WHAT CIVIC LEADERS SAY ABOUT THE GRADED TAX PLAN

HON. DAVID L. LAWRENCE,
Mayor of Pittsburgh since 1946

"There is no doubt in my mind that the Graded Tax law has been a good thing for Pittsburgh. It has discouraged the holding of vacant land for speculation, and provides an incentive for building improvements. In the distribution of the tax burden, it is beneficial to the home owners.

"The law is generally accepted in the community and there is no significant support for its repeal or modification. In fact, there is a lively movement to extend it."

ROY STAUFFER,
Chairman of New Industries Committee,
Scranton Chamber of Commerce

"We have found that our method of taxation on land and improvements is a factor in attracting new industries."

HON. WILLIAM A. MAGEE,
Mayor of Pittsburgh, 1909-13; 1922-25

"In 1913 we had large tracts of vacant land in the residential areas of Pittsburgh and many dilapidated, old and small buildings in the business districts. A bonus to the owners in the form of a relatively lower rate of taxes was deemed worthy of experiment.

"After years of experience with the Graded Tax, we are justified in claiming success."

HON. FREDERIC C. HOWE,
Former U. S. Commissioner of Immigration,
New York City

"Pittsburgh has set the pace for all America in her tax system—reducing taxes on improvements and increasing taxes on land values. This is the greatest single step any American city has taken in city building."

A PRACTICAL PROGRA
FOR REDUCING TAXES
ON IMPROVED REAL EST

Act No. 299—Approved August 17, 1
Points the Way for Pennsylvania Ci
To Modernize Their Tax Structure

dont return H.C.M.

WHEN YOUR CITY ADOPTS THIS MODERNIZED PROGRAM

You Will Gain By—

- Lower Taxes for Home-Owners and I
- Special Incentive for New Industries
- More and Better Homes
- Encouragement to Building and Pri Enterprise

GRADED TAX LEAGUE OF PENNSYLV
710 Bakewell Building,
Pittsburgh 19, Pa.

(16)

THE GRADED TAX PLAN: A MODERNIZED TAX STRUCTURE

A Proved Method: To Raise Adequate Revenue To Lighten Tax Burdens

The Graded Tax Plan has been in successful operation in the important second class cities of Pittsburgh and Scranton ever since 1913, when the Pennsylvania Legislature passed Act No. 147, establishing a procedure for the gradual shifting of a substantial portion of the municipal tax burden from improvements to land values. No one in Pittsburgh or Scranton seriously suggests its repeal.

Since 1925 the city tax rates in both Pittsburgh and Scranton have been 50% lower on buildings than on land, giving substantial encouragement to all private building operations and resulting in lower taxes for the great majority of real estate owners. Under this plan the Cities have obtained greater revenue when required with less burden on the people of the community.

Endorsed by League of Cities of the Third Class

Officials and citizens of other Pennsylvania Cities have long been interested in the Graded Tax Plan but the Cities have not heretofore been free to act.

The League of Cities of the Third Class has been on record since 1928 in favor of the Graded Tax Plan by virtue of a resolution unanimously adopted by the City officials at their New Castle Convention. But for lack of municipal home rule in taxation, the Cities of the Third Class were not permitted to enjoy the advantages of lower taxes on *improved* real estate.

City Councils Now Have Full Authority

When Governor John S. Fine signed the bill introduced by Senator Bernard B. McGinnis, adopted by both houses of the Legislature by an almost unanimous vote, the Councils of all of the 47 Cities of the Third Class were given authority to separately classify and assess land and buildings and to levy differential tax rates, as has been done by the Councils of the Cities of the Second Class.

This legislation was, in fact, adopted twice at the same session of the Legislature, in order that it might be incorporated in the newly revised Third Class City Code.

Cities Separating Land and Building Values

Already a number of Cities have adopted separate assessment of land and building values. In several Cities officials are also proposing to lower the tax rate on *improved* real estate with a view to promoting the growth and prosperity of their communities.

THE GENERAL ASSEMBL[Y] OF PENNSYLVANIA

Act No. 299—Session of 1951

Signed by Governor John S. Fin[e]
August 17, 1951.

AN ACT

To further amend the act approved t[h]
day of June, 1931 (P. L. 932) entitled "
relating to Cities of the Third Class and
ing, revising and consolidating the law
thereto" by authorizing the classification
estate into buildings on land and land
sive of the buildings for city assessme[nt]
tax-levying purposes at separate and d
rates.

The General Assembly of the Commo[n]
of Pennsylvania hereby enacts as follo[ws]

Section 1. Section 2504 of the act of
hereby further amended as follows:

At the next triennial assessment follow
effective date of this amending act the a
shall, if council by ordinance so direct
sify all real estate in such city in such
and upon such testimony as may be a
before him, so as to distinguish betwe
buildings on land and the land exclusiv[e]
buildings, and he shall certify to the
the aggregate valuations of all real esta
ject to taxation for city purposes withi
such classification.

Section 2. Section 2551 of said act is
further amended by adding a new par
to read as follows:

The council of any city may, by ord
in any year, levy separate and differen
of taxation for city purposes on all real
classified as land exclusive of the bu
thereon and on all real estate classif
buildings on land. When real estate ta
are so levied they shall be uniform as
real estate within each such classificati
such rates shall be determined by the r
ments of the city budget as approv
council.

Section 3. The provisions of this act sh
come effective immediately upon final
ment.

(This Act was passed by the State Se[n]
Pennsylvania April 17, 1951, by a vote
0, and by the House of Representatives,
1, 1951, by a vote of 184 to 1.)