

Questions and Answers

OHG
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Editor Land and Freedom

An examination of the taxes on most homes and farms, seems to disclose that they all now pay into the public treasury more than the annual rental value of the land.

If now you would take off the taxes from the improvement, wouldn't that throw an impossible burden upon the land values, which pay now more than their annual rental value?

If your answer is, that the difference would be taken from the land values of public utilities, where are the figures which would show that these land values of the public utilities could annually bear the burden?

I am more or less familiar with the theoretic answers to the question, but it seems to me that unless we can show from some statistical investigation, how we could reduce the tax burden on the home owner, and still meet the tax bill, we can make little progress.

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If "most homes and farms ... now pay into the public treasury more than the annual value of the land" that is possible only because farmers and home-owners pay taxes on land, ~~and~~ ^{and} ~~and~~ ^{and} buildings ~~and~~ ^{and} improvements. ~~But~~ ^{as under the Single Tax} the rent of land only would be taken, that ~~is~~ in itself would guarantee that not "more than the annual value of the land" would be paid.

As to the sufficiency of ~~the~~ land rent to meet the ~~needs~~ needs of government, New York City with its huge expenditures and its, so called, inflated budget ought to be a fair criterion. Its ~~for~~ largest budget (that of 1932) was \$631,000,000.00 during that year the city collected a minimum of \$225,000,000.00 as taxes on land values, ~~after~~ ^{notwithstanding} which there still remained an assessed value in the land of \$900,000,000.00 This assessed

value of land means that there still remained in the possession of the land owners of New York City a minimum actual or potential land rent of \$450,000,000.00 (5% on \$900,000,000.00)

Thus in 1932 the City of New York collected \$225,000,000.00 of the land rent and the owners of the land collected, or could make use of, \$450,000,000.00 of the land rent. This means that in 1932 the total land rent in New York City was a minimum of \$675,000,000.00. Set this against the budget of 1932 and you have a surplus left over.

But that's only part of the story. Every tax burden lifted from the building for improvement reflects itself into a higher land value; and as the Government of the City of New York ^{in 1932} collected also a minimum of \$225,000,000.00 from the buildings ~~of the city~~ in the city, and as this amount would remain in the possession of the owner under the Surtax and no further taxes be collected on any buildings old or new, it may be confidently expected that this \$225,000,000.00 will add itself to the ~~675,000,000~~ and show a land rent of not less than \$900,000,000.00 (The budget, it should be remembered here, was \$631,000,000.00)

This, approximately, is what would happen in every City in the U.S. if the Surtax were adopted throughout the country — and this will provide for all the local expenditures needed. ~~For the State and Federal~~ State needs will be provided.

by ^{the} further rises in land values that will follow the abolition of Federal and State taxes. The Federal Government then can ~~assess~~ apportion its budget among the States according to the amount each State collected in ~~the~~ rent and each state after combining the Federal apportionment with its own budget will apportion the whole on the Cities and local taxing bodies according to the rent each collected.

~~Therefore we have provided all the cpts of Government and have not~~

Public Utilities would help to swell the total (naturally they will not be omitted) but we are not depending on these alone as is demonstrated above, although it has been said, and is held by many, that the rent of all public utilities including Mines, Oil Wells, Water Power Sites and all franchises is in itself sufficient to run ~~the~~ the Federal State and Local Governments.

We should have figures to prove all these claims and some day we will have them, but the figures submitted above are authentic and ~~are~~ well within the facts.

Ed