

## Taxes Obstacle to Low Cost Housing

By Lawson Purdy

In FORTUNE magazine for November, there is an interesting article on housing. The article is illustrated with pictures of various developments in different cities.

The difficulties of furnishing adequate houses for the people are considered from various points of view and much information is assembled, but the author fails to mention the fact that the taxes on a house are one of the serious obstacles to providing houses at a low rental.

\$4,000 is about the least for which a good small house can be built, or for which an average four-room tenement can be provided in a multiple dwelling. The average taxes on such a house in 250 cities in the United States in 1943 were \$109. Interest and amortization at a reasonable figure would be \$280.

It is obvious that when the tax is more than one-third of the carrying charge for the house, it is a serious matter. If the tax were

eliminated at the source it would make it much easier to supply houses. Of course, no one would suggest that the tax on the land should be reduced, for to do so would enhance the cost of the land.

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