Land Tax

by Jeptha Dickey Davis

1887

Submitted to the Department of Economics of the University of Kansas in partial fulfillment of the requirements for the Degree of Bachelor of Arts
Land Tax

Jeptha D. Davis

1887

Project

1887

Davis
Land Tax

A Graduation Thesis

by

Jiptha Dickey Davis,

K. S. U. 1887.
Land Tax.

As taxation has been my special economic topic and the question of land taxation is one of great recent interest at the present time, it seems desirable of consideration. We might properly say, taxation originated with the land tax and the story of Joseph and his brethren presents the first instance of the collection of public revenue. Pharaoh, in the year of plenty, gathered one-fifth of the grain in kind, or in modern phrase, he levied a tax on land of one-fifth per cent of the gross product. The Hebrews collected a tenth of the grain and the fruits of the vine and of the flocks. In the German States a land tax has existed since one from the beginning of history and China has from a period beyond the beginning of history maintained a tax on land payable even yet; about one-half of the Chinese people pay a ground rent to the government. In Japan, Sango's Political History says, "The land tax even while fixed at 3 per cent was always reduced in terms of years."
Flodile, pestlecur, and drought; and the tax partly in arrears, unpaid for ten years, was again assessed in the fiscal year 1879-80, the whole amount of taxation was 9,556,000, of which the land tax yielded 4,200,000 or a little less than 40%. This shows that even in Japan the greatest tax is on land. Her private lands which enjoy no exemptions are taxed as follow:

<table>
<thead>
<tr>
<th>Description</th>
<th>Area</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rice Fields</td>
<td>2,622.51</td>
<td>1,188,481</td>
</tr>
<tr>
<td>Farms</td>
<td>1,548,141</td>
<td>26,700,000</td>
</tr>
<tr>
<td>Building Lands</td>
<td>3,758.12</td>
<td>133,200,000</td>
</tr>
<tr>
<td>Forests</td>
<td>547,318</td>
<td>15,000,000</td>
</tr>
<tr>
<td>Meadows</td>
<td>825,119</td>
<td>1,800,000</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>1,674,811</td>
<td>2,400,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>10,677,453</td>
<td>1,649,709</td>
</tr>
</tbody>
</table>

The tax derived from the above lands is 4,200,000 for national and 12,000,000 for local purposes.

In France, the land tax has spread away from the establishment of the realm. The landowner called upon the product of the royal domain for the revenue. In 1830 the tax was so high on land as to amount to a second income. The same held true of the region of the land tax in England. It has existed in all parts of England from the beginning.
of our public revenue. The largest part of the tax imposes in India by Great Britain is land tax. The government in India takes place of individual land lords and the cultivators of the soil rent their land from the government, instead of private land owners. The system used in India brings out a point as to whom should the land belong, which may well be spoken of here. It is stated by the political economists of to-day, that the government should own all the land and rent it out to each person for a fixed sum, the basis of which I shall speak of later. The person could hold it as long as he desired, the rent would simply according to a land tax. By so doing, pressure holding great tracts of land and gaining the result of the advancement in the market price of this land, due to the labor of others, would be done away with. It may be seen that there is no real, but simply a nominal distinction between a land tax and rent. If land has been appropriated by the government, then the price paid for this appropriated natural monopoly is also received by the government.
and is termed a land tax. If however
the price is paid to a private individual
it is termed rent. A tax upon the
rent of land may be either imposed
according to a certain canon, every district
being valued at a certain rent, which
valuation is not afterwards to be altered,
or it may be imposed in such a manner
as to vary with every variation in the real
rent of the land and to rise and fall
with the improvement or decline in its
valuation. The land tax of Great Britain
is assessed upon each district according
to a certain immovable canon. A tax
upon the rent of land which varies
with every variation of the real or actual
value and falls according to the im-
provement or neglect of cultivation is
recommended by the French economists
as the most equitable of all taxes.
There upon the produce of land may be
deduced either in kind or according to certain
valuation in money. A tax upon the produce
of land, which is levied in money, may
be levied either according to a valuation,
which varies with all the valuation of
the market; just or according to fixed
value. The produce of the former will
Dear sir,

The value of real produce of the land. The produce of the latter may, at different levels, bear very different proportions to the value. Having shown of how much importance the tax on land is considered in different countries, I will now proceed to make clear, why all tax should be levied upon land. I will say that this thing is regarded with great caution, from whom I have a vast amount of help, and a great many ideas. First we should know exactly what we mean by a land tax. The tax that I refer to shall be levied on land at the value of strictly unimproved land is in the immediate vicinity. It may be asked why tax unimproved lands. It be well known that property disturbance and hassle in taxation has been caused by personal tax demand, and nearly all the arguments used against this kind of taxation can be applied to improved land, as a great amount of it is personal property.

First all improvements are in the nature of accumulation, and should be taxed. A tax on accommodation is a tax on wages. Accumulations are progresses of effort and self-discipline. It is a
penalty imposed on frugality, it provides a model for us to follow. Let's divide this $6,000 into 40 years, say, to create a fund which funds the only advertisement in public papers. Again, it takes the dollar saved to buy beer and wine again. Every year this penalty is imposed on our citizens and thrift and not all that goes toward preservation but also that of the past. Also, should we not leave this around and tax disputes and wastefulness and not ever joke industry. Again there is always an uncertainty in the valuation of improve value. It is impossible to determine the valuation without an examination by looking at it. Prof. Canfield laid a house on Lawrence costing $600, cash down upon being finished which has never been assessed over $600, while another assessed at $200 on a valuation valuation of $3,500 was shown by the bills to have cost $300. Now there is no unusual case here. I dare say there is not a good sized town in the State of Kansas which has not liberal assessors. The same is true of building of all kinds and such improvements as fences, orchards, planted under, drains
and in fact all things which require the beauty and loveliness of a place.
Thus a land tax bill should be levied on the basis of unimproved land. A
Smith’s farm should be assessed at an amount per acre which unimproved
land adjoining him will bring in a fair market price. Browne’s city lot should be entered on
the rolls at the same amount as unimproved
vacant lot next to him. Again we may
properly pay land tax bills to discourage all land speculation. If a town can just
as much to own a piece of land covered with weeds as with wheat with cattle
or with corn every one would have crops growing on their land and it would be a
tested fact that none would not buy up
large tracts of unimproved land to
speculate on. They would not take up
the land and wait for an advance on
the piece of property, which advance
we always considered by hard tax and
delph barker of others. For an illustration
of this we can well look at our own
barred places, where the blank lot of
those who have lived on the soil for
a quarter of a century has almost doubled
the tax of non-resident who underown
nothing, while their wealth has
increased and quadrupled. This would
"do away with the great cry of land
lost" which has begun to echo on our
ears from the ground down country
of Ireland. Every peer of land ought
would be sure of improvement and a
great increase of land owners who occupy
and cultivate and their own soil.
Each farm would have a good house,
good fences for the shelter of the increase
of cattle, orchards with all kinds of fruit
and in fact a great increase in
personal property. These people would
be stimulated to obtain this property
and not be burdened by a tax equal to
Another point in leasing land is, that
it is always on sight and cannot be
hidden. Personal property in notes,
bonds, money and jewelry of all kinds
can be hidden at every tax
assessments. It would then have a direct
effect on the people and not prompt
them to cheat the government and get
such. Again land can be assessed without
sending out a crew of assessors to pry
into every nook and corner of a person's
acre nor he should ever be seen.
The losses of the country would show how much each man stood and the value of unimproved land on which it would be known to all persons living therein. Taking the value of the unimproved land payable and knowing the number of acres each person would be able to sell more or less the weight of each person was taxed and all would be open and fair. Again a fair land tax would quicken production because produce property would be relieved of a great burden, labor would feel and all manufacturing and commercial undertakings would be alleviated. Every farmer would increase the produce property, that brought him a return, if tax was placed on land. Also if the burden of accumulations was removed the desire to accumulate would decrease. A land tax would be a direct tax, which is one of the most important steps to be taken in attempting to make a just and pure system of taxation. It is asserted by all of those acquainted with taxation theory, that a change from the indirect to the direct method would mean a lowering of the national levy by not less than 50 or more per cent.
This would make a raising of 128 for every real value. Taking the two
States Kansas and New York let us see the amount of taxes that would
be levied upon each. The tables that I will use are not for this
year but they will show the actual
working of a tax levied at the actual
value of unimproved land. Kansas has about 25,000,000 acres of
unimproved land. The actual average value of
unimproved land is about 20
per
cent. This would make an assessment of 500,000,000. Adding to this our ratio
of the basis of unimproved land about
50
per
cent. making a total of 64,000,000
New York has about 80,000,000 acres.
The average value of unimproved land
cannot be less than 20
per
cent.
The assessment in New York then would
be 6,000,000,000. This would add a
little over 6,000,000,000 to the total assessment
of 64,000,000. Comparing the assessments
for each state New York has a tax more
than eight times as large as that of
Kansas. To day we pay no proportion
to the amount we eat, drink, wear, and use
Kansas has over 1,000,000 people.
New York about 5,000,000. Of this
half a large class are very poor.
Now New York does not spend on an
average, for each inmate as much as New
York State government. More than three
times as much as Kansas New York spent on
poor relief last year. But still there the
amount contributed by Kansas, enough for
state and national tax alone, more than
what is now it will work in local
taxation. Taking Douglas County, Kansas,
I find that the total number of taxable
acres of land is 293,143. The actual
market value of unimproved land, not
improvements, generally placed at $5.
This would make the assessed
value—outside of cities and towns 234,547
acres of Lawrence there are 5,888 lots.
The value on the basis of unimproved
lots is not over $55,000. In the various
towns and village plots, and from
Lawrence, are 5,888 lots, with an aggregate
value of $75,000. Making the total
assessed value of the county $320,144.
This falls about a million dollars
short of our present notion in which
we pretend to include all personal
property and all improvement on real
estate, we can then see that it is
only pretended. In conclusion we
should agree that a real estate
cyphon situation is neither alterable,
irreducible, nor unjust. And a land
law seems me to be pliable and
would accept payments more
equitably by far than our present
economy.

John Davis