

TIME FOR CONSIDERATION

Some advocates of the collection of the annual rental value of land (LVT) propose the proceeds, after deduction of administrative expenses, be distributed pro-rata to all residents of the geographical area so administered. This, they recommend be handled by a non-governmental body. Governments would raise revenue by taxation preferably, by a per capita tax.

Alternative to this method is the collection of the full annual rental value of land (LVT) by government. This is the system currently being proposed in the Graded and Incentive Tax and similar proposals of reducing or removing taxes from improvements and increasing taxes on land. It is not as a rule being stated that the ultimate aim is the collection of the full annual rental value of land.

Under the system of government as the collecting agent, the cost of administration (assessment, collection, etc.) is deducted and the balance is used to meet the cost of government services.

The tax rate, assumedly is set by the budget requirements of government. This does or does not mean that the rate will embrace the full annual rental value of the land.

There is the question, would a tax on land values only bring in sufficient revenue for the entire support of government? Possibly it might bring in more than enough - what then?

Unless the full annual rental value of land is taken, land speculation and high land costs will continue. It is not a question, as I see it, of just setting the tax rate to meet the budget, but rather to determine the full annual rental value of land, and collect that amount.

Comments requested.

Jack Tetley