

## Re: Murray Rothbard on Georgist fallacies

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- *From:* "Dan in Philly" <djr8@xxxxxxx>
  - *Date:* Fri, 11 May 2007 00:39:18 GMT
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"sinister" <sinister@xxxxxxxxxxxxxxxx> wrote in message...

If the owner rents the land to someone now, he'll earn \$0 per year, hence pay \$0 in tax. Then someday, when things improve, he'll rent the land for \$100,000 and pay tax on that.

That's not true. If the land really is somewhat valuable---somewhere between \$0/acre and the amount it would be worth if there were no crack houses---then the tax will fall on that value, even if he can't get much income from renting it out as is.

I assumed the LVT was an annual tax, like property taxes are today.

If it's a one-time tax at purchase, then the guy who buys land next to the crack house will have to pay lots of \$\$ out of pocket. But presumably that's the present discounted value of the land, which would become more valuable after the neighborhood is cleaned up.

Both of these have disadvantages. The former requires the government to estimate the land rent every year. The latter requires the purchaser to pay money for an asset that is not (initially, anyway) providing an income stream.

Dan in Philly