

Re: Taxing Intelligence/Talent (was: 'Waterhole' and land rents)

Source: <http://sci.tech-archive.net/Archive/sci.econ/2007-01/msg00305.html>

- *From:* "Dan in Philly" <[djrr8@xxxxxxx](mailto:djr8@xxxxxxx)>
 - *Date:* Wed, 24 Jan 2007 02:07:08 GMT
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"Andy F." wrote in message ...

That near[ly] \$2 million extra the player gets won't increase the amount or quality of his play by a single iota --

No, it almost certainly does improve his play. There are many thousands of talented players working hard at their game in the hope that they might hit the big time and become millionaires. If the big money wasn't there, there would be less competition and the top players wouldn't have to work as hard.

As with the LVT, any \$\$ invested in improving an asset should be deducted from the final returns. In this example, I suppose `_effort_` should also be deducted (though I'm not sure how to value it). The main thing is that, for example, 2 guys can train just as hard for a baseball career, but one ends up earning \$50 million and the other can't even get hired. So most of that \$50 million (minus the 'capital' investment) will be taxed away.

Dan in Philly

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