

LAND VALUE TAX COMMITTEE OF DELAWARE

PROPERTY TAX REFORM TO HELP REMEDY ECONOMIC & SOCIAL ILLS OF OUR TIME

CONCEPT:

TAXING OF PUBLICLY-CREATED LAND VALUES MORE FULLY, RATHER THAN IMPROVEMENTS, WOULD BENEFIT THE ENTIRE COMMUNITY . . .

PAST & PRESENT PROPOSERS:

PIERRE SAMUEL DU PONT DE NEMOURS, ECONOMIST	1800
HENRY GEORGE, ECONOMIST, PHILOSOPHER	1890
EDWIN P. NEILAN, BANKER, CIVIC LEADER	1965
MAYOR'S FISCAL STUDY COMMITTEE	1969
U. S. CHAMBER OF COMMERCE RESOLUTION	1970
U. S. SENATE COMMITTEE ON GOV'T. OPERATIONS	1971
AMERICAN INSTITUTE FOR ECONOMIC RESEARCH	

~~ORIGIN DATE~~

~~ADDED, DELETED, 1980~~

18 Eberly Drive
Chapel Hill
Newark, Delaware 19711

June 15, 1980

Letters To The Editor
Delaware Today Magazine
2401 Pennsylvania Avenue
Wilmington, Delaware 19806

Dear Editor:

Bravo your June report on rampant speculation in Wilmington's decrepit housing. The speculator-enterprisers who rehabilitate these derelicts for sale or rental help to revitalize the city. The opposite is the case for the non-enterpriser...the LAND SPECULATOR.

Typically, land speculators will either lease, board-up, or tear-down these sub-standard structures (often for parking lots), and withhold the site from the market until they get their price for the land. This drives up prices of other available sites, denies decent housing and job opportunities to those who desperately need them, and contributes to the delinquency, crime, vice, and frustration associated with a blighted environment.

Correction of the problem requires understanding of the cause. Land speculation results from our antiquated property tax system which encourages speculation with low taxes on land values, while discouraging renovation because of high taxes on improvements.

The solution is in modernization of the property tax, whereby land would be taxed more and buildings taxed less. The land owner would have to make good use of his site, or sell to someone who would. Homeowners and builders would be encouraged to renovate.

This idea of "incentive taxation" has been proven in nearby Pittsburgh, Harrisburg, Scranton, and McKeesport, Pa., where it has been enthusiastically applied in recent years.

Sincerely,
Frank E. Nelson
Frank E. Nelson, chairman
738-0618