with the theoretical language of economists. They are more likely to respond favorably to documented evidence of positive effects from applied results—hypothesis or historical. To the author’s knowledge, this is the first extensive introduction of LVT to the planning community; there are no previous journal articles specifically on this subject. Hopefully, the article will prompt widespread discourse on the merits of property tax reform as a useful planning tool.

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