

CHAPTER 12

SUMMARY

The law in its majestic equality forbids the rich as well as the poor to sleep under bridges, to beg in the streets and to steal bread.

Anatole France (1884–1924): French poet and novelist

This chapter is simply a summary of the main points that have arisen in the book, which I list as follows:

1. First Principles

Applying to All Taxes

- Every able-bodied, able-minded adult who benefits from belonging to a society should make a contribution towards its upkeep.
- Such contribution should be in accordance with the ability to pay.

Applying to LVT

- LVT should be the tax of first resort.

- LVT must be a replacement tax and not an additional tax.
- Other necessary taxes may be kept, albeit reduced where possible.

2. Education

Acceptance of LVT will depend on public understanding of:

- Community-created value.
- Land values as an indication of collective prosperity, varying and measured (in the urban context) by location.
- All property values are composed of two parts, the value of the building and the value of the site.
- LVT is not about nationalisation of land, but nationalisation of the economic rent of land.
- There is a big difference between rural and urban land values; by far the greater proportion of revenue would be obtained from the urban situation.

3. Implementation

- To avoid disruption, LVT must be introduced gradually (over a period of at least 10 years).
- Before the introduction of LVT, a comprehensive revaluation—separating site from building values—would need to be carried out and thereafter regularly maintained.
- If applied at local level, LVT could readily replace the Council Tax and Business Rates.

- The change to LVT would create ‘winners and losers’, which is inevitable in correcting a long-standing injustice.

4. Effects of LVT

- LVT would help to resolve the housing crisis by restraining house prices.
- LVT would bring to an end land banking and speculation.
- If introduced nationally LVT would shift the burden of taxation off poorer areas onto wealthier areas, thereby resulting in a general transfer of wealth throughout the country.
- LVT would be impossible to avoid and therefore increase the efficiency of collection.

5. Land Ownership

- The legitimacy of land ownership is challenged in this book. However, as Henry George pointed out, it may continue provided the economic rent is surrendered to the public.