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# 'Single tax' would cure problems

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A Colorado Springs college professor is continually promoting a tax theory which he says would help cure a good many economic problems.

In fact, said Dr. James L. Busey, it would even eliminate the need for many of the land development regulations and help prevent urban sprawl.

He is getting some help in his efforts from the Taxpayers of El Paso County, Inc.

Busey, professor of political science at the University of Colorado at Colorado Springs, is an avid follower of Henry George, 19th century American economist and social philosopher.

George wrote extensively about his "single tax" theory, an idea still very much alive in many parts of the United States and the world.

Under the theory, the only tax would be a tax on land values.

The most stupid tax a government can levy, according to George, is a tax on the production of capital and labor.

This discourages investment, discourages self-improvement, and hampers economic development, George wrote.

Busey has been promoting George's philosophy since 1938 — but only as a sort of hobby, he said, not as a teacher.

He realizes the single tax idea would be almost impossible to put into effect in the near future. It would take years of public education to do that.

But he has hopes that part of the theory can be adopted, and that one part would bring about an improvement in almost everybody's economic situation.

What Busey is hoping for in the near future is a complete halt to taxes on real estate improvements.

Once that is put into effect, he said, business would boom, a large part of the slums would be cleaned up, urban sprawl would be slowed, government expenditures would be reduced, and homeowners would improve their properties "without being treated as if they had done something criminal."

An abolishment of taxes on real estate improvements and on personal property "would have a tremendous effect on business," Busey said.

"Businessmen would be relieved of taxes on their buildings and plants and equipment. They would be free from taxes on production," he said.

Urban sprawl would be slowed, because it would no longer be profitable to speculate on vacant land within the cities, he said.

Land now vacant in the cities would be developed before developers went outside the cities looking for land.

Local governments and the utility companies would not have to extend their services to outside areas, Busey explained.

(The Pikes Peak Area Council of Governments calls this pattern of development "in-filling," and determined in a recent series of public meetings that this is the pattern preferred by most people in Colorado Springs.)

Busey lists other advantages to an abolishment of taxes on land improvements, such as encouraging "slumlords" to fix up their properties, thus helping eliminate slums.

It would eliminate most of the need for urban renewal and area redevelopment programs by the federal and local governments, Busey said.

And, he said, the lost tax revenues could be made up by a more equitable tax on land.

"The typical pattern of most county assessors," he said, "is to underassess land and overassess the improvements.

"Land is underassessed in an extraordinary way.

"I think there would be much more money available if land was properly assessed, particularly vacant land.

"Also, it would cut down on government expenditures in urban renewal and redevelopment."

Even ranchers and farmers would benefit, Busey said, because taxes on barns, machinery, corrals and the like would be removed while taxes on their land would be increased very little, if at all, because the land has little value compared to vacant land in the cities.

"We need to get on valuable land in the cities," Busey said. "The tax would be on the value of the land, not on what is done on the land."

Busey has been contacting legislators in Colorado and has received encouragement from a few of them.

He succeeded in getting Taxpayers of El Paso County Inc. to adopt a resolution last March 28, which puts the organization on record as endorsing the amendment of Article X, Section 3, Paragraph 1, of the Colorado Constitution by addition of the phrase, 'No property tax shall be levied on improvements.'"

Luke Zell, one of the originators of the taxpayers' group, said the resolution was adopted by an overwhelming vote of the approximately 35 members present for the March 28 meeting.

He said one of the main interests of the organization "is what we can do about decreasing the amount of money that goes into redevelopment.

"The biggest impact (of the plan) would be the extent to which landlords would take care of their properties," he said.

Zell said the taxpayers' group has not addressed itself to abolishing the tax on personal property (business equipment and inventories) and has not considered the single tax theory.

But Busey said any move in that direction is a good one.

Busey said he has no plans to try to get the proposal on the ballot, but he said he believes it would have "tremendous appeal."

Apparently, no government taxing body in the United States has abolished entirely the tax on improvements, but several cities have reduced that tax considerably.

Busey said cities of the second and third class (based on population) in Pennsylvania have the option of adopting a lower tax rate on improvements than on land.

This has not had a significant effect, however, because other taxing bodies such as school districts, counties and special improvement districts have not adopted the same plan.

Busey said there are seven different organizations in the United States dedicated to the Henry George theory, and one worldwide organization.