

## Graded Tax Law Adopted

Although an act enabling cities of the third class to adopt a graded real estate tax law has been in effect in Pennsylvania for many years, the first such city to do so is Harrisburg, whose city council recently enacted the necessary legislation. As of 1974, under the new law, a graded (or "differential") tax will apply, the rates being 23 mills on land and 17 mills on improvements, a ratio of 1.44 to 1.

The main reason given for the current rates is that, while the total realty tax is somewhat higher than that of 1973, the graded tax will reduce the burden on rehabilitation and new construction, thus encouraging renovation and new building. It is interesting to note that the adoption of the graded tax measure was the result of a bi-partisan endeavor, having been recommended by Mayor Harold Swenson, a Democrat, and passed by a council with a large Republican majority.

It is also of interest to recall the history of the state's optional graded tax law. First adopted in 1951, and amended in 1959, the law was instigated by the Henry George Foundation, and in fact was originally sponsored and carried through by one of its founding members, State Senator Bernard B. McGinnis. Since its enactment, the Graded Tax League (a subsidiary of the Henry George Foundation) has been actively urging affected municipalities to take advantage of its provisions.

Viewing Harrisburg's action as a gratifying breakthrough, the League now plans to redouble its efforts to persuade other third class cities to adopt similar legislation.

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