

A CODE of LAW for the "Single-Tax" Proposal of Henry George

HENRY GEORGE LEGISLATIVE COMMITTEE

15 Park Row, New York City

Room 803

Walter Fairchild, Chairman

Henry George, in "PROGRESS AND POVERTY," made an inquiry into the cause of business depression and increase of want with increase of wealth.

He proved the *cause* to be monopoly of

land.

He prescribed the *remedy*—give all men their equal rights to land.

He outlined the *method*—"to abolish all taxation save that on land-values."

Constitutional Amendment United States of America

JOINT RESOLUTION

*Proposing amendment to the Constitution
of the United States*

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled (two thirds of each house concurring therein), that the following amendment to the Constitution of the United States, when ratified by three-fourths of the several states, shall be valid to all intents and purposes as part of the Constitution, to wit:

"ARTICLE —

All persons shall have equal rights to use the earth and to enjoy the product of their labor thereon. To secure these rights, Congress shall have power to levy taxes upon land-values, to remove taxes on buildings and improvements, to provide for the collection of taxes on land-values in cooperation with local government authorities and to apportion the revenue derived from such taxes among local, State and Federal governmental units."

Enabling Legislation United States of America

AN ACT to provide revenue for the government of the United States and to promote the general welfare by taking the

value of land and intangible public franchise rights in taxation and removing taxes on improvements.

BE IT ENACTED by the Senate and House of Representatives of the United of America in Congress assembled as follows:

SECTION 1. Beginning in the year next succeeding the passage of this act and thereafter there shall be assessed and paid annually into the Treasury of the United States for the use of the government one per centum of the full value of all land and intangible public franchise rights within the United States and any place subject to their jurisdiction.

SECTION 2. *Definition of Land.* The term shall comprise all natural resources, inclusive of the surface of the earth and all natural substances and powers on, in or over it but exclusive of buildings and improvements.

SECTION 3. *Federal Board of Equalization.* There is hereby established a federal board of equalization consisting of three (3) members appointed by the president by and with the consent of the Senate, one of whom shall be designated by the president as chairman of the Board. In the event of a vacancy in the chairmanship of the board the president shall designate a successor or other member of the board as chairman. The members first appointed shall hold office for two, four and six years respectively from January first of the

proval at the next general election in accordance with the provisions of the election law.

Enabling Legislation State of New York

To carry out the Constitutional Amendment, enabling legislation is of course required. To that end, an Administrative Bill is proposed, as follows:

To promote the general welfare, by taking the value of land and public franchises in taxation, and removing taxes on buildings and improvements.

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

SECTION 1. Assessment of land and franchise rights. Beginning in the year next succeeding the passage of this act and thereafter all land and intangible public franchise rights shall be assessed and taxed at full value.

SECTION 2. Definition of land. The term land shall comprise all natural resources inclusive of the surface of the earth and all natural substances and powers on, in or over it, but exclusive of buildings and improvements.

SECTION 3. The full value of land and of all intangible public franchise rights shall be determined by capitalizing the full annual value thereof as though unimproved and free from tax.

SECTION 4. Rate of tax. The local taxing authorities in each taxing district in the State shall collect annually in such manner and at such times within each year as may be prescribed by the State Tax Commission, the amount of five (5%) percent of such full value of land and of intangible franchise rights.

SECTION 5. Non-Assessment of improvements. Beginning in the year next succeeding the passage of this act and thereafter, buildings and improvements on land shall not be assessed or taxed.

SECTION 6. Assessment of intangible franchise rights. Beginning in the year next succeeding the passage of this act, the State Tax Commission shall annually fix and determine the full and actual value of the intangible franchise right of each special franchise under the jurisdiction of the public service commission and of the transit commission as though free from

tax and exclusive of the value of tangible property included in such special franchise. The commission shall file a written statement of such full value and annual value with the clerk of the city, town, or village in which such special franchise is subject to assessment, as set forth in Section 45 of Article 2 of the tax law.

SECTION 7. Equalization of assessment and apportionment of tax. The State Tax Commission shall make such reasonable rules and regulations not inconsistent with law as may be necessary to require the local taxing authorities of the state to assess land and intangible franchise rights at full value as though unimproved and free from tax, and to collect five (5%) percent of full annual value thereof. The local taxing authorities shall pay over annually to the State Tax Commission for the use of the state, in such manner and at such times within each year as may be prescribed by the State Tax Commission, on (1%) percent of such full value of land and intangible franchise rights.

SECTION 8. The local taxing authorities shall pay over annually to the treasury of the United States for the use of the federal government in such manner and at such times within each year as may be prescribed by the Treasury Department on (1%) percent of such full value of land and intangible franchise rights.

SECTION 9. The remaining three (3%) percent of such value of land and all tangible franchise rights shall be retained and used by the local taxing authorities.

SECTION 10. This law shall take effect immediately.

Explanation of Land Value Tax Law

ASSESSMENT OF LAND AT FULL VALUE

Assessment of land at full value "as though unimproved and free from tax" is explained by the economic law that the "selling price" or "market value" of land is its net rent (after taxation) capitalized at the current interest rate. For example

A plot of land has a gross annual rent of \$1000.

No tax, \$1000 net rent capitalized at 5% gives a market value of \$20,000.