

THE TAXATION OF LAND VALUE

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THE TAXATION OF LAND VALUE

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Economic development is frequently accompanied by the growth of population and its increased concentration in urban areas, which imposes greater demands on the government for the provision of essential services, sometimes at a considerable cost. A real problem arises in financing this cost and equitably apportioning it among the members of the community. Because population growth and higher standards of living inevitably enhance the value of land, many governments have sought ways of allocating this cost among the landowners who benefit directly and indirectly from rising land values.

Although few if any fiscal experts now believe that a single tax on rents would meet the requirements of modern government, persons still defend the taxation of increments in land value as a valid principle. These persons hold that the substantial increases in value accruing to holders of urban as well as suburban and agricultural land represent a reservoir of value which can properly be tapped to meet the social needs of developing communities without adverse effects on incentives. This paper describes the major applications of this principle in different countries; it also discusses the problems encountered and the necessary conditions of the successful application of this principle.

The principal applications may be summarized as follows:

(1) Recurrent (annual) tax on land values under a property-tax system based on capital values. (This tax may take the form of a property tax limited to urban and rural land values, as in Jamaica, New Zealand, and some Australian jurisdictions, or to agricultural land values, as in some Latin American countries; or it may take the form of a differentially higher rate on land, as in parts of Canada, East Africa, South Africa, and Denmark).

(2) Periodic tax on increments in land value. (This tax may be based on increases in land value between valuation dates even though not "realized" by sale, as in the United Kingdom and Germany early in this century, and more recently in Denmark and Italy; or it may be based on capital gains realized from the sale of land and other property, as a special tax limited to gains realized on the subdivision of urban land, or as a tax embraced by capital-gains taxes of more general application).

(3) Special assessment, or land betterment tax, which apportions the costs of publicly created improvements among the benefiting property owners. (Such special assessments, justified by the direct benefit theory, have a long history in the United States, Canada, the United Kingdom, and many other countries).

ANNUAL TAXES ON UNIMPROVED LAND VALUES
Annual taxes on the value of property—including land and improvements—are widely employed. When assessed values are kept current with changing values, they provide an appropriate method for allocating the cost of government to property owners who enjoy rising real estate values. If the tax is limited to the site value of land or if land is taxed more heavily than improvements, the property tax can be made an even more effective instrument for taxing increments in value and encouraging more productive use of land. This view is supported by many prominent fiscal experts.¹ Professor Shoup and his associates in their report on Venezuela declared: "We believe that the theoretical case for a differentiated tax, in a country with rapidly increasing urbanization, is so strong that it merits careful consideration."²

A tax on site value, resting on an economic surplus, does not impair economic incentives to

make more productive use of the land. Indeed, if land is assessed to reflect its most productive use, such taxation can be employed to encourage the use of idle land and to put underutilized land to more effective use. It is argued that if the tax is assessed on the potential output of agricultural land—that is, the output which the land would yield if it were managed with average efficiency—it would give the maximum incentive to improve land and increase its output.³

The justice of such a policy is strongly defended in countries where ownership of land is sought as a refuge from inflation. The diversion of capital to investment in land tends to accentuate the rise in land prices and provides a hedge against erosion of capital values. By effectively taxing such appreciated values under a property tax, a government can better apportion its rising costs among those realizing the greatest benefits.

APPLICATIONS

Taxes on unimproved land value have historically been applied in Australia, New Zealand, Canada, South Africa, and East Africa, and more recently in Jamaica, Trinidad and Tobago, and Barbados. Most Latin American countries limit the tax on agricultural properties to unimproved land values. Similar practices are followed elsewhere, especially in Denmark.

EVALUATION

Despite strong support of taxes limited to site value on equity grounds (as a tax on windfall gains) and on economic grounds (as an incentive for encouraging better use of land, including more productive cultivation of the soil and capital improvements), many have objected to these taxes on grounds of possible hardships to property owners, as well as administrative feasibility and equitable apportionment of government costs.

Equity considerations

One objection raised against adoption of site-value taxation is its effect on property owners who did not anticipate any increase in taxes when they bought the land.⁴ Moreover, much land is in the hands of those who paid current values and do not enjoy any unearned increment. Many property owners would therefore be penalized if the entire current burden of the property tax were reallocated to them; when property taxes are heavy, the current net rent of land, and hence its capital value, might be sharply reduced. However, an increase in taxes is a risk faced by all taxpayers, and the discriminatory effect of the increase must be evaluated against alternative measures. Revaluation of property for real estate tax purposes would simply result in a redistribution of tax burdens between those holding dif-

ferent ratios of land value to total capital value.

Effects on land use

One of the principal benefits claimed for the exemption of improvements is its effect in stimulating the development of vacant sites. There is considerable evidence, for example, that site valuation in Canada helped to break up large landholdings and encouraged subdivisions⁵. Yet development must await favorable economic conditions for expansion, and many subdivided lands in Canada remained undeveloped for years.

Contrary to the claims made for site-value taxation, there is no evidence that the tax on unimproved land values has had much if any effect on the pattern of land use in Australia.⁶ No differences in this respect are discernible between communities using site value and those using a broader property-tax base. This result is attributed to the homestead exemption and generally low rates. However, the earlier graduated land taxes administered by the Commonwealth of Australia and the Central Government of New Zealand undoubtedly helped to break up large estates, and contributed to the realization of the Governments' political objectives.

Administrative considerations

The taxation of unimproved property values has been opposed because of the alleged difficulty of establishing separate values for land and improvements. However, experience in Australia, Chile, Jamaica, New Zealand, Uruguay, and many other countries refutes this claim. Values established in Jamaica have been found acceptable by most taxpayers;⁷ there were many appeals but these can be expected under any reassessment program. In Australia and New Zealand these complaints are seldom heard, and experts are agreed on the administrative simplicity of appraising large numbers of land parcels by the use of modern techniques. Once bench-mark values are established in different areas, it is relatively easy to extrapolate these values to separate properties by the use of land-value maps or "cadastral maps."⁸ Although land-value maps do not make difficult valuations easy or provide a substitute for the necessary evidence on which valuations are properly based, they should form an integral part of any system of land-value taxation.

Determination of site values shares a problem common to any real estate tax: that is, the difficult technical task of instituting and maintaining assessments in line with changing property values. The establishment of a satisfactory property cadastre for any country is a major undertaking that is both time consuming and costly. The task requires not only technically skilled assessors but also a substantial government investment. This is evidenced by the experience in Jamaica:

revaluation, initiated in June 1957, was only about half finished 7½ years later, in January 1965. Chile's valuation program took almost 3 years to complete; and Uruguay's latest reassessment took over 5 years to complete. With the best of technical assistance and an adequate, trained staff, a minimum of 3-5 years would be required to cover a small country satisfactorily, depending on the adequacy of land records. But short cuts can be taken, especially in treating small, low-value holdings and avoiding a survey of each individual plot.

Other considerations

The feasibility of site-value taxation partly depends, of course, on the system of land tenure in effect. Where agricultural property is communally owned or there is no adequate system of land registration, as in much of equatorial Africa, property taxes are impracticable.⁹ Even here, however, the possibilities of urban land taxation are undeveloped especially in West Africa. In the view of Professor Due, the general field of land taxation offers equatorial African states perhaps the greatest opportunity for improvement in their tax structures. Even in East Africa and Central Africa (Rhodesia, Malawi, and Zambia), where extensive areas are owned by the state or by district councils, land taxes have effectively been assessed on the capitalized rental values of long-term leases.

Summary of evaluation

Expert opinion varies on the feasibility and desirability of site-value taxation. Although it is defensible on equity grounds as a tax which rests substantially on unearned increments, some experts maintain that it fails to allocate the costs of government properly to those owning buildings which largely give rise to the government services entailed. On economic grounds, the taxation of unimproved land provides an incentive for its more efficient utilization, but a temporary exemption of improvements might accomplish much the same purpose. Opinion also differs on the comparative administrative efficiency of determining the value of land separately from the value of buildings, although the weight of expert opinion and logic would appear to support the superiority of separation. These opposing points of view may explain the middle ground taken by real estate taxes in many countries with differentially higher rates on land value.

Once a system of property taxation is established, it becomes embedded in existing values and there is great resistance to change.¹⁰ Although Australian municipalities have shifted from one form to another, the effect of the tax has been mitigated by the generally low rates and the persistence of state and municipal overlapping

systems alter only the "mix," or the relative weight of tax on land and improvements. One of the most radical experiments in recent years is that in Jamaica, the full effects of which will not be known for several years.

CONDITIONS FOR SUCCESS

Successful implementation of a tax on land values requires not only a clear system of title registration and a well-designed tax structure but also a high order of administration. Experience in Australia, New Zealand, East Africa, Canada, and elsewhere points to the following minimum standards:

(1) Site value should be interpreted not as value in current use (or "use value") but as the capital sum which the title to the land might be expected to bring in a bona fide sale, regardless of use. Also, the tax base should be defined as "site value" rather than the value of unimproved land. Improvements are generally defined to include both visible and invisible site improvements such as the cost of clearing land and drainage. The concept of site value employed in the recent statutes of Jamaica, Trinidad and Tobago, and Barbados does not exclude the value of such invisible, nonstructural improvements.

(2) Assessment should be organized in single departments covering areas large enough to support qualified experts. For most countries this may mean a centralized cadastre covering both urban and rural areas, properly decentralized for administrative efficiency. A good example of such organization is provided by Uruguay, which has an independent commission (*Dirección General de Catastro y Administración de Inmuebles Nacionales*) responsible to the Minister of Finance.

(3) Personnel should be of professional quality, trained in the latest techniques of property-tax administration and valuation procedures. They should desirably hold civil service status so as to maintain independence from political influence.

(4) Assessments should be kept current, on a systematic basis, with 4-5 year reassessments legally required and adequately supported by budgetary appropriations. More frequent reassessments should be undertaken in areas of rapidly changing values, such as urban and suburban developments. Under inflationary conditions, where the general price level is rising rapidly, interim adjustments by the use of indexes should be made.

TAXATION OF INCREMENTS IN LAND VALUE

Rather than levy an annual low-rate tax on the value of land periodically reassessed to reflect whatever changes in value may have taken place, as described above, many governments have attempted to tax the increases in the value of land (or total property) over a period of time. Such

taxes may be levied at the time of transfer of the property or on periodic unrealized increases in value. In many countries, realized increments on the sale or exchange of real estate are covered by capital-gains taxes; but in some countries, special provisions for taxing increases in real property values exist independently. The latter provisions are generally calculated to assess the so-called development value or increase in value of land converted from agricultural to industrial or residential use.

TAXATION OF UNREALIZED INCREMENTS

In recent years, few attempts have been made to tax increments in land value before they are realized by a sale or another form of transfer. The taxation of realized capital gains, described below, has been found to be a more fruitful approach.

Denmark

Denmark's *grundstigningskyld* offers perhaps the best modern example of a tax on unrealized increases in land value.¹¹ Enacted in 1933, it provided for a tax on increases in the real value of land between two assessment dates, taken at 4-year intervals. Initially the tax base was determined after deduction of (1) a market supplement, calculated as a percentage of the original value to reflect the general increase in land values, and (2) an assessment error, usually 10 percent of the original land value. The original base was one half of the increment less the deduction for the supplement; in 1950 the base was increased to three fourths of the increment; and in 1958 the full amount of the increment was made taxable and the deduction for the assessment error was eliminated.

The tax, at an annual rate of 4 percent, was intended to reflect a "normal rate of interest." Since the interest on long-term mortgage loans averaged 5 percent in the 1940's and 6 percent in the 1950's and in recent years has exceeded 8 percent, the tax did not succeed in fully capturing increments in land value due to rising economic rents.

At the time of its abolition, in 1964, the *grundstigningskyld* accounted for about 8 percent of all property-tax revenues. Its repeal reflected a growing sentiment for the abolition of all property taxes in Denmark.

TAXATION OF REALIZED INCREMENTS

In recent years, a number of countries have enacted special taxes on the increment in the value of land realized at the time of its transfer. Many of these are aimed at the gains on the sale of property that have accompanied the expansion of urban areas. Examples may be found in the Middle East, Africa, Asia, and South America.

In other countries, capital gains on the sale of real estate are covered by a capital-gains tax of general application.

EVALUATION OF TAXATION OF INCREMENTS IN LAND VALUE

Properly designed and administered, special taxes on increases in the value of land can capture for the government increments in land value that accrue to property owners. They can be justified on equity and economic grounds as taxes on unearned increments that reflect, in large part, community-created values stemming from the growth of population and increased urbanization. Such taxes on gains, nevertheless, are subject to certain limitations as to revenue yield, equity, economic effects, and administration, that tend to restrict their effectiveness.

Revenue yield

Although reliable data are scanty, there is reason to believe that such taxes have produced little revenue. This situation is attributable not only to ineffective enforcement but also to the relatively small share of personal income represented by capital gains realized on the sale of property. Because of various exemptions and adjustments and the need for moderate rates (described below), the potential yield has been small—equivalent perhaps to no more than 2-3 percent of the personal income tax. We have seen that the tax on unrealized increments contributed about 8 percent of Denmark's property-tax revenues, and 24 percent of Israel's property-tax revenues and 1 percent or less of its total tax revenues.

Effect of inflation

It is virtually impossible to isolate the real appreciation in property values from the effects of the inflation which tends to characterize many developing countries. Attempts to adjust prices of land by commodity or other price indexes may mitigate this problem somewhat. Many countries provide for the arbitrary exemption of portions of the increases in the value of property, depending on the length of the period for which it has been held; others adjust the original cost by a price index. The reduction of rates as the length of the holding period increases tends to offset inflationary effects, but any such rate schedule cannot anticipate the rate of inflation, if any, and is bound to be arbitrary.

On the other hand, some experts deny the need for such an adjustment for inflation, maintaining that property holders are especially sheltered against a decline in the value of money. The purchase of real estate is an established hedge against general price increases, and it is argued, no one is in a better position to pay taxes under these conditions than large landowners.

The lock-in effect of high taxes

Taxes based on the realization of increments in property values tend to inhibit the sale of land and result in higher reservation prices. If tax rates are very high, this lock-in effect may result in substantial withholding of property from development. At the same time, such a tax tends to curb speculative land transactions. The strengthening of Israel's Land Betterment Tax in 1963, for example, is reported to have brought speculative land transactions at a standstill and to have resulted in a considerable reduction of prices outside big cities.¹² One virtue of the taxation of unrealized increments in value—such as annual taxes on unimproved land values—is to spur more productive use of the land through its sale or improvement. Rather than tending to enhance the value of land through locked-in gains, it encourages sale and therefore lower land values.

Administrative problems

Taxation of increments in land value (or development value) encounters serious administrative problems. As regards realized gains, not only is it sometimes impossible to identify all transactions resulting in effective sales or transfers of ownership, but it is also difficult to establish the gains because of the ease with which both the original cost and the price at which the sales took place can be concealed. Countries with an efficient system for the registration of titles to land have a check at least on the transactions that are registered. The revenue administration office needs only provide for an effective reporting system by the land registrars. However, it is possible to avoid the tax by arranging contracts of sale without actually effecting transfers of title, as is reported to occur in Israel; avoidance may also be accomplished by incorporating a land company and effecting changes in ownership through sale of bearer stock. Unusual technical and legal problems may arise in the administration of some types of land increment taxes, as illustrated by the United Kingdom's 1947 Act to recapture development values.¹³

Taxation of increments in land value is greatly facilitated by a system of property taxation. A property cadastre is of course indispensable to the administration of a tax on unrealized increments. Such a tax is no better than the reliability and efficiency with which such a cadastre is maintained and kept up to date. A cadastre of current real-estate values also facilitates the effective administration of a tax on gains realized from the sale of land. It is not only important to the establishment of original cost, or the cost as of the date of enactment of a land increment tax; it is also a useful bench mark with reference to which current sales values can be confirmed. Because of the ease with which sales prices can be falsified,

some countries set a minimum price at the cadastral value; this is frequently adjusted by an index of land prices based on changes in the cost of living or in rents.

SPECIAL ASSESSMENTS (LAND-BETTERMENT TAXES)

Another major device for taxing increases in the value of property is the special assessment, better known in the United Kingdom and elsewhere as a land-betterment tax. A special assessment may be defined as "a compulsory contribution, levied in proportion to the benefits derived, to defray the costs of a specific improvement of property undertaken in the public interest."¹⁴ Such a betterment tax is defended by the principle that "persons whose property has clearly been increased in market value by an improvement effected by local authorities, should specially contribute to the cost of the improvement."¹⁵

HISTORICAL BACKGROUND AND PRESENT-DAY USE

Special assessments were instituted in England in 1962, when the city of Westminster was authorized to charge the cost of widening the streets to the abutting property owners in proportion to the benefits received.¹⁶ A similar system was introduced in colonial America by the Province of New York, in 1961, when an act authorized the Common Council of Cities to impose a tax in proportion to the benefits received from public improvements. In the United States, this method of financing local improvements was used increasingly, until by 1893 it was authorized by the legislatures of 42 of the 44 states then existing. At the peak of its popularity, in the 1920's, many U.S. cities financed 20 percent or more of their budgets this way. During the depression of the 1930's, however, special assessments declined. By 1960 they accounted for only 2.5 percent of city revenues.¹⁷

Special assessments are also employed in many other countries, not only within the British Commonwealth but also in Latin America.

In 1947, Venezuelan governments at all levels were authorized to set the special-assessment device.¹⁸ The law provides for a levy of up to three fourths of the increase in value of property arising from public improvements (such as widening of streets, avenues, or plazas and construction of irrigation or drainage projects) which benefit the property. To establish the increase in value, the law provides for an appraisal before and after the improvement.

In Colombia, the department capitals and other cities with over 25,000 population are empowered to assess the cost of public improvements to benefiting property owners.¹⁹ Municipalities have considerable flexibility in making special assess-

ments, and they need not be limited to the cost of improvements but may tax the amount of increases in land values. The usual practice is to assess the actual or budgeted cost plus 20 percent. The assessment is usually payable over a period of years into a special revolving fund which is used to finance public works.

Special assessments in Colombia in recent years have yielded about 30 percent of property tax revenues.²⁰ Their importance, however, varies considerably from department to department. In 1959, they accounted for as much revenue in Bogota as real property taxes—15.2 percent of total revenues.²¹

Greece also has a system of betterment levies. Property benefiting from new public works is subject to 15 percent of the consequent increase in its capital value as ascertained on completion of the work, provided the total amount charged does not exceed 50 percent of the cost.²² The levy is payable in six annual installments, except that the whole becomes due upon transfer of ownership.

ALLOCATION OF COST

A major question arises as to how much of the cost of the improvement should be allocated to property owners directly affected and how much to the rest of the community. This allocation revolves on a decision of how much of the improvement is a special benefit as distinguished from the benefit enjoyed by the community at large. In some states, this allocation is prescribed by law; in others, standard formulas have been developed depending on the nature of the improvement and its location. About 80 percent of the cities in the United States share part of these costs.

Determining the most equitable method of allocating the cost of the special benefit is perhaps the most difficult part of the special-assessment process. Authorizing laws generally provide that the cost must be charged in proportion to the special benefits conferred. Five major methods are employed:

(1) The front footage method is the most common one in the United States.²³ According to this method, the total frontage facing the improvement is divided into the cost, and the number of feet of each parcel fronting the improvement is multiplied by the cost per foot. This method is most suitable for sidewalk, curb, and gutter improvements, but it disregards the depth, value, and location of the lot.

(2) The area method takes into account the entire zone of improvement, with the cost proportioned to the total area of each lot benefited. This method is employed most frequently for sewer construction.

(3) Another method sometimes used is the value of the unimproved land. This method is limited by the fact that two pieces of land of

equal value may not benefit equally from the improvement.

(4) The benefit zone method is a refinement which takes into account the proximity of the land to the improvement as well as the front footage. This method may be especially suitable for streets, parks, parking lots, and like improvements.

(5) The fifth method uses the actual cost of the work done for each parcel.

Attempts to measure the value of the land before and after the improvement as a basis for allocating the cost are bound to be arbitrary in practice because of the well-known lack of precision in establishing values, especially in the absence of market transactions. If an undue part of the cost of improvements is imposed on benefiting property, public improvements may be deterred by the resistance of property owners, especially when the assessment exceeds the cost of the project.²⁴

RECENT DEVELOPMENTS

Special assessments traditionally have been employed in urban areas to finance suburban developments as well as improvements to older areas of the community. More recently, however, they have found a new role in financing non-urban projects that offers promising prospects.

Increasing recognition is being given to the financing of improvements in non-urban areas through the use of special assessments. There seems to be a definite place for special-assessment financing in the fiscal programs of developing countries. Its precise role in any individual country depends on the size and composition of the public program and the comparative suitability of other financing methods.

The special-assessment technique appears to be especially well-suited to drainage, flood control, and irrigation projects, and to be somewhat more limited in financing highway transportation projects. One of the best-known projects financed by special assessment was the \$33 million Miami (Ohio) Flood Control Project, involving the apportionment of costs to 77,000 separate parcels of property.²⁵ The methods employed here were so successful that it has served as a model for many subsequent projects of the same type. The general principle involved in apportioning the cost was based on the estimated difference in value of property with and without flood protection.

Because property owners are in effect purchasing an improvement to their property, it is important to give maximum weight to the benefit-cost aspect of the project. One of the best safeguards is to limit the special-assessment technique to projects where the benefit-cost ratio is especially high. This policy will better ensure that the price to each property owner is within reasonable limits of the benefits received. (The benefits of the

Miami Flood Control Project were estimated at \$77 million, against a cost of \$33 million).

Several developing countries have provided for the financing of irrigation projects through this technique, sometimes in connection with land-reform programs. The 1946 Agrarian Law of the Republic of China instituted a construction benefit charge similar to a special assessment to meet the costs of agrarian and water improvements. In Colombia, the Land Reform Act of 1961 provides for the payment of a "betterment" tax on land benefiting from irrigation projects, collected on unexpropriated land in irrigation districts. In Tunisia, 1960 and 1963 legislation on land reform in irrigation zones requires the owners of the land

benefited to contribute their share of the cost either in the form of a parcel of land or the proceeds of its sale.²⁶

As we have seen, it will usually be necessary to allow property owners to pay their special assessments over a period of years, unless the amounts are small. In the interim, the authorities must find a means of financing the improvement outlays. This may be a difficult task in less developed countries where bonds cannot be readily sold to local investors. It is also necessary to take account of the delay in collection of special assessments in evaluating the possible inflationary effects of a project that is to be paid for in this way.

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8. Woodruff and Ecker-Racz, *op. cit.*, p. 58.
9. For a good survey, see John F. Due, *Taxation and Economic Development in Tropical Africa* (Cambridge, Massachusetts, 1963), pp. 102-18.
10. One of the few systematic comparisons of the alternative systems of property taxation in the United Kingdom was made by the Committee of Enquiry of the

Ministry of Housing and Local Government on the Rating of Site Values, over a five-year period, 1947-52. Although a majority of the Committee declared against a site-value system, the minority supported it. Skepticism about the merits of site valuation, which apparently originated in institutional and legal factors, is evidenced by the following excerpts from the majority report: "On the main issue before us of whether the imposition of a site value rate is practicable or desirable, the great preponderance of evidence was opposed to the introduction of such a rate, and we were impressed by the reasoned arguments both in regard to its undesirability and the practical difficulties in respect of its application" (Ministry of Housing and Local Government, Scottish Home Government, *The Rating of Site Values: Report of the Committee of Enquiry* (London, 1962), p. 72). The Committee took as its terms of reference the Town and Country Planning Act, 1947 (described in the Appendix), with limited its consideration to value in use. The Committee concluded that "the only effect of a site value rate on existing use value would be a shift of burden as between individuals and classes of property," but that there was "no evidence that there would be either advantage or equity in altering the relative amount of rates borne by those classes of property or persons" (*ibid.*, p. 76). Moreover, the Committee was impressed by the administrative difficulties, the prospects of litigation, and the undesirability of diverting much needed manpower for the relatively small revenues involved. The minority report, however, concluded that "the rating of site values is both practicable and desirable" (*ibid.*, p. 97), and charged that the majority's adherence to a concept of "the existing-use value" vitiated the conclusions reached (*ibid.*, p. 77).

11. For a good account, see Kjeld Philip, *Skattepolitik* (Copenhagen, 1965), pp. 476-88. This tax evolved out of the "railroad levy" introduced in 1910 to tax increases in land value induced by the railroad. It was made available to municipalities in 1926.

12. E.W. Klimowsky, "Capital Gains Taxation in Israel—Modifications," *Bulletin for International Fiscal Documentation*, *loc. cit.*, p. 455.

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14. Seligman (1912), *op. cit.*, p. 414.
15. *Report from the Select Committee of the House of Lords on Town Improvements (Betterment)*, 1894 (cited by Seligman (1921), *op. cit.*, p. 433). The Uthwatt Report (*Expert Committee on Compensation and Betterment, Final Report*, Cmd. 6386 (London, 1942)) attempted to expand the concept of betterment to include the "enhancement in the value of property arising from general community influences, such as the growth of urban population" (pars. 260 and 276). This study follows the more restricted concept.
16. Victor Rosewater, *Special Assessments: A Study in Municipal Finance* (New York, 1893), p. 9.
17. International City Managers' Association, *Municipal Finance Administration*, 6th ed. (Chicago, 1962), hereafter cited as *Municipal Finance Administration*, p. 114.
18. *Ley de Expropiacion por Causa de Utilidad Publica o Social*.
19. Joint Tax Program of the Organization of American States and the Inter-American Development Bank, *Fiscal Survey of Colombia* (Baltimore, 1965), p. 136.
20. Richard M. Bird. "Local Property Taxes in Colombia," in *Proceedings of the . . . Conference on Taxation*, 1965, p. 492.
21. *Fiscal Survey of Colombia* (cited in fn. 19), p. 140.
22. George Break and Ralph Turvey, *Studies in Greek Taxation*, Center of Planning and Economic Research (Athens, 1964), p. 82.
23. *The Municipal Year Book*, 1959 reported that 570 of 835 reporting cities use the method exclusively, and 183 use a combination of footage and area.
24. Cf. Bird. *op. cit.*, p. 492.
25. See International Bank for Reconstruction and Development, *The Use of Special Assessments to Finance Development Projects*, Appendix I (unpublished mimeographed paper, July 15, 1953).
26. See E.H. Jacoby, "Problems of Land Taxation," *Information on Land Reform, Land Settlement and Cooperatives*, Food and Agriculture Organization, No. 2 (Rome, 1965), pp. 9-10.