

# California Incentive Tax Study Completed

**A**N important publication from California is the impressive study entitled "The Effects of Tax Exemption for Improvements and/or Personalty, by Griffenhagen-Kroeger, Inc., of San Francisco, Consultants in Public Administration and Finance, announced last summer and completed in November.

It was undertaken in an attempt to present an unbiased view as to how a Constitutional Amendment introduced by Assemblyman Vernon Kilpatrick would operate in Fresno County, California. A reference to this amendment states that it "would in effect authorize experimentation to determine the effects of partial or complete exemption of property taxes on improvements and personal property," leaving them to the option of local governing bodies.

Buttressed by more than a hundred pages of charts, diagrams and tables, the report concluded that "conventional property taxation hinders central city development," but that the proposed amendment is not a simple or complete remedy and would need revision as to its purposes, since the study does not indicate conclusively that land value

taxation would reduce the cost of government as claimed, or strengthen local government.

It does however concede that there is "a strong likelihood that it would eliminate slums and rebuild cities", also that exemption of improvements and personalty would invite new industry since it "would add the tremendous competitive advantage of being able to offer commercial and industrial sites that could be developed to their full potential and utilize equipment and inventory without the penalty of taxation." The consultants reached "a clear and logical conclusion" that land value taxation would "encourage better use of land," since this has been the case in other places where it has been used, and since "certainly there is evidence in the present pattern of land use that the present tax system does not encourage the best use."

Another compilation from the West is a report from the Incentive Taxation Committee of California, of various news letters, press reports and articles favorable to the cause of land value taxation. John Nagy of San Diego is executive director of this committee.

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**Hungry for headlines? Here are a few that New Yorkers may have missed, owing to the strike—collected at random by the Tax Foundation, Incorporated:**

**States Spend More Than They Take In**

**Civil Spending Up \$12 Billion**

**Public Outlay at \$3,739 Per Family**

**\$10 Billion to be Spent For Federal Aids in '63**

**Big Debt**

**Uncle Sam will pay an estimated \$9.7 billion  
in interest on the Federal debt**

**1962 Total Tax Receipts Equal \$3,005 Per Family**

**Per Family Debt: \$8,129**

**Spending by local Government Up 144%**

**U. S. Payrolls Up Five Times in 20 Years**