

Nelson

Incentive Tax League

R1241

Delaware Valley Chapter

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Letters to the Editor Department
Evening Journal, The News Journal Co.
Wilmington, Delaware 19899

Dear Editor:

One of the best ways to help preserve Delaware's vanishing farm-
land ^{would} ~~may~~ be to reduce the pressures causing its premature development.
This problem relates to those of ^{leapfrogging} suburban sprawl and urban decay as
they all represent patterns of poor and wasteful land use. And officials
and land economists say these examples of misuse of our important land
resources are not only related but are the result of a common cause ..
.. upside-down land taxation policies that actually encourage and pro-
mote these very conditions.

Delaware's land use problems mirror those of most states. Typi-
cally they originate in the urban sector and radiate outward into sub-
urban and rural areas. The culprit is the archaic real estate tax
practice (as in Wilmington), which taxes buildings much higher than
land, with the result that land speculators buy land and hold it out
of use while waiting for its future value. So says a recent report
by the U.S. House of Representatives' Subcommittee on the City, which
cited studies showing that in the nation's cities, large and small,
the amount of vacant and under used land is more than twice as exten-
sive as the land occupied by all their commercial and industrial activ-
ities combined. (Anyone viewing Wilmington ^{and environs} from the air would have
to be impressed by the proliferation of boarded-up houses, vacant sites,
surface parking lots and moribund industrial properties).

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County Representatives

Bucks: Richard L. Biddle Chester: Arthur Yeatman Delaware: Wylie Young Montgomery: Jack Himmelstein Philadelphia: Joan Galgon
Kristie Feder and Linda Marucci New Castle, DE: Peter Brachman, Donald Crawford and Michael Campbell Camden, NJ: John D. ...

11/24/80 Dear Mark - Thanks for your note - Richard Biddle
is the one to list with the Incentive Tax League (I am only 9
Delaware representative there) - You might just include me on your list
of individuals - Thanks, Frank Wilson

This might be of interest.

Currently, a local issue

The House Subcommittee report concludes that the double standard in property taxation is the main reason for the pressures causing ~~the~~ real estate developers to ^{prematurely} turn suburban areas and farmland into housing developments, shopping centers and industrial sites, while urban land sits unused. Other top officials agreeing with this general assessment include Edmund Muskie, former Senator, now U.S. Secretary of State; Philip Klutznick, Vice Chairman, Committee for Economic Development, and U.S. Secretary of Commerce; Jack Kemp, U.S. Representative; and Henry Reuss, Chairman of the House Committee on Banking, Finance and Urban Affairs.

As an answer to this tax problem, the report cites the action by Pittsburgh which increased its land taxes ^{in recent} ~~last~~ year but didn't increase taxes on buildings. (Spurred by this "incentive" tax change, plans for five new skyscrapers have been announced, and sales of vacant lots and new construction are up ~~over~~ 20% over ~~the~~ previous year, ^{recession and} despite kangaroo jumps in mortgage rates). To follow suit, legislators in New Jersey, Nebraska, California and Wisconsin have proposed tax changes that would impose higher rates on unimproved urban land.

Sincerely,

Frank E. Nelson

Frank E. Nelson
Delaware Representative

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