

Land Value Taxation Advisors

Land value taxation shifts the public finance revenue base away from work and wages and onto land and natural resources, thereby securing common heritage benefits for all while furthering incentives for basic needs production. It also recaptures for municipalities gains in land values due to infrastructure spending and community growth.

This equitable, efficient approach to land allocation and conservation is increasingly recognized as necessary to correct the maldistribution of wealth that plagues market economies. Land value taxation has other benefits— it curtails sprawl and speculation, encourages economic development in appropriate areas, maximizes efficient use of transportation and other infrastructure, and promotes affordable land access for housing, commerce and farming.

Land Value Taxation Advisors can assist you and your community through all stages of implementation of this policy, including:

- Initial education and advocacy
- Land assessments
- Establishment of accurate land cadastres
- Creation of specific fiscal instruments to secure the value of common heritage resources for all members of the community
- Political groundwork to obtain enabling legislation

Robert V. Andelson, Ph.D., President
International Union for Land Value Taxation
USA & United Kingdom

Phil Anderson, Chief Economist
Site Rating Group
Melbourne, Australia

William Batt, Ph.D.
Legislative and Fiscal Policy Analyst
New York, USA

Arpad Fay, Executive Director
Hungarian Henry George Society
Budapest, Hungary

Kris Feder, Ph.D., Professor, Research Associate
Bard College & Jerome Levy Economics Institute
New York, USA

Mason Gaffney, Ph.D, Professor of Economics
Author and researcher
University of California
California, USA

Peter Gibb, Coordinator
Land Reform Scotland
Banffshire, Scotland

Ted Gwartney, Executive Director and Assessor
Robert Schalkenbach Foundation
New York, USA

Fred Harrison, Director
Centre for Land Policy Studies
London, United Kingdom

Alanna Hartzok & Patricia Aller
United Nations NGO Representatives
International Union for Land Value Taxation
USA and UK

Gang-Soo Jun, Ph.D., Professor of Economics
Catholic University of Taegu Hyosung
South Korea

Mary Rose Kaczorowski, United Nations NGO
Representative, Common Ground USA
Land & Environment Issues, Huairou Commission

Bryan Kavanagh, Director
Land Values Research Group
Melbourne, Australia

Yoon-Sang Kim, Ph.D., Professor
Department of Public Administration
Kyungpook National University
South Korea

Paul A. Martin, International Director
Nicaragua Spanish Schools
Managua, Nicaragua

Rashmi Mayur, Ph.D., Director
International Institute for Sustainable Future
Mumbai, India

Peter Meakin
Appraiser and Rating Consultant
Director of New Farm Villages, Inc.
Trustee, Property Rights Foundation
South Africa

Richard Noyes
New Hampshire State Representative,
Legislative Policy Analyst
New Hampshire, USA

Frank Peddle, Ph.D., Executive Director
Canadian Research Committee on Taxation
Ottawa, Canada

James Robertson, Author
New Economics Foundation, Co-Founder
United Kingdom

Tatiana Roskoshnaya, Ph.D., Director
Land and Public Welfare Foundation
St. Petersburg, Russia

Walt Rybeck, Executive Director
Center for Public Dialog
Washington, DC, USA

Hector Sandler, Ph.D., Executive Director
Instituto de Capacitacion Economica
Professor and Senior Researcher,
Instituto de Investigaciones Juridicas y
Sociales "Ambrosio L. Gioja" de la
Universidad de Buenos Aires, Argentina

Napoleon A. Saunders
City Business Administrator
Harrisburg, Pennsylvania, USA

Lucy Silfa, Director
Escuela de Ciencias Sociales Henry George
Dominican Republic

David Smiley, Research Associate
School of Economic and Financial Studies
Macquarie University
Australia

Jeffery J. Smith, President
Geonomy Society
Oregon, USA

Thorkil Sohn, Juris-consult
Justice-liberal Forum
Ulfborg, Denmark

Nicolaus Tideman, Ph.D, Professor of Economics
Virginia Polytechnic Institute and State University
Virginia, USA

Tony Vickers
Chartered Land Surveyor
United Kingdom

Joshua Vincent, Executive Director
Center for the Study of Economics
Washington, DC, USA

The Earth Belongs to Everyone



People/Planet Finance

www.GreenTax.net

Land Value Taxation Advisors, 149 Madison Avenue, Suite 601, New York, NY 10016
call 1-717-264-0957 (USA) • email <earthrts@pa.net> • www.earthrights.net

A Green Tax Shift Policy Approach To Financing Local-To-Global Public Goods

There is a troublesome and painful contradiction in the lives of many of us who are working for peace, justice, poverty eradication, debt cancellation and sustainable development. While our hearts and minds focus on building a better world for everyone, each day we hand over fistfuls of dollars to build weapons of mass destruction, fuel dangerous, dirty and polluting technologies, and subsidize huge conglomerates which concentrate the wealth of the world in the control of the few. But together we can end tax tyranny and align our visions and values with how we finance our governments.



Taxation not only raises money to fund government services, it also reflects the overall value system of a society. The goal of **GREEN TAX POLICY** is to create a system of public finance which strengthens and maximizes incentives for:

- Fair distribution of wealth
- Environmental protection
- Basic needs production
- Provision of adequate government services
- Peaceful resolution of territorial conflicts

Green tax reform makes a clear distinction between private property and common property. Private property is that which is created by labor. Common property is that which is provided by nature. Green tax policy removes taxes from wages and other private property and increases taxes and user fees on common property. Reducing taxes on labor increases purchasing capacity, reducing taxes on capital encourages efficiency. Shifting taxes to land and resources curbs speculation and private profiteering in our common property and is a practical way to conserve and fairly share the earth.



Captured in brief soundbites, *tax waste, not work; tax bads, not goods; pay for what you take, not what you make;* and *polluter pays* become tax shift principles readily translated into voter friendly policy recommendations with broadbased political support.



“Earth People” image on front from t-shirt embroidery crafted by women’s cooperatives in Central America. For order information, go to www.GreenTax.net.

Paper contains 50% sugar cane (Bagasse) and 50% recycled fibers.

Green tax policy **CUTS** taxes on:

- Wages and earned income
- Productive and sustainable capital
- Sales, especially for basic necessities
- Homes and other buildings



Green tax policy **INCREASES** taxes and fees on:

- Land sites according to land value
- Lands used for timber, grazing, mining
- Emissions into air, water, or soil
- Ocean and freshwater resources
- Electromagnetic spectrum
- Satellite orbital zones
- Oil and minerals

Green tax policy seeks to **ELIMINATE** subsidies environmentally or socially harmful, unnecessary, or inequitable. Slated for drastic reduction or complete removal are subsidies for:

- Energy production
- Resource extraction
- Commerce and industry
- Agriculture and forestry
- Weapons of mass destruction



LOCAL-TO-GLOBAL PUBLIC FINANCE TIERS

Non-governmental organizations like Global Education Associates and others working for a more peaceful and just world ask us to imagine the shape of the emerging world as a pyramid with three basic levels: a small tier at the top for global institutions, a greatly slimmed down second band of national governments, and a vast sturdy base of local governance.

Green tax reform could become a comprehensive and universally accepted approach to public finance policy that can readily be integrated into such a three-tier system of local-to-global governance. Percentages of total resource revenues collected could be disbursed up or down these tiers based on criteria of equity, as some nations and regions of the earth are better endowed with natural resources than others. Freedom to live or work in any part of the globe would also further equality of entitlement to the planet.

Appropriate tax bases to fund cities, regions, states and global levels can be delineated as follows:

LOCAL:

Surface land values, such as sites for homes, businesses and industrial activities, are well-suited to finance cities and towns. Progressively shifting taxes OFF OF productive efforts such as building homes, working and organizing businesses, and ON TO land site values prevents land speculation and monopoly, thus keeping land affordable while at the same time enabling workers to keep what they have earned. This type of green tax shift also would be recommended for rural areas where it has potential for non-coercive land reform which could underpin the transition to organic farming and a revitalized rural “eco-village” culture.

REGIONAL:

State, regional, or national bodies may be best constituted to collect user fees for forestry, mineral, oil and water resources. Precise configurations for the allocation of resource rentals between state, regional and federal levels would vary according to the situation of particular nations.

GLOBAL:

Urgently needed is the establishment of a **Global Resource Agency** to collect user fees for transnational commons. This would include parking charges for satellites placed in geostationary orbits, royalties on minerals mined or fish caught in international waters and use of the electromagnetic spectrum.



Other significant global revenue sources are taxes or fees based on the polluter-pay principle, such as international flights or aviation fuel, international shipping, or dumping at sea. A tax on currency speculation has also been proposed. To be considered is whether international arms trading should be heavily taxed or completely abolished.

The Global Resource Agency could also be responsible for monitoring the global commons (e.g., the ozone shield, forest reserves, fish, biodiversity), determining rules for access, issuing permits and collecting resource revenues. Such a body could also assume substantial authority for levying fines and penalties for the abuse of common heritage resources.

Revenues raised from access fees for the use of global commons could fund sustainable development programs, environmental restoration, peacekeeping activities, or low interest loans for poverty eradication. Funds are also needed on the global level to finance justice institutions such as the World Court and the International Criminal Court and to facilitate policy



convergence in areas such as trade, currency exchange, and human rights.

The Global Resource Agency could be mandated to distribute resource revenues equitably throughout the world as calculated by formulas based on population, development criteria and currency purchasing capacity.

THE EARTH BELONGS TO EVERYONE

It is simplistic to view the world as being divided between the rich North and the poor South. In the North are significant numbers of people living in poverty and despair, while in the South are those with the riches of royalty. The systemic problem of the maldistribution of wealth is a global phenomenon. Taxes structured along the proposed lines would do much to level the economic playing field worldwide, both within and among nations. A coherent and integrated local-to-global green public finance system would fundamentally alter the status quo and give every person a stake in the planet as a birthright. With basic needs securely met for all, humankind would be free to advance to a higher dimension of expression and realization.



This policy paper is one of many being developed for a Global Peoples Agenda. To give input go to <www.millenniumforum.org> or <www.GreenTax.net> or write: Earth Rights Institute, Box 328, Scotland, PA 17254, USA.

Note: Contents extracted from *Financing Local to Global Public Goods: An Integrated Green Tax Shift Perspective*, a policy paper by Alanna Hartzok presented at the Global Institute for Taxation Conference sponsored by Price Waterhouse Coopers and St. John's University, New York, September 30, 1999 and published in *Taxation Alternatives for the 21st Century*. The policy paper draws from the following:

The Natural Wealth of Nations, Worldwatch Institute, David Roodman; *Tax Shift*, Northwest Environment Watch, Alan Durning & Yoram Bauman; *Taxed out of Work and Wealth*, Nicolaus Tideman & Florenz Plassman; *An Inventory of Rent-Yielding Resources*, Mason Gaffney; *The Losses of Nations*, Institute for Land Policy, Fred Harrison; *A Citizens Guide to Environmental Tax Shifting*, Friends of the Earth; *Global Public Goods*, edited by Inge Kaul, Isabelle Grunberg, Marc A. Stern; *Brazil: The Meek Want the Earth Now*, Bulletin of the Atomic Scientists, Fabio L.S. Petrarolpha; *The United Nations: Policy and Financing Alternatives*, edited by Harlan Cleveland, Hazel Henderson, Inge Kaul; *UNDP at Crossroads*, Earth Times, C. Gerald Fraser; *Planet Champions*, Jack Yost; UN Habitat II Action Agenda; *Third World Intervention: A New Analysis*, David Smiley; *Factor 10 Club Carnoules Declaration*, Wuppertal Institute and Overseas Development Institute, Michael Carley & Philippe Spapens; *Sharing the World*, Anil Agarwal & Sunita Narain; *Privatizing Nature: Political Struggles for the Global Commons*, Michael Goldman; *The Pollution Dividend*, Peter Barnes; *How the Other Half Dies*, Susan George; *Ecological Tax Reform*, Hanno Beck in Land Value Taxation edited by Kenneth Wenzler; *Harnessing the Tax Code for Environmental Protection*, State Tax Notes, J. Andrew Hoerner; *Stateless Corporations: Lords of the Global Economy*, The Nation, Richard J. Barnett; *Tax Reform Follies*, Dollars & Sense, Chuck Collins & John Miller; *The Eagle Dies on Friday*, Utne Reader, David Brauer; *Tax Waste Not Work*, Redefining Progress, M. Jeff Hammond; *Benefits and Taxes*, New Economics Foundation, James Robertson.