

# Henry George

## NEWSLETTER

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### PITTSBURGH CITY COUNCIL VOTES NEW PROPERTY TAX RATES

Dan Sullivan of the Incentive Tax League of Pennsylvania reports that on December 28, the Pittsburgh, PA City Council voted 8-0, with one abstention, to increase the tax rate on land values from 133 mils to 151.5 mils, and to reduce the rate on buildings from 32 mils to 27 mils. This marks the first time that there has been an actual shift away from the building tax in Pittsburgh. Previous land tax increases were designed to meet increased revenue needs. The council has indicated that there may be an ongoing policy of shifting the land tax as the tax was passed this time with no objection from either Council members or from the city administration.

The Council had originally voted 9-0 to increase the land tax to 168 mils and to reduce the building tax to 22 mils. There was also a proposal to abolish the mercantile tax, but it failed by a 6-3 vote. After the preliminary vote was taken and reported on by the media, two important downtown business associations protested that their members would have difficulty meeting greatly increased taxes this year. Neither of the associations argued against the merits of the land tax but in fact supported the general concept. Their principal argument was that Pittsburgh's central business district has had so much construction activity that retail trade has been disrupted. They asked only that part of the increase be delayed until next year, when much of the construction will have been completed.

Council Finance Chairman Robert Rade Stone introduced the compromise measure which was adopted. Stone also made clear his intentions to make additional shifts in the tax burden. Ultimately, the future of the tax will depend on a growing appreciation for its benefits by Pittsburghers, particularly by those who will pay more under the land tax than they are paying now.

### DEATH OF GEORGE KERCHNER ANNOUNCED IN NEW YORK

The Board of Trustees, Interim Director and staff of the Henry George School in New York note, with sadness, the death of George Kerchner, Senior Research Associate of the Center for Local Tax Research in New York City. Mr. Kerchner, who was a member of the Center staff since its inception in 1975, was responsible for the statistical analysis in the annual publication, "Effective Real Property Tax Rates in the Metropolitan Area," and worked as well on a number of projects and studies. He had held research and administrative positions in New York City agencies and had served as Senior Statistician in the Office of City Administration. He is survived by his wife, Ann, children and grandchildren.