

Re: From the rich. To the rich?

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- *From:* The Trucker <mikcob@xxxxxxxxxxxx>
 - *Date:* Mon, 02 Jul 2007 22:21:51 -0700
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On Tue, 03 Jul 2007 02:53:32 +0000, Dan in Philly wrote:

"Dan in Philly" wrote in message ...

<snip>

I think I've got it now.

We tax away the land rents. That means that center city landowners pay more \$\$ than do landowners at the city edges; that makes sense since the center area has the best access to the surrounding productive capital and people. It's also "fair" since land ownership often arises through questionable means (e.g. first-come, first-served).

You can use the monies for some government services, but I'd rather have no city government at all, so all the LVT goes back to the people. So: who 'deserves' a greater share of the \$\$?

All of the voters of the tax jurisdiction get an equal amount. That's pretty straight forward. What you seem to be missing here is that the payment is for the use of the location and those who cannot profit from the use of the location WHILE paying the rent will need to locate their business some other place where the rent is lower or they can fold their tent and go home. This rent money is going to be paid regardless of who "owns" the location. You seem to have the idea that a rentier will do more economic good than the average person. That is standard trickle down bogus bullshit.

On land where the rent/tax is (say) 1000k\$, some firms will barely be able to pay the tax: so output = input and economic profit=0. But there will be some more productive firms that can pay the rent and have extra \$\$ left over (positive economic profits). THESE are the people and capital who are more productive, and in turn they make adjacent land more productive. So they should receive the rebate.

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They may or may not have income over and above the rent. But if the rent must be paid regardless of to whom it is paid then the profitability of the firm is not effected by LVT. As to the recipient of the rent, we have already been through that now several times. I am a demand side man. I say give tax cuts to the consumers and let the producers compete for the dough.

Bottom line: pay out the monies to people & firms in proportion to the economic profit they generate.

Bottom line: That doesn't work any better than tax cuts for the rich and more military spending.

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"I know no safe depository of the ultimate powers of society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them, but to inform their discretion by education." – Thomas Jefferson

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