

Land Value Tax Should Be Considered

A lot of different forms of taxation are used to support government services. Some are more fair than others.

I definitely do not like the Federal Income Tax.

I do not like the so-called "Fair Tax," for many of the same reasons Harrison outlines below. Perhaps a positive point of a national "Fair Tax," or national sales tax is that it would do away with the Federal Income Tax and could be viewed as an "interim" move.

Yet government does need a means to support the services the public demands.

One tax we've heard little of--at least in the Midwest--is the Land Value Tax.

"A land value tax (or site valuation tax) is a levy on the unimproved value of land," according to Wikipedia. "It is an ad valorem tax on land that disregards the value of buildings, personal property and other improvements. A land value tax (LVT) is different from other property taxes, because these are taxes on the whole value of real estate: the combination of land, buildings, and improvements to the site."

"Although the efficiency of a land

value tax has been established knowledge since Adam Smith, it was perhaps most famously promoted by Henry George. In his best selling work "Progress and Poverty" (1879), George argued that the value of land was created by the community, and therefore its rent belonged to the community."

Land value taxes have been implemented in Taiwan (Republic of China), Hong Kong, Singapore, Russia and Estonia, as well as in some localities in Pennsylvania, the Australian state of New South Wales and Mexicali, in Mexico. The government of the Republic of Ireland will implement a site value tax in 2012.

A goal of government should be to find the fairest tax to most of the people, and there are a number of arguments to support the use of a Land Value Tax.

People should have the right to control the fruits of his or her labor. People should have the freedom to engage in voluntary economic exchanges, and to form voluntary economic organizations, whether for non-profit or profit purposes, as long as they respect the equal rights of

others.

There are two forms of property:

1) human-made products, such as cars, houses, and machinery; and
2) land, which refers to spatial locations, along with the natural resources within those locations -- therefore, land was not produced by any person.

"Out of justice and practicality, it is proper to allow an individual to keep the rewards from his or her labor," according to the Democratic Freedom Caucus, a group advocating wider use of the LVT. (Their website:

www.DemocraticFreedomCaucus.org

"So, there should be the least taxes possible on labor, because taxes on labor take the fruits of labor. Such taxes are not only unjust, but also lower the incentive to be productive. Taxes on income, sales, or buildings all take away the rewards of labor and productivity, so they are the most harmful kinds of taxes. Perhaps the least harmful tax is a tax on land location value or on extraction of natural resources, because those are not products of labor, but are fixed resources.

Land is different from products made by human effort, because no person can produce land, meaning locations and natural resources. So, property in land needs to be treated

somewhat differently from other types of property, in order to prevent over-concentrated ownership of land and natural resources."

As an owner of four rental houses, I had some hesitation with the LVT. My experience with property taxes are they discourage exterior appearance and improvements.

I know a barber whose house has needed a coat of paint for several decades and looks run down. But inside is beautiful. His rationale is if he paints the house and fixes it up outside then his property taxes will go up.

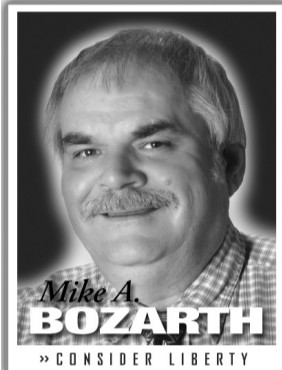
But the LVT taxes the value of the land itself and not the improvements on the land. So it would be more likely to encourage exterior maintenance.

It would tend to discourage absentee landlords and building speculators from buying real estate then plan on reselling it at an obscene profit.

Some of the local jurisdictions when looking at property taxes and more sales taxes--perhaps even the retention of them-- should take a look at the Land Value Tax.

Arguments can be made for and against sales taxes and taxes on income.

The Land Value Tax deserves to have a fair hearing.



Don't Be Fooled By Phony Fair Tax "Reform"

These are hard times for working Americans. The Middle Class has been shrinking, poverty has been on the rise, and the free-market-myth-makers have successfully sold us all a bill of goods that makes them richer by the second at our expense. Today, the top 1% of Americans takes more of its annual income than at any time since the 1920's -- the last era of wildly uncontrolled laissez faire corporate capitalism, and the last prelude to a disastrous depression. Today, with unions shrinking, attacked, and vilified at every turn, working men and women are increasingly at the mercy of "vulture capitalists" who make their millions (in some cases, billions) by preying on otherwise viable businesses, stripping profits, and providing themselves with "golden parachute" retirements that reward their butchery with continuing infusions of cash. For a fine example of the latter, look no further than Bain Capital's former executive, Willard "Mitt" Romney who cost thousands of American jobs and who responded to a recent questions about his speaking fees that he "didn't make much" from them. His idea of "not much" is about \$42,000 PER SPEECH, which is to say he makes more per hour just for talking than most working Americans make per year.

And for a fine example of recent union vilification, consider South Carolina Governor Nikki Haley's January 2012 "State of the State"

diatribe in which she proudly proclaims that HER state "doesn't need and doesn't want unions" and that she's going to issue executive orders to keep them out... which attitude may explain why South Carolina is (and is likely to remain) one of the most poverty-stricken states in the nation.

So, what brought this on? How is it America has come to such a pass that the top 1% of citizens owns between 40% and 44% of the national wealth? That the same top 1% takes in 25% of the national annual income? That the same top 1% owns HALF of all the stocks, bonds, and mutual funds in the country... and heaven knows how much of what else where else on the planet! How has it

come to such a pass that America has the highest gap between rich and poor of any industrialized nation?

It has happened because Americans fell for the mythology of the "Reagan Revolution" which promised a return to solid "American" values and "free enterprise" but was in reality based on "voodoo economics" (just as George H.W. Bush admitted) and a steady return to the days of Robber Baron capitalism; not "free" enterprise at all, but what we've steadily drifted back to as it was in the 1890's: socialism for the rich (who stick together beautifully) and free enterprise for the poor (who are increasingly denizens of the sinking middle class). Now this same trend is threat-

ening to infect Missouri with a new and particularly virulent strain of econo-bacillus: THE EVERYTHING TAX!

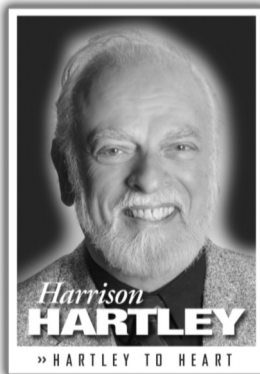
This insidious bit of chicanery is the "brain child" of former Missouri multi-billionaire Rex Sinquefeld. He apparently still has interests in Missouri (even though he has lived in California for thirty years -- and who knows where he actually abides) and he has leveled his sites on our fair state by financing and attempting to get his paid political lackeys to push through a 2012 ballot proposal to eliminate the state income tax. Well, WHOOPPEE, I heard someone say, but, but, but....

BUT: Sinquefeld and his fellow Robber Barons want to replace the state income tax (which probably nicks their delicate skin just a bit) with what has been called the "EVERYTHING tax," because it falls on just about everything: 10% across the board on (for example, just to name a few things): admission tickets to sports and theaters, hotel and motel rent, all communication technology, property and equipment rent, health club fees, interstate transport fees, sports and leisure training, vehicle repair, lawn care, home inspection, maintenance, and repair; computer, electronics, and appliance repair, tutoring and test

preparation, parking, photo services; cable, satellite, video monitoring, and video rent; finance and loan fees, labor dues; laundry, dry cleaning, and tailoring; veterinary and pet care, delivery services, moving and storage, and that's just for starters. There's an even longer list that would apply to business (from graphic design to data analysis and, in one version, INTEREST on credit cards, personal and business loans, and mortgages) and it's a sure bet that anything else that can be targeted WILL be targeted!

This all will be accomplished (they hope) by means of a State Constitutional Amendment and proposed Initiatives 12 and/or 13 (there are two of them -- these beasts like to hedge their bets) that we will vote on (they hope) next Fall. And, if it comes to pass, the 1% will have scored big in Missouri while we (the retirees and working people) will have to face a State budget cut of about 30% and the associated loss of benefits and services. Of course, we won't have any state income tax to pay, but we'll sure as heck make up for it through the EVERYTHING TAX!

If we fall for this swindle -- and there will be a mighty, concerted effort to get us to buy it, all financed by Sinquefeld and his fellow Robber Barons -- they; the 1%, will have made out like champs, and we, once more like chumps, will have to foot the bill. Wouldn't it be good if we decided not to do that, and refused to sell ourselves short?



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