PROPERTY TAX

PROPERTY TAX goes up when you improve your property and goes down when you run your property down.

PROPERTY TAX in Pittsburgh takes 1¼ % of the value of your improvements, not just once, but every year for as long as the improvements last.

PROPERTY TAX discourages investment in this city so badly that big business has to be enticed with a ten-year exemption on improvements to get them to locate here.

PROPERTY TAX makes the owner of a well maintained home pay more for fire protection than the landlord of a subdivided firetrap of the same size.

PROPERTY TAX in fourty years time, costs half as much as the property itself.

We agree that governments must have revenue, and that it is only fair for the people who own the land to pay the taxes which service their land and increase its value, but...

Must we penalize people for making their property better?

Must we discourage them from being the kind of property owners we need? The answer is

NO!

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What busted THE BUILDING BOOM in Pittsburgh's Renaissance ?

7737

It's time we shift from property tax to...

SITE VALUE TAX

SITE VALUE TAX makes the negligent slumlord pay as much tax on his property as the conscientious landlord has to pay.

SITE VALUE TAX makes the land speculator pay the pay the same tax on his vacant or condemned property as the adjacent homeowners, who have to live next to these eyesores.

SITE VALUE TAX stays the same regardless of what you do with your property. It is the tax that says, "This is your property. You paid for it and you are paying your fair share for the services which add to its value. What you do with it is not the tax collector's business.

Site Value Tax is based on the unimproved value of the site. It is like a property tax from which buildings and other improvements are exempt. In fact, property tax is simply a Site Value Tax plus an additional tax on buildings. We intend to reduce and eliminate the tax on buildings.

Site Value Tax is fair

The value of your building is based on what it costs to build such a building, minus the wear and tear. But the value of the building site is based on what is located around it. Schools, good roads, fire and police services, libraries and other services of government all increase site value. Under a Site Value Tax system, you get what you pay for.

Site Value Tax is progressive

It reflects ability to pay. Choice, high-value land is concentrated in fewer hands than property, income, profits, or general wealth. With a site value tax, most homeowners would pay less than they pay under property tax. Most businesses would pay less on their active commercial property. People who literally have more valuable land than they know what to do with would pay more.

Site Value Tax is productive, not counterproductive

Too much property tax makes people not want to improve or even maintain their property. Too much tax on wages and income makes people not want to work. Too much sales tax discourages trade. Too much tax on business makes businesses want to locate elsewhere. But the only effect of Site Value Taxation is to discourage people from holding land they don't need, and, therefore, to keep the price of land down where people who have a good use for land can afford to buy some.

Site Value Tax is almost impossible to evade

Land is real. It lies out of doors. It cannot be concealed by a slick accountant or denied by a fancy lawyer or purchased out of state and smuggled in. Site value can be assessed from the street or even from an aerial survey. Assessments are open to public scrutiny and can be overturned easier than any other type of tax ruling.

Site Value Tax does not violate your basic rights

It does not require that you testify against yourself by filing a tax return. It does not allow assessors to tresspass on your property. It does not involuntarily extract funds from your paycheck without due process of law. It does not make it a crime to purchase something out of state and bring it home.

Site Value Tax works

In Australia, the landowners themselves elected in municipal referendums to eliminate the property tax in favor of the Site Value Tax. The rate of building construction has been consistently higher in site-tax districts than in property tax districts, and unemployment has been consistently lower. Now, over 2/3 of all Australian municipalities are funded by Site Value Tax. In 1966, the city council of Sydney, Australia issued the UNANIMOUS opinion "that the Site Value Tax is the best method of raising a rate to finance local government services."

Grading property tax toward site value has been working in Pittsburgh

Since 1925, Pittsburgh has been taxing site value at twice the millage rate as property value. This differential tax rate has been partly responsible for Pittsburgh's economic vitality through the depression and postwar redevelopment. With land values crashing to as low as 42% of their 1930 value, Pittsburgh maintained 89% of its land value through 1940. Pittsburgh's amazing renniassance, conducted without building subsidies, was the subject of over 32 major magazine articles between 1947 and 1960. This increased building activity has caused the bulk of the property tax to fall once again upon improvements, and the proliferation of other taxes has greatly reduced the tax load on the land speculators and slumlords. Now we have to give houses away and put up huge subsidies to bribe people into improving their own property.

We can do it again

We intend to campaign for grading property taxes farther and farther toward site value until the building tax is eliminated in cities and municipalities all over Western Pennsylvania.

The time is NOW!

Several cities, including Pittsburgh, Johnstown, Harrisburg, and Meadville are considering the option of grading their property taxes toward site value. Furthermore, the state senate is entertaining a series of local option bills which would allow counties, school boards, and smaller municipalities to grade their property tax toward site value. We need immediate support from people and organizations all over the state to make this reform possible.

YOU can HELP!

There is much you can do to help. You can work in the Site Value Tax campaign. You can help us meet expenses with your contributions. You can arrange to have a representative of the campaign meet with your organization, union local, or civic group. The first thing, the thing you can do right now, is to pledge your support to the Site Value Tax alternative by calling the Incentive Tax League at 621-2965.