

Land Value Tax Shift

To spur housing growth, tax buildings less and land more

Working families bear the burden of high housing prices, while valuable land sits vacant or as surface parking. Meanwhile, we lack homes where we need them most—close to jobs in cities. Sadly, our property tax system rewards making things worse, and punishes making things better.

We Tax the Wrong Thing

Property tax combines a **building tax** with a **land tax**.

The **high tax on buildings** is an **improvement penalty**:

- Improve your house? *Pay more taxes.*
- Build a job center? *Pay more taxes.*
- It **punishes** those who **create jobs and houses**.

The **low tax on land** is a **speculation subsidy**:

- Abandon a house to rot? *Pay less taxes.*
- Keep downtown lots vacant? *Pay less taxes.*
- It **rewards** those who **do the least with the most valuable land**.

We Can Shift to Land Value Taxes

- **Lower** the tax on **buildings**
- **Increase** the tax on **land**
- **Keep** revenue **neutral**

Why Shift Taxes to Land Value?

- **Stimulate development at no cost**
If you want more buildings, stop taxing their construction.
- **Encourage vibrant downtown areas**
This policy aligns incentives with the public good, rewarding building homes and businesses in the most valuable locations instead of keeping those parcels empty.
- **Curb speculative land holding**
It's only profitable to keep downtown lots vacant or for parking when holding costs are artificially low. Shifting taxes to land value encourages owners of extremely valuable locations to either build something worthwhile, or sell to someone who will.
- **We know it works**
Pennsylvania cities that shifted taxes to land value saw more housing & business starts!