

Liberate production from taxation! Liberate the earth from monopoly! Liberate humanity from poverty!

INTERMOUNTAIN SINGLE TAX ASSOCIATION

I S T A

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May 7, 1987

TO: Colorado Members of ISTA, & Frank Randall

Ladies & Gentlemen:

Between absences from the state and innumerable duties related to ISTA and Frontier, I am finally able to report to you on results of the questionnaire poll which I submitted to you on April 1.

Questionnaires were sent to the 20 ISTA members who live in Colorado. I received twelve responses, including one letter in lieu of questionnaire answers. As matters usually go, that wasn't bad.

Six members included letters that contained thoughtful ideas which I am summarizing separately.

In typical professorial style, I have given the grades numerical values (A, 4; B, 3; C, 2; D, 1; F, 0). Where questions were not answered, I have not assigned any value and have not included them in averages. Then I have added up the "grades" on each question, divided by numbers of individuals answering them, and obtained averages which you will find on the enclosed questionnaire form.

To somehow sort out the over-all values given to each plan, I added the grade for "effectiveness" to that for "support" and divided by 2, thus yielding "average" grades. I am sure a mathematician would have fits over mixing apples and bananas in this way. Nevertheless, both effectiveness and potential support have somewhat similar importance. There is no sense working like crazy for an effective plan which would gain little or no public support; or for a plan that might be likely to pass but that would be of little or no effect in realization of our objectives.

The results of this averaging process, from top to bottom, are as follows:

<u>Average</u>	<u>Proposal</u>
3.02	Something like Pennsylvania plan (4)
2.80	Randall Amendment (1)
2.80	Sweeping single tax measure, but urban property only (7)
2.76	Permit any taxing district, by local option (5)
2.63	Randall Amendment, by popular option in districts or state (3 (1))
2.48	Attempted 1976 amendment, to exempt <u>all</u> improvements (2)
2.35	Exempt all improvements, by popular option (3 (2))
2.26	Sweeping single tax for all Colorado (6)

You will note that the Pennsylvania plan (4) gets the highest grade - 3.02. or a B, largely because members assumed it would receive the highest voter support (2.79)--probably because it would only affect cities, and because it is already in effect in another state; but this was first adopted in Pennsylvania in 1913, and now, almost three quarters of a century later, it has only been adopted partially in seven cities of that state. At that rate, it might take 1000 years to get something like it adopted in most taxing districts of Colorado (4, 5)--and then only so partially as to fail to provide any clear demonstration of effectiveness.

Except for the Pennsylvania plan (4), first prize (2.80) is shared between the Randall amendment (1) and the idea of a sweeping single tax measure affecting urban property only (7). See enclosed first page of Frontier No. 4. Actually the Arizona resolution would have reduced or removed all tax burdens on "production, business, labor or improvements on property" and replaced them with increased taxation of "unimproved urban land."

Before sending the questionnaires to you, and therefore before I knew you would favor the Arizona idea so much, I wrote to Professor Mason Gaffney (Ph.D., economics, University of California at Riverside) to get his views on the Randall amendment.

Dr. Gaffney is a real tax expert, and supports our point of view. In two letters, he wrote the following:

March 24: "Frank Randall's idea is not bad for a start, not bad at all! The south-eastern states. . . have generally allowed a "homestead exemption" from the property tax. It is not fashionable among tax economists who . . . are suspicious of anything below the Mason-Dixon Line (except Washington, D.C., of course), but it is not a bad idea, really. Randall improves on it by limiting it to improvement, which has the inestimable value of awakening people to la différence. . . ."

April 11: "So why do I like Randall's approach? Because the exemption is designed to combat concentration, and protect the hearth. And because it distinguishes land from buildings, thus demonstrating to everyone that this is possible, and giving them experience with the benefits of it; and because it gets away from dependence on the 'income'-based circuit breaker approach, which serves to underwrite the myth that measured 'income' is a meaningful index to welfare and an appropriate index for tax liability."

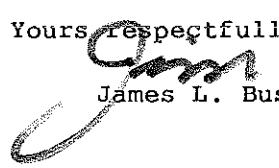
In other words, according to Gaffney, the Randall amendment would have an educational as well as an economic impact, both of which are very much needed. I will now ask him for his reaction to the Arizona Republican idea.

Frank and I have discussed the possibility of holding a meeting with ISTA members to discuss "ways and means". Because of central location relative to several members, and on the basis of excellent reasons offered by one of our leading Colorado Springs members, I think Denver is the place to have such a meeting. When you have time to digest all this letter and enclosures, and Frank and I have time to consult with each other, it is likely that you will be asked about the possibility that you might attend such a meeting.

*I do want to express my very sincere appreciation to those of you who did take the time and trouble to fill out the questionnaire. As promised, you get a grade of A. Some members indicated they had a tough time filling out the questionnaire, and said they could only "guess", which is of course what all of us did to some extent. I found that filling it out myself was by no means easy, and so am doubly grateful to those who tackled it. In no way can anyone pretend to scientific accuracy from such a small sample, though constituting a majority of the Colorado membership. All we can claim is that we may have turned up a sort of rough guide to further action.

What that action will be, only the voluntary efforts of all of us will finally decide.

Yours respectfully,


James L. Busey

cc: Mason Gaffney, Earl A. Hanson, Robert Clancy

encl: questionnaire with "grades"; excerpts from member comments; part of p. 1 of Frontier, No. 4.

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President: James L. Busey, P.O. Box 7, Manitou Springs, Colorado 80829
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QUESTIONNAIRE, TO IMPROVE COLORADO TAX-REFORM STRATEGY

A. From among the following alternatives, give ratings of **A, B, C, D or F** to each one in terms of your view as to (1) Effectiveness in meeting problem of land speculation, and (2) possible public support (votes) you think it might receive:

1. The Randall Amendment, which would exempt improvements from application of the property tax, to the extent of \$100,000 of assessed valuation (the idea being that the presently absurdly and illegally low land-value assessments would have to be raised to meet the needs of local budgets):

Grade: Effectiveness 3.45 Support 2.15 Avg, 2.80

2. The attempted 1976 amendment, to exempt all improvements from taxation (same idea as above, but more drastic):

Grade: Effectiveness 3.3; Support 1.67 Avg, 2.48

3. A popular option to (1) or (2), above, which would permit local taxing districts (municipalities, counties, school districts, other taxing districts) or even the whole state to adopt such measures by election or by the state General Assembly:

1. Grade: Effectiveness 3.12 Support 2.14 Avg, 2.63 **2. Grade: Effectiveness 3.0; Support 1.71 Avg, 2.35**

4. Something like the Pennsylvania plan, adopted in 1913, which permits cities to adopt "graded" or "split" tax whereby property tax falls more heavily on land values than on improvements (thus far adopted in seven Pennsylvania cities--Scranton, Pittsburgh, Harrisburg, McKeesport, New Castle, Duquesne, Washington).

Grade: Effectiveness 3.25; Support 2.79 Avg., 3.02

5. A measure that would permit any Colorado taxing districts (e.g., cities, towns, counties, school districts, special districts, etc.) to adopt something like the Pennsylvania plan, by local option.

Grade: Effectiveness 2.875 Support. 2.64 Avg., 2.76

6. A sweeping measure which would require the removal of all taxes which inhibit production, business, human labor or improvements and would replace those lost revenues by increasing the tax on land values--in other words, a full single tax for Colorado.

Grade: Effectiveness 3.7 Support 0.83 Avg, 2.26

7. A measure similar to the above, but (like the Resolution of Arizona Republican Party Convention of January 25, 1986) confined to urban property only.

Grade: Effectiveness 3.43 Support 2.167 Avg, 2.80

8. Some other type of measure. Please explain on a separate sheet, or reverse side.

Grade: Effectiveness _____; Support _____.

Phase in Randall idea gradually - say, 20% each year, to \$100,000 in 5 yrs.

B. List some devices that proponents should use to secure more public support and enthusiasm either for the Randall amendment or for some other of similar character. If you wish, you may include a listing of things you would be willing to do, such as contacting friends and neighbors, speaking to groups, writing editorial letters, and so on. ISTA is totally voluntary, so no obligation will be implied. I think that if an acceptable proposal can be initiated, there will be no problem about raising money, so please do not get into that question. Use a separate sheet or sheets for your response to this question. --JLB

Your name, please. This isn't an election to public office.

Just for filling this out and returning it, you get an A.

EXCERPTS FROM MEMBER COMMENTS

"It is my feeling that the (Randall) amendment should have limited it to say 20% each year for, say, five consecutive years; thus bringing it to say 20% each year for five consecutive years: thus bringing the total of \$100,000 over a period of five years." - Colorado Springs.

"My strongest recommendation is, communicate with your elected representatives, State Senate, House, County, Municipal, and Regional Councils of Government. Let's get together and write some proposed legislation, and let's do it through communication and meeting with Colorado counties, Colorado Municipal League, Joint Budget Committee, and other concerned groups that if consulted in advance could be supporters rather than detractors, and allow them to get their 'two cents worth' of input." - Denver.

"The 'developers' are so powerful in Colorado--and would oppose such measures. Perhaps the foreclosures coming on commercial property will taint them, and the public would respond. Without some event--probably a real estate catastrophe--to rally around, I feel the idea will be a very difficult one to win public support." - ~~Denver~~
- - Colorado Springs.

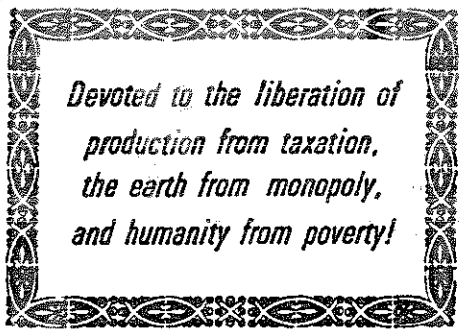
"I'm firmly convinced that only the constitutional amendment idea will succeed in doing what we want. Frank's idea will be a start but will require the same amount of work as the (1976) proposed amendment, so why settle for the least success. . . In my opinion, no program will succeed that does not appeal to our personal greed! We must be able to show the least knowledgeable of our voters that taxes will be more equitable; the rich will be forced to pay their full share, and the resulting increase in productivity will improve jobs and the general economy." - Colo. Springs.

"It seems like a hundred years ago that we stood on street corners in Denver trying to get the public involved. "Liberate production from taxation, liberate the earth from monopoly, liberate humanity from poverty!" has been around longer than I know and still, for such obvious truths, there has been very little advance in that direction. . . Single taxation should be concentrated on local taxing districts. I know this is not a 'union area' but special effort should be to inform and educate labor and services. Any and all of the ideas proposed in your questionnaire would be effective but none would get the necessary support." - Monument (this member enclosed a copy of a strong, well-written letter she had sent to Sen. Steve Durham).

"I believe a single tax on land only could be implemented by a gradual shift from the present system. . . . I think the way to implement the program is by one-on-one contact with friends and neighbors, and by contact with state legislators. The legislators will have to be convinced we have a positive, complete program. . I think we need to be better informed on the seven-cities programs in Pennsylvania." - - Pueblo.

"The time is ripe for a public campaign! The No. 1 goal would be publicity . . . not just to win, but to win because that would give publicity. The Pennsylvania plan might be the least threatening. The key to winning would be to have a vocal opposition! Get a law to simply permit split valuation. Then fight for enactment. But win something!"

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INTERMOUNTAIN

FRONTIER

Intermountain Single Tax Association

No. 4, March 5, 1986

STATE CONVENTION OF ARIZONA REPUBLICAN PARTY APPROVES SINGLE TAX RESOLUTION!

On January 25, 1986, the Arizona State Republican convention, meeting in Phoenix with 420 delegates, passed the following resolution:

- WHEREAS the value of unimproved land is socially created; and,
WHEREAS the improvements on land and the results of human labor should not be taxed; and,
WHEREAS the present property tax system rewards owners of vacant inner city lands for not improving their property; and,
WHEREAS the present property tax system encourages urban sprawl while leaving large inner city areas undeveloped;
RESOLVED 1) that the Arizona Republican Party favors any measure which would cause a decrease or removal of all taxes which inhibit production, business, human labor or improvements on property; and,
2) that the Arizona Republican Party favors measures which would replace these lost revenues by increasing the site value tax on unimproved urban land.

Richard C. Gimmi, a Tucson state committeeman for the Arizona Republican Party, and now Arizona State Chairman of the Intermountain Single Tax Association, was largely responsible for approval of the resolution that he authored. It was first approved January 18 by the Resolutions Committee, of which he was a member. Then, in combination with other measures, it was approved near the close of business by the whole convention.

As Gimmi explains, this does not mean immediate adoption of the single tax in Arizona. Nor does it mean that all Arizona Republicans will necessarily support it. What the resolution does do is provide a first step toward education of Arizonans, including especially legislators, in the single tax concept.

ISTA State Chairman Gimmi has written an ingenious "Conversation Between Two Loyal Republicans About the Land Value Taxation Resolution," as well as a useful summary of devices that may be used, whether in the Republican or Democratic Party, to round up support for such measures. In the view of leading figures in the ISTA movement, a significant feature of the new Republican resolution is that it does not simply call for a reform of the property tax, but proposes that all fiscal impositions on production be replaced by a site value tax on unimproved urban land.