
INVEST IN LAND, TAX IT AS SUCH

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Richmond is far from alone in the need for affordable land for business, commercial, residential or even agricultural development. Rarely does anyone ask why land is so costly and what can be done about it.

The solution has been well-known for centuries; Benjamin Franklin and Thomas Paine wrote about it. What they understood is that every parcel or tract of land has some potential rental value, based on natural advantages and by the existence of community infrastructure.

This rental value is not created by any individual and rightfully belongs to the community. The conventional property tax captures just a small portion of this value while imposing heavy taxes on the houses and other buildings we construct. Moving to a land-only property tax base would provide the financial incentive for owners of land to bring the land they hold to its highest, best use (or sell to someone who will). Profit from speculating in land rather than from investing in job-creating activities would disappear. <<