

Incentive Taxation

Good News from South Africa

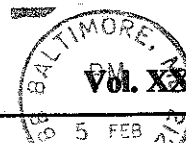
There has been a great advance in the Republic of South Africa. Capetown is to go land value tax only - there'll be no taxation of buildings.

Specifically, a greater Cape Metropolitan Area has been established comprising 39 former municipal areas (including Capetown) with a total population of about 2 1/2 million people, and it will use land value taxation only after July 1998 as its principal source of revenue. In 1997, a new land assessment will be undertaken, after which only the city of Port Elizabeth will have the old land-and-building taxation. All other major cities in the R.S.A. will have gone over to land value taxation only.

This information came to us by e-mail (1/4/97) from Mr. Godfrey Dunkley, prominent R.S.A. engineer and president of the International Union of Land Value Taxation & Free Trade.

If the Cape Metropolitan Area can go land tax only, as well as every major city except Port Elizabeth, and if the trend in the Republic of South Africa is toward land taxation, then one wonders when such American cities as Hagerstown, Cumberland and North Beach will do likewise. After all, most voters will get tax reductions and new construction will be spurred, along with revenue neutrality.

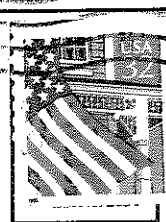
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