

John Chandy

ABOLISH TAXES ON HUMAN LABOR: COLLECT COMMUNITY CREATED LAND VALUES INSTEAD!

In Society there are two differing sources of revenue for public taxation: One by being taxed contributes to greater social well-being; the other, does not.

By far the most prevalent, and onerous, taxes fall on the **products of human labor**. They are the *Sales, Income* and *Value-added taxes* and include that portion of the property tax levied on buildings. By **penalizing honest labor** these taxes act as a **disincentive to socially beneficial production** and thereby **encourage speculation**.

The levy on **community-created land values** constitutes that percentage of the property tax not falling on buildings and other improvements. This lesser portion of our property tax plays a minor role amid the welter of schemes for raising public revenues. However, **numerous studies and actual experiences with Land Value Taxation** in the United States and elsewhere, have shown this method **highly superior** to other taxes especially considered from the perspective of **overall social well-being**:

- First, by making socially valuable land less profitable to hold idly, the speculative element in land holding is sharply reduced—if not done away with completely—under full land-value taxation.
- The highly speculative real estate market being one of the major causes in this current crisis of 'stagflation', one can readily ascertain how eliminating this factor from the economic equation would contribute greatly to the general welfare.
- Secondly, by shifting the burden of taxation off of individuals' honest labor and onto those values that attach to raw land, because of all the services that represent community, the stimulus to increased productivity and real improvement is immense.

We acknowledge the **deep-seated dissatisfaction of the people with prevailing extortionary taxing policies** that led to the passage of Proposition 2½ in this state and similar proposals elsewhere. We go along and support a **reduction of the current property taxes in Massachusetts to 2½% of full market value**. However, we go **even further** and recommend a gradual reduction of that portion of the **property tax on improvement to 0%**, the loss of revenue to be made up for with a corresponding **incremental levy onto land values**.

Any further needs for public revenues after essential and efficient reorganization of *Municipal* and *State* government is accomplished, should in our view, be raised solely through appropriate increases in levies on community created land values.

For further discussion and information contact:

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